

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



April 2024

## Important Notes

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

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

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

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

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

Proposal for profit distribution in 2023: based on the total share capital of the Company after deducting the shares held in the Company's special securities account for repurchase, a cash dividend of RMB10 (inclusive of tax) will be paid to all shareholders for every 10 shares (inclusive of tax), and no distribution of bonus share and conversion of capital reserve fund into share capital will be implemented. Shares held by the Company through special securities account for repurchase will not participate in this profit distribution, and the specific number will be disclosed in the announcement on implementation of equity distribution. Where there is any change in the Company's total share capital during the period from the date of disclosure of this Announcement to the equity registration date for implementation of equity distribution, the Company intends to maintain the distribution ratio for each share unchanged and adjust the total distribution amount accordingly, and the detailed adjustment shall be announced separately.

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

Applicable  Not applicable

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

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

None

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

None

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

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None

## **X. Major risks warning**

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

## **XI. Others**

Applicable Not applicable

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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).
	Original copy of the audit report with the seal of the accounting firm and the signatures and seals of the certified public accountants.
	Original copies of all corporate documents and announcements publicly disclosed on the websites designated by the China Securities Regulatory Commission (CSRC) during the reporting period.

## Section I Definitions

### I. Definitions

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

Commonly used words		
The Company, Company, or Huayou Cobalt	mean(s)	Zhejiang Huayou Cobalt Co., Ltd.
Huayou Holding	mean(s)	Huayou Holding Group Co., Ltd.
CDM Company	mean(s)	CONGO DONGFANG INTERNATIONAL MINING SAS, with the Chinese name “刚果东方国际矿业简易股份有限公司”
MIKAS Company	mean(s)	LA MINIERE DE KASOMBO SAS, with the Chinese name “卡松波矿业简易股份有限公司”
Huayou Hong Kong	mean(s)	HUAYOU(HONGKONG) CO., LIMITED, with the Chinese name “华友（香港）有限公司”
OIM Company	mean(s)	ORIENT INTERNATIONAL MINERALS & RESOURCE (PROPRIETARY) LIMITED, with the Chinese name “东方国际矿业有限公司”
Huayou Import & Export	mean(s)	Zhejiang Huayou Import & Export Co., Ltd.
Huayou Quzhou	mean(s)	Quzhou Huayou Cobalt New Materials Co., Ltd.
Huayou Mining Hong Kong or Huayou International	mean(s)	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	mean(s)	HUAYOU INTERNATIONAL MINING HOLDING LIMITED, with the Chinese name “华友国际矿业控股有限公司”
Huayou International Cobalt	mean(s)	Huayou International Cobalt (Hong Kong) Company Limited
Huayou New Energy Quzhou	mean(s)	Huayou New Energy Technology (Quzhou) Co., Ltd.
Huayou Recycling	mean(s)	Zhejiang Huayou Recycling Technology Co., Ltd.
Resource Recycling	mean(s)	Quzhou Huayou Resource Recycling Technology Company Limited
Huayou New Energy Technology	mean(s)	Zhejiang Huayou New Energy Technology Co., Ltd.
Jiangsu Huayou	mean(s)	Jiangsu Huayou Energy Technology Co., Ltd.
Huayou Singapore	mean(s)	HUAYOU RESOURCES PTE. LTD.
Shanghai Feicheng	mean(s)	Shanghai Feicheng Metal Materials Co., Ltd.
Huajin Company	mean(s)	Huajin New Energy Materials (Quzhou) Co., Ltd.
Huayou Puxiang	mean(s)	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.
Leyou Company	mean(s)	Leyou New Energy Materials (Wuxi) Co., Ltd.
Puhua Company	mean(s)	Zhejiang Puhua New Energy Materials Co., Ltd.
Huayue Company	mean(s)	PT. HUAYUE NICKEL COBALT
Huake Company	mean(s)	PT. HUAKE NICKEL INDONESIA
Huafei Company	mean(s)	PT. HUAFEI NICKEL COBALT
Huashan Company	mean(s)	PT. HUASHAN NICKEL COBALT
KNI Company	mean(s)	PT. KOLAKA NICKEL INDONESIA
Huaxiang Company	mean(s)	PT. HUAXIANG REFINING INDONESIA
Prospect Lithium	mean(s)	PROSPECT LITHIUM ZIMBABWE (PVT) LTD
Tianjin B&M	mean(s)	Tianjin B&M Science and Technology Co., Ltd.
Chengdu B&M	mean(s)	Chengdu B&M Technology Co., Ltd.
Guangxi B&M	mean(s)	Guangxi B&M Technology Co., Ltd.
Zhejiang B&M	mean(s)	Zhejiang B&M Science and Technology Co., Ltd.
Guangxi Lithium Industry	mean(s)	Guangxi Huayou Lithium Industry Co., Ltd.

GDR	mean(s)	GLOBAL DEPOSITARY RECEIPTS
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## Section II Company Overview and Major Financial Indicators

### I. Company name

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

### II. Contact persons and their contact details

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Li Rui	
Contact address	18 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province	
Telephone	0573-88589981	
Fax	0573-88585810	
E-mail	lirui@huayou.com	

### III. Company basics

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 storage locations

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

### V. Company stock profile

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

### VI. Other relevant information

The accounting firm engaged by the Company	Name	Pan-China Certified Public Accountants LLP
	Office address	28/F, Block B, China Resources Building, 1366 Qianjiang Rd., Jianggan District, Hangzhou

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

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

### (I) Major accounting data

Monetary unit: Yuan Currency: RMB

Major accounting data	2023	2022	YoY (%)	2021
Operating income	66,304,047,529.81	63,033,785,499.49	5.19	35,316,548,999.96
Net profit attributable to shareholders of the listed company	3,350,891,340.06	3,907,615,568.23	-14.25	3,897,503,525.74
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses	3,092,830,789.90	3,978,101,753.60	-22.25	3,853,492,711.70
Net cash flow from operating activities	3,485,888,093.33	2,913,806,375.38	19.63	-61,708,589.68
	As of the end of 2023	As of the end of 2022	YoY (%)	As of the end of 2021
Net assets attributable to the shareholders of the listed company	34,277,801,337.40	25,889,700,966.05	32.40	19,383,590,924.55
Total assets	125,520,277,340.78	110,592,418,711.85	13.50	57,989,056,348.94

### (II) Major financial indicators

Major financial indicators	2023	2022	YoY (%)	2021
Basic earnings per share (RMB/share)	2.05	2.48	-17.34	2.49
Diluted earnings per share (RMB/share)	2.05	2.48	-17.34	2.49
Basic earnings per share after deducting non-recurring gains/losses (RMB/share)	1.89	2.52	-25.00	3.21
Weighted average return on net assets (%)	11.14	17.15	-6.01	23.49
Weighted average return on net assets after deducting non-recurring gains/losses (%)	10.29	17.45	-7.16	23.22

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

Applicable Not applicable

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

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

## IX. Major financial data by quarter in 2023

Monetary unit: Yuan Currency: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating income	19,110,269,458.36	14,235,268,061.40	17,745,558,147.12	15,212,951,862.93
Net profit attributable to shareholders of the listed company	1,024,101,139.05	1,061,003,803.61	928,075,701.36	337,710,696.04
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses	995,692,886.87	843,508,067.28	887,153,464.41	345,817,850.36
Net cash flow from operating activities	812,858,791.98	981,617,885.57	688,334,507.50	1,003,076,908.28

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

Applicable Not applicable

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

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Non-recurring gains/losses	Amount in 2023	Note(s) (if applicable)	Amount in 2022	Amount in 2021
Gains/losses from disposal of non-current assets, including write-offs of provision for impairment losses on assets	-2,696,370.19		-36,819,394.06	34,671,471.89
Government subsidies included in current profit or loss except for those that are closely related to the Company's normal business, granted in line with national policies and in accordance with defined criteria, and having a continuing impact on the Company's profit or loss	209,617,859.71		195,077,544.38	52,675,901.86
Gains/losses from changes in the fair value of financial assets and	39,902,975.35		-290,225,260.27	-36,817,583.77

liabilities held by non-financial enterprises and gains/losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations				
Fund occupancy fees charged to non-financial enterprises included in the current profit or loss			13,744,035.66	9,742,561.82
Gains/losses from entrusting others to invest or manage assets				
Gains/losses from external entrusted loans				
Various asset losses arising from force majeure events, such as natural disasters				
Reversal of provision for impairment of accounts receivable subject to separate impairment test				
Gains arising from the excess of the enterprise's share of the fair value of the identifiable net assets of the subsidiaries, associates and joint ventures as at the time of acquisition over its investment costs of acquiring such investees				
Current net profit and loss of subsidiaries arising from business combination under the same control from the beginning of the period to the combination date				
Gains/losses from exchange of non-monetary assets				
Gains/losses from debt restructuring				
One-time expenses incurred due to the cessation of the relevant business activities, such as expenses for the placement of employees				
Impact amount of One-time adjustment to current profit or loss in accordance with requirements of tax, accounting, and other laws and regulations on current profit or loss				
One-time share-based payment expense recognized due to cancellation or modification of equity incentive plans				
For share-based payments settled in cash, gains/losses arising from changes in the fair value of employee compensation payable after the vesting date				
Gains/losses arising from changes in the fair value of investment real				

estate that are subsequently measured using the fair value model				
Gains/losses arising from transactions where the transaction price is obviously unfair				
Gains/losses arising from contingent events unrelated to the normal operation of the Company				
Custody fee income from entrusted operations				
Other non-operating income and expenses except for the abovementioned items	-5,885,216.94		-11,782,650.22	-10,167,448.45
Other gain/loss items that meet the definition of non-recurring gains/losses				
Less: impact amount of income tax	86,873,014.89		13,385,122.11	-3,545,066.16
Impact amount of minority equity (after-tax)	43,964,123.93		-72,904,661.25	9,639,155.47
Total	258,060,550.16		-70,486,185.37	44,010,814.04

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

Applicable Not applicable

## XI. Items measured at fair value

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Closing balance	Changes in current period	Amount of impact on current profit
Held-for-trading financial assets	251,991,490.83	373,221,093.05	121,229,602.22	-44,821,434.92
Derivative financial assets	608,711,611.68	1,395,343,385.26	786,631,773.58	226,756,181.67
Accounts receivable financing	2,437,994,963.68	2,425,306,902.49	-12,688,061.19	-104,472,458.88
Other equity instrument investments	42,647,182.81	42,647,182.81		
Other non-current financial assets	527,509,366.89	6,573,600.00	-520,935,766.89	
Held-for-trading financial liabilities	40,024,798.40		-40,024,798.40	4,401,455.87
Derivative financial liabilities				
Total	3,908,879,414.29	4,243,092,163.61	334,212,749.32	81,863,743.74

## XII. Others

Applicable Not applicable

## Section III Management Discussion and Analysis

### I. Discussion and analysis of business conditions

In 2023, the Company, by focusing on the new energy lithium battery material industry and following the overall development strategy of "controlling material supply, improving production capabilities and expanding the market" and the competition strategy of "product leadership and cost leadership", continuously deepens its global layout of industrial integration, develops competitive advantages in the integrated industry, and strives to construct an integrated pattern of new quality productive forces.

During the reporting period, in the face of the complex and severe industrial situation, the challenge of reversing the relationship between supply and demand, and the increasing competition in the industry, the Company went all out to meet all changes via changes, implemented the requirements of striving for excellence and improving quality, firmly implemented the business idea of comprehensively planning, strengthening security, optimizing the structure and controlling risks, strengthened the overall planning for production, supply and market, and optimized the matching of resources, production capacity and demand, so that the Company achieved good business performance, maintained a good development trend, and completed the historic leap from China's top 500 private enterprises to China's top 500 enterprises.

During the reporting period, the Company mainly completed the following tasks based on its development strategy and annual business plan:

#### 1. Growing sales of main products shows the advantages of layout in integrated industrial chain

During the reporting period, the Company further expanded the global lithium battery material market, focused on industry chain collaboration, fully leveraged the comprehensive advantages of upstream and downstream integration, and finally achieved growth in the production and sales of main products against the trend, with continuous optimization of customer structure and comprehensive improvement of international operation. The shipment of lithium battery cathode precursor was about 147,000 tons (including ternary precursor and cobalt tetroxide, and including those supplied internally), a year-on-year increase of about 31%. The shipment of cathode materials was about 95,000 tons, a year-on-year increase of about 5%. The shipment of high-nickel ternary cathode materials (8-series and 9-series or above) was more than 67,000 tons, accounting for about 83% of the total shipment of ternary materials. The shipment of lithium cobalt oxide was more than 13,000 tons, a year-on-year increase of 32%. In addition, the Company intensified its efforts to expand overseas markets, and maintained the Korean market. The Company signed long-term ternary precursor supply agreements with POSCO Chemical and Puhua Company; on the basis of consolidating its strategic customers such as LGC, POSCO, and L&F, the Company strengthened the relationship with LGES battery chain, and at the same time entered the high-value supply chain such as SDI and Ecopro. Besides, the Company rapidly expanded the Japanese market, entering the supply chain of Japanese car makers through various channels, and carrying out deep cooperation and development in the industry chain for many new precursor products; by actively expanding the European and American markets, the Company signed the "Term Sheet of PCAM Supply" with Ford Motor, deepening its cooperation world wide with VW, Ford, BASF and other local anode-battery-automobile chains in Europe and America.. Its main products have covered the global power battery brand enterprises such as LGES, CATL, Volkswagen Gotion, EVE Energy, AESC and WELION New Energy, and are widely used in electric automobiles such as Tesla, BMW, Stellantis, NIO, Volkswagen, Hyundai Kia and Ford, further enhancing the Company's market position. During the reporting period, the shipment of cobalt products was about 41,000 tons (including those processed as entrusted and supplied internally), an increase of 12% year-on-year; the shipment of nickel products was about 126,000 tons (including those processed as entrusted and supplied internally), an increase of 88% year-on-year, and the Company's electrolytic nickel products were successfully registered as delivery brand on Shanghai Futures Exchange and London Metal Exchange.

#### 2. Further strengthened technological support in integrated industrial chain by remarkable achievements in technological progress

During the reporting period, the Company vigorously implemented the science and innovation strategy of "supporting the industry and leading the future", led the industrial development with technological

progress, helped the market development with product research and development, increased the investment in scientific research, strengthened the construction of the scientific research system, and continued to enhance the innovation ability and development momentum, providing strong support for the Company to improve its competitiveness in integrated industrial chain. The Company's technology center was identified as the national enterprise technology center. Jiangsu Huayou was identified as high-tech enterprise for the first time, and the Company and Tianjin B&M were re-identified as high-tech enterprises. The Company and Huayou New Energy Quzhou's Zhejiang Postdoctoral Workstation was upgraded to national postdoctoral workstation. Tianjin B&M was granted the honor of 2023 National Intellectual Property Demonstration Enterprise, Tianjin Science and Technology Leading Enterprise, and Tianjin Excellent Enterprise Key Laboratory. Chengdu B&M was awarded the title of Top 100 Enterprise with Technological Innovation Capability in Sichuan Province. Huayou New Energy Quzhou was identified as 2023 National Intellectual Property Dominating Enterprise. The Company was awarded the First Prize of China Nonferrous Industry Science and Technology in 2023 for the "Key technology and application of precursor materials for high-performance electrical batteries", the First Prize for Scientific And Technological Progress by China Petroleum and Chemical Industry Federation for the "Design and application of new reaction crystallizer prepared by ternary/lithium iron phosphate cathode material precursor", and won the 24th China Patent Excellence Award for the invention patent "A nickel-cobalt-manganese hydroxide with special micro-nano structure and its preparation method". During the reporting period, the Company vigorously promoted and strengthened IPD. Its high performance electrical battery 8-9 series NCM precursor product development, Ni90+ ultra-high-nickel single crystal product development and other R&D projects were completed, and a number of medium and high-nickel ternary precursor products were developed and mass produced for Tesla, CATL, LGC and other mainstream customers; high voltage 300A8, 302A9, 300A9 and other new tetracobalt products were mass produced; cathode materials were used for new product development for important customers at home and abroad, where a number of high-nickel ternary cathode materials and high voltage new lithium-cobalt oxides were put into mass production; medium nickel products accumulated steadily, and 4.35V-4.4V medium nickel high voltage Ni60-68 and other products were successfully developed and industrialized. The research and mass production of new products further enhanced the Company's competitive advantage of "product leadership", achieved a breakthrough in the coverage of leading products, mainstream markets and main customers, which provided strong support for expanding the market and increasing orders and drove the high-quality development of the Company with high technology.

### **3. Further consolidated its global layout in the integrated industrial chain by open cooperation**

During the reporting period, the Company adhered to the open concept of "cooperation and joint development, common benefit for future", strengthened the open cooperation in the whole industry chain of resource development, material manufacturing and recycling, and deepened the cooperative relationship with customers, suppliers and other partners to consolidate its global layout in the integrated industrial chain with a high level of openness. At the downstream material end, the Company started the investment in the construction of the Hungary B&M's project of ternary cathode materials for high-nickel electrical battery, signed supply agreements with power battery enterprises such as EVE Energy and AESC as a dedicated supplier, signed a memorandum of understanding with LG Chem to establish a strategic cooperation relationship in the overall value chain of precursor and cathode materials, plans to set up a joint venture company in Indonesia for high-pressure acid leaching HPAL, refining and precursor and a joint venture company in Morocco for lithium processing, started the construction of a 50,000 tons ternary precursor project in Indonesia, which will help the Company to develop international supply channels and achieve breakthroughs in the European and American markets. At the upstream resource side, the Company signed formal cooperation agreements with Vale Indonesia and Ford Motor on Pomalaa project with an annual output of 120,000 tons of nickel metal and completed equity transfer of the project company, and signed a definitive cooperation agreement with Vale Indonesia for the Sorowako HPAL project becoming an exclusive supplier of low-grade limonite from two major mines, which will ensure long-term stable mineral resource supply for the Pomalaa and Sorowako projects. In March this year, the Company successfully completed the transfer of minority shares in two Indonesian mines, PT. Anugerah Jaya Buana and PT. Wana Kencana Mineral, further enhancing the Company's nickel ore reserves. At the resource recycling end, the Company held the delivery ceremony of "Huachen BMW new energy vehicles manufactured 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-ion batteries, and achieved cooperation results in the comprehensive utilization of retired power batteries with Volkswagen Group (China) and successfully handed over cooperative products. In the new stage of large scale and global development of the new energy industry, the Company actively promoted the open and international cooperation in industry chain and the global layout and deeply integrated with the global new energy vehicle industry, becoming an important force in

maintaining stability of the industry and smooth supply.

#### **4. Further enhanced collaborative advantages in integrated industrial chain after making substantive breakthroughs in key projects**

During the reporting period, the Company actively responded to changes in the industrial situation, adhered to the development path of “controlling material supply, improving production capabilities and expanding the market”, strengthened resource development, improved industrial planning, coordinated project construction and optimized spatial layout, which further enhanced the collaborative advantages of integration and collaboration, and constantly strengthened the industry chain control capabilities. For the Huafei’s HPAL project with an output of 120,000 tons of nickel metal in Indonesia, some production line started production in June, 2023 and basically reached the target output by the end of the first quarter of 2024. As the largest laterite-nickel ore HPAL project in the world, the completion and operation of the Huafei project will have a revolutionary impact on supporting the integrated development pattern of the Company as well as the global nickel industry pattern. Huayue achieved stable and over production in its 60,000 tons nickel metal HPAL project, and SCM pulp pipeline ran through the whole line. Huake reached the design capacity in its 45,000 tons high-nickel matte pyrometallurgy project. Huaxiang steadily promoted the construction of its 50,000 tons nickel metal nickel sulfate project. The preparatory work of Pomalaa HPAL project was carried out in an orderly manner. In Africa, the Arcadia lithium ore project in Zimbabwe was completed and put into operation. In Guangxi, the design capacity was reached in the first quarter of 2024 for the lithium carbonate production line in the supporting battery-grade lithium project with an annual output of 50,000 tons. Some electric nickel projects in Quzhou and Guangxi have been completed and the design capacity has been reached. In Europe, the preparatory work for Hungary B&M ternary cathode material project was carried out in an orderly manner. On the basis of planning and adjustment, parks in Quzhou, Guangxi and other places have steadily promoted the construction of public supporting facilities and infrastructure, some industrial projects have been postponed as appropriate, and some projects have been promoted in priority, continuing to build an integrated advanced manufacturing base of lithium-ion battery materials with international competitiveness. Substantial breakthroughs and landmark results have been achieved for a batch of key projects, which further enhanced the company’s collaborative advantages in integrated industrial chain and its development momentum.

#### **5. Further enhanced integrated sustainable development capabilities by green and low-carbon production**

During the reporting period, the Company actively implemented the transformation strategy of “low-carbon, green and sustainable”, vigorously improved the level of ESG management, fully fulfilled corporate social responsibility, and sustainably supported the integrated development of the Company in the industry. The Company was selected as Forbes China ESG Inspiring Case in 2023, ESG Top 100 Listed Companies, and Excellent Case of Chinese Private Corporate Social Responsibility in 2023. Huayou New Energy Quzhou won the title of National Green Factory, and passed the “carbon neutral” audit and certification by SGS, an international authoritative testing and certification body. Huayou New Energy Quzhou, Resource Recycling and Huajin Company were awarded the title of “Zhejiang Water-saving Enterprise”. The Company, Huayou Recycling, Chengdu B&M were included in the list of “Most growing enterprise in carbon neutral” at the 3rd Carbon Neutral Bo’ao Conference. Chengdu B&M’s cathode material has been selected as a National Green Design Product, and Chengdu B&M was awarded the title of Intelligent Manufacturing Demonstration Factory by MIIT, and a Zero Carbon Pioneer Enterprise in Sichuan Province. 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, and made policy commitments and determined goals. The Company actively fulfilled social responsibilities. In China, Congo (DRC), Zimbabwe, Indonesia and other places of operation, the Company’s affiliated units actively carried out public welfare and social activities such as student donations, charitable donations, community construction, disaster relief, unpaid blood donation, etc. The Company strengthened due diligence management of mineral supply chain, and released the *Joint Action Initiative on High-quality Development of Critical Mineral Supply Chain*, contributing its effort to industrial governance.

#### **6. Further strengthened integrated industrial control capabilities by steadily improving**

## management quality

During the reporting period, the Company strengthened its management level to create value, secured its funds supply by the integration of industry and finance, and promoted "integration of six areas" to strengthen operations management, thus continuously improved its integrated industrial control capabilities from safety and environmental protection, financial management, compliance control to fund chain security. In terms of safety and environmental protection, the Company always adhered to the concept of "safety and environmental protection is the most important", promoted the construction of safety production standardization, and took various measures to improve safety and environmental management capabilities and enhance the safety and environmental management level. In terms of financial management, the Company implemented the working philosophy that business management is centered on financial management and financial management is based on business essence; according to the classification of profit center, cost center and expense center, the Company implemented the principle of accurate division, accurate accounting and accurate incentive, subdivided the accounting units, strengthened independent accounting, and fulfilled the operational responsibility, further improving the financial management system. In terms of compliance control, the Company strengthened daily operation compliance supervision and data compliance security, promoted anti-bribery compliance system construction and certification projects, and built a tax compliance management system. In addition, the Company strictly performed the standardized operation and information disclosure obligations of listed companies, further consolidating its compliance management capability; In terms of manufacturing and operation, the Company vigorously promoted the "integration of six areas", including short-distance techniques, large-scale equipment, production line automation, intelligent manufacturing, digital operation and green industry, further enhancing its production management and intelligent manufacturing; In terms of funds guarantee, 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 CSRC 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 of GDRs in early July, and thus raised the funds of USD 583 million. The Company completed the formation of a RMB 8.4 billion syndicate for Huafei's HPAL project. Huayou Quzhou successfully introduced Zhejiang Industry Fund Co., Ltd., China Orient Asset Management Co., Ltd., and other investors. The three-year multi-currency sustainable development loan of USD 300 million was officially approved. During the reporting period, the Company achieved a net operating cash flow of RMB 3.476 billion, an increase of 19.32% compared to the same period last year. The successful issuance of GDR, the in-depth promotion of government-bank-enterprise cooperation, and the continuous improvement of operating net cash flow have provided a solid financial guarantee for the high-quality development of the Company.

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

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, China's new energy vehicle industry faced a comprehensive market-oriented competition, and new energy vehicle enterprises showed a first-mover advantage in global competition by relying on the advantages of China's local complete industry chain. New energy vehicles have become a typical representative of new quality productivity. At present, the new energy vehicle industry in China is moving from the stage of rapid development to a new stage of global, intelligent and high-quality development.

During the reporting period, according to the data from China Association of Automobile Manufacturers, in 2023, both production and sales of new energy vehicles thrived in China, with the production of 9.587 million vehicles, an increase of 35.8% year-on-year, and the sales of 9.495 million vehicles, an increase of 37.9% year-on-year, and the penetration rate of new energy vehicles reached 31.6%. The Report on the Work of the Government 2024 clearly states that it is necessary to "consolidate and expand the leading advantages of intelligent net-connected new energy vehicles and other industries" and "boost mass consumption in intelligent net-connected new energy vehicles"; further elaboration and implementation of relevant policies will help continue to consolidate and expand the stable and good development of the new energy vehicle industry. In March 2024, the State Council issued the *Action Plan to Promote Large-scale Equipment Replacement and Consumer Goods Trade-in* to carry out the replacement of old vehicles with new ones, unimpeded circulation and blocked points and promote cascaded consumption and updated consumption in vehicles. From a global perspective, the growth of the new energy vehicle industry has also maintained a strong momentum. The data from EVTank show that in 2023, global new energy vehicle sales reached 14.653 million, an increase of 35.4% year-on-year, where the new energy

vehicle sales in China, Europe and the US were 9.495 million, 2.948 million and 1.468 million, respectively, accounting for 95% of global sales, with year-on-year growth rate of 37.9%, 18.3% and 48.0%, respectively. From a global perspective, the certainty of the new energy vehicle industry has also continued to be strengthened.

The broad market prospect of new energy vehicles has brought huge business opportunities for the whole industry chain of lithium-ion battery materials. During the reporting period, the data from GGII show that in 2023, the shipment from China's lithium-ion battery cathode market was 2.48 million tons, an increase of 31% year-on-year, where the shipment of ternary cathode materials was 650,000 tons, an increase of 2% year-on-year, with a market share of 26.2%, down 7.5% from the previous year. At the end of 2023, the current round of lithium-ion battery material destocking cycle appears to be nearing an end, and in 2024, it is expected to gradually shift into stable stocking re-stocking. Ternary material system is one of the mainstream technical routes of lithium-ion battery cathode materials, and high-nickel and high voltage ternary material has significant advantages in energy density, light weight and low temperature performance. With prices of nickel, cobalt, lithium and other core metal materials gradually being reasonable, the improvement of cost performance of ternary materials may help the market share of ternary materials recover. At the same time, under the trend of the development of new energy vehicle technology to high energy density and long driving range, the industrialization of semi-solid and solid state batteries has accelerated, the material system has been comprehensively optimized, the cathode materials have been iterated and upgraded in the direction of high performance, the high-nickel ternary electrical battery technology has been promoted and popularized more rapidly, and the demand for battery nickel has continued to grow. According to the data from SMM, in 2023, the domestic production of nickel sulfate was about 422,600 metal tons, an increase of 12.12% year-on-year. In the future, under the combined influence of 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 materials is expected to maintain rapid growth.

During the reporting period, affected by industrial innovation, economic recovery and other factors, consumer electronics demand showed a significant recovery trend. According to the data from CAICT and Canalys, in 2023, the shipment of mobile phones from domestic market accumulated 289 million, an increase of 6.5% year-on-year, turning positive; in 2023, the global shipment of PC was 247 million, down 13% year-on-year, with the decline significantly narrowed. Data from the international research institute IDC show that in 2023, the global shipment of smartphones was 1.17 billion, down 3.2% year-on-year, where the year-on-year growth rate in the fourth quarter of 2023 rapidly increased to 8.5%, entering the acceleration period and consolidating the expected recovery in 2024. 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, in 2023, the shipment of 5G mobile phones from domestic market was 240 million, an increase of 11.9% year-on-year, accounting for 82.8% of mobile phone shipment in the same period. In the future, 5G, 6G, and AI technologies have great potential for development, and will be more widely used in the interconnection and intelligence of various terminals. The continuous commercial application of various new technologies will further increase the demand for battery capacity of mobile phones, thus driving the market demand for cobalt-containing lithium batteries to maintain rapid growth.

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 is currently committed to further consolidating its leading position in the cobalt industry, being a pioneer in developing new productive forces and promoting high-quality development, constantly developing its new advantages and driving forces for development, and striving to become a global leader in the new energy lithium battery industry.

### **III. Situation of the Company's 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, and building a technology-based, green and open company.

## **(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, nickel, cobalt 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, deterging, 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 nickel and cobalt 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. The lithium raw materials are mainly supplied by the Arcadia lithium mine of the Company in Zimbabwe, and lithium products are sold mainly under the 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 nickel, cobalt and lithium.

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, cobalt and lithium 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 covered global power battery brand enterprises such as LGES, CATL, Volkswagen Gotion, EVE Energy, AESC and WELION New Energy, and are widely used in electric automobiles such as Tesla, BMW, Stellantis, NIO, Volkswagen, Hyundai Kia and Ford. 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 and other 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 nickel, cobalt, lithium and copper. The main products of the cobalt and copper business are crude cobalt hydroxide and electrolytic copper. 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 and Huafei Company's HPAL project reached its designed capacity. For Pomalaa HPAL project, the closing of Ford's equity transfer has been completed and the preliminary work was orderly carried out. The strategic cooperation with Volkswagen, PT Vale Indonesia and Tsingshan Holding Group, etc. 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 maintained extensive cooperation 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 material supply, improving production capabilities and expanding the market", 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.

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

Applicable Not applicable

##### (I) Efficient industrial cooperation

The lithium-ion battery material industry shows the typical characteristics of "resource development abroad, research, development and manufacturing in China, and market users in the world". Technological innovation and cost advantage are the key competitive elements of the industry. Based on such characteristics, after years of development, the Company has formed an industry chain of upper, middle and downstream integration from the development of nickel, cobalt and lithium resources, to nonferrous refining, and then to new energy material research, development and manufacturing. The links are closely connected to achieve efficient cooperation and coordination from resource development to nickel-cobalt-lithium chemicals and then to ternary materials, releasing the Company's integrated competitive advantage of industrial cooperation.

Stable resource security is the source of the Company's competitiveness. Strong resource development ability, efficient mining and metallurgy integrated management ability, and provision of low-cost nickel, cobalt and lithium materials for domestic manufacturing can enhance the Company's competitiveness from the source. The capability of manufacturing nickel, cobalt and lithium products is an important symbol of the Company to maintain its leading position in the industry. While consolidating the Company's leading position in the cobalt new material industry, the outstanding manufacturing advantages provide raw material support for the new energy business and ensure the normal supply of raw materials required for new energy. In the new energy business, the Company integrated technology, research and development, quality control, production and other resource elements, aimed at international and domestic mainstream markets and target customers, increased new product research and development efforts, strengthened the integration of resources and industrial cooperation with the upstream and downstream of the industry chain, and opened up the whole industry chain from nickel-cobalt-lithium resources to cathode lithium-ion battery materials to achieve efficient cooperation of the whole industry chain. At the same time, the Company actively laid out the circulation business, and its subsidiaries Huayou Quzhou, Resource Recycling and Jiangsu Huayou were successively included in the list of enterprises in line with the *Industry Standard Conditions for the Comprehensive Utilization of Waste Electrical Batteries for New Energy Vehicles* issued by the Ministry of Industry and Information Technology. The Company has cooperated with a number of well-known vehicle

enterprises in cascaded utilization, development and undertaking of decommissioned battery recycling treatment, strategically cooperated with a number of well-known battery enterprises to exchange waste materials, and has reached cooperation with a number of domestic and foreign vehicle enterprises in decommissioned battery recycling. With the development of business, the integrated layout of the Company in new energy lithium battery industry from nickel, cobalt and lithium resource development, green smelting and processing, ternary precursor and cathode material manufacturing to resource recycling is continuously deepening, developing a strong competitiveness.

## **(II) Leading technological innovation**

The Company is a national high-tech enterprise with a complete scientific and technological innovation system. The Company has established “Huayou Cobalt National Enterprise Technology Center”, “Huayou Cobalt National Postdoctoral Research Station”, “Huayou Cobalt New Energy Battery Materials Provincial Key Enterprise Research Institute”, “Zhejiang Huayou Cobalt Green Cobalt Smelting Technology and New Material Development Research Institute”, “Huayou New Energy Lithium-ion Battery Materials Provincial High-tech Enterprise Research and Development Center”, “Tianjin B&M National Enterprise Technology Center”, “Chengdu B&M Sichuan Enterprise Technology Center” and “Tianjin B&M Postdoctoral Research Station”, which are mainly engaged in the development of new products and the research of advanced manufacturing technology for lithium-ion battery cathode material and precursors, as well as the research of innovative technology and green manufacturing technology in nickel-cobalt-lithium mineral resources mining, beneficiation and smelting. A research platform for the development, evaluation and application of battery cathode materials and precursors that can be involved in international competition has been established. The Company has a first-class technical talent team in the domestic industry, and has created a joint research base with the State Key Laboratory of Powder Metallurgy of Central South University and the National Engineering Research Center. The research and development team composed of the technical backbone of the Company’s research institute was rated as key innovation team in Zhejiang.

During the reporting period, the Company vigorously implemented the science and innovation strategy of “supporting the industry and leading the future”, led the industrial development with technological progress, helped the market development with product research and development, increased the investment in scientific research, strengthened the construction of the scientific research system, and continued to enhance the innovation ability and development momentum, providing strong scientific and technological support for the Company’s transformation and development. The Company and Tianjin B&M were re-identified as high-tech enterprises; Jiangsu Huayou was identified as a high-tech enterprise for the first time; Huayou New Energy Quzhou was identified as 2023 national intellectual property dominating enterprise; Tianjin B&M was granted the honor of 2023 National Intellectual Property Demonstration Enterprise, Tianjin Science and Technology Leading Enterprise and Tianjin Excellent Enterprise Key Laboratory. In addition, the Company was awarded the First Prize for China Nonferrous Industry Science and Technology in 2023 for the “Key technology and application of precursor materials for high-performance electrical batteries”, awarded the First Prize for Scientific and Technological Progress by China Petroleum and Chemical Industry Federation for the “Design and application of new reaction crystallizer prepared by ternary/lithium iron phosphate cathode material precursor”, won the 24th China Patent Excellence Award for the patent for invention “A nickel-cobalt-manganese hydroxide with special micro-nano structure and its preparation method”. During the reporting period, the Company vigorously promoted and strengthened IPD. Its high performance electrical battery 8-9 series NCM precursor product development and industrialization, Ni90+ ultra-high-nickel single crystal product and technology platform development and other projects were completed, and a number of medium and high-nickel ternary precursor products were developed and mass produced for Tesla, CATL, LGC and other mainstream customers; high voltage 300A8, 302A9, 300A9 and other new tetracobalt products were mass produced; cathode materials were used for new product development for important customers at home and abroad, where a number of high-nickel ternary cathode materials and high voltage new lithium-cobalt oxides were put into mass production; medium nickel products accumulated steadily, and 4.35V-4.4V medium nickel high voltage Ni60-68 and other products were successfully developed and industrialized. The research and mass production of new products further enhanced the Company’s competitive advantage of “product leadership”.

## **(III) Significant industry position**

The Company is one of the major suppliers of lithium-ion battery cathode materials and ternary precursor products in the world, and its scale of production and sales and capability of technology development are in the forefront of the industry. The Company is the largest supplier of cobalt products in

China, and the scale of its production and sales ranks among the top in the world. In 2023, the Company ranked 363rd among China's top 500 enterprises for the first time and 262nd among Fortune China's Top 500. The Company's strategic layout of Congo (DRC) copper-cobalt resource, Indonesia nickel-cobalt resource and Zimbabwe lithium resource development shows a clear industry leading advantage in the stable low-cost material supply of new energy lithium-ion battery materials. The Company adheres to the essence of business of "customer-centric, creating value for customers", and focuses on the mainstream market, mainstream customers and mainstream products. Its customers cover all the global mainstream new energy vehicle enterprises and battery customers. During the reporting period, the Company continued to optimize the customer structure, deepened strategic cooperation with key customers, and made its leading products included in the supply chain of leading enterprises such as LG Chem and CATL. In addition, the Company signed a long-term ternary precursor supply agreement with POSCO Chemical, and its supply of high-nickel cathode materials to LG New energy and CATL increased significantly, respectively, for the world famous vehicle industry chain; multi-high-nickel, ultra-high-nickel and medium nickel single crystal high voltage new cathode products have been included in the industry chain of LG New Energy, CATL, EVE, Farasis Energy and other important customers and brand automotive industry chain. The in-depth layout of upstream resource development and the highly coordinated downstream industry chain have built the industry-leading competitive advantage for the Company. With the collision, integration and amplification of industry chain forces, the Company's circle of friends continues to expand, and high-quality resource elements continue to converge to the Company. Under industrial interconnection and complementary advantages, the Company has embedded itself in the global new energy vehicle industry chain in a deeper, wider and more powerful manner.

#### **(IV) Open resource distribution**

Cobalt, nickel and lithium are the critical resources required for lithium-ion battery new energy materials. Since 2003, the Company began to investigate and expand business in Africa. After years of unremitting efforts, the Company's subsidiary in Congo (DRC) established a cobalt-copper resource development system in the main mineral areas of Congo (DRC), which integrates mining, beneficiation and cobalt-copper smelting, effectively guaranteeing the material supply of the domestic manufacturing base. In 2018, the Company started to seek development of nickel-cobalt resources in Indonesia. Currently, it has completed Huayue nickel and cobalt hydroxide HPAL project with an annual output of 60,000 tons of nickel metal, Huake high-nickel matte pyrometallurgy project with an annual output of 45,000 tons of nickel metal, and Huafei nickel and cobalt hydroxide HPAL project with an annual output of 120,000 tons of nickel metal, with a total production capacity of 225,000 tons (metal content) of nickel intermediate products. In addition, the Company signed formal agreements with Vale Indonesia and Ford Motor to jointly plan the construction of Pomalaa high-pressure acid leaching HPAL project, signed a cooperation agreement with Vale Indonesia to cooperate in the construction of Sorowako mine HPAL project, and reached a strategic cooperation intention with Volkswagen (China) and Tsingshan Holding Group to plan the construction of Indonesia HPAL project. According to local investment laws and regulations in Indonesia, the Company has laid out its mining resources through equity participation and long-term supply agreements. It has indirectly invested in Weda Bay Nickel by holding shares in Xinyue Technology, and indirectly invested in SCM Mining by subscribing for the convertible bonds of MBM Company, laying a solid foundation for raw material supply for the Huayue, Huafei and Huake projects of the Company and ensuring the nickel material supply for the Company's transformation and upgrading towards new energy lithium-ion battery materials. In 2017, the Company subscribed for shares of AVZ, a listed company in Australia, and began the layout of lithium resources. In December 2021, the Company acquired Prospect Lithium Zimbabwe (Pvt) Ltd. to further strengthen the layout of lithium resources. With the orderly progress of a series of projects, the supply of critical raw materials such as nickel, cobalt and lithium will be further guaranteed.

During the reporting period, the Company made steady progress in its overseas resource projects. For the Huafei's HPAL project with an output of 120,000 tons of nickel metal, it basically reached the target output by the end of the first quarter of 2024. As the largest laterite-nickel ore HPAL project in the world, the completion and operation of the Huafei project will have a revolutionary impact on supporting the high-quality development of the group as well as the global nickel industry pattern. Huayue achieved stable and over production in its HPAL project with an annual output of 60,000 tons of nickel metal, and SCM pulp pipeline ran through the whole line; Huake reached the design capacity in its high-nickel matte pyrometallurgy project with an annual output of 45,000 tons of nickel metal; Huafei basically reached the design capacity by the end of the first quarter of 2024 in its HPAL project with an annual output of 120,000 tons of nickel metal; the preparatory work of Pomalaa HPAL project was carried out in an orderly manner. In March of this year, the closing for the transfer of minority equity in two Indonesian mines (i.e., AJB and

WKM) was successfully completed, which further secured the Company's nickel ore resource. The Arcadia lithium ore project in Zimbabwe was completed and put into operation, marking a new milestone in lithium resource layout. The implementation of these projects has improved the Company's resource control and security capabilities to a new level, further consolidated the Company's business model of mining and metallurgical integration, and enhanced the Company's management ability to control strategic resources and explore the value of resources.

#### (V) Advanced management system

The Company has established a sound operating mechanism and advanced management system and a group operating mechanism that is strategy-oriented, with annual comprehensive budget and monthly business plan as the core, risk management and control as the focus, and performance contracts as the incentive. The Company has advanced human resource management system, sound risk control system, and rich practical ability especially in the standardized and systematic management. The Company and its related subsidiaries have established the "six in one" management system of ISO9001, ISO14001, OHSAS18001, GB/T19022, GB/T15496 and AQ/T9006, passed the IATF16949 system certification, and standardized various business processes and operations through standardized management. At the same time, QCC, TPM, 6S, SPC and other advanced manufacturing concepts and lean production management tools were introduced into the manufacturing business process, which provided effective management norms and tools for the Company to control product quality and production costs, ensure the reliable operation of safety and environmental protection system, and improve business quality. The Company is among the first batch of standardization demonstration enterprises in the field of industry and information technology in Zhejiang, and has obtained the "AAA Good Standardizing Practice Certificate" issued by Zhejiang Association for Standardization.

During the reporting period, the Company strengthened its management level to create value, secured its funds supply by the integration of industry and finance, thus continuously improved its comprehensive management capabilities from safety and environmental protection, financial management, compliance control to fund chain security. In addition, the Company continued to strengthen the construction of ESG, and was highly recognized by upstream and downstream enterprises in the industry chain for its ESG-related work. The Company was selected as Forbes China ESG Inspiring Case in 2023, ESG Top 100 Listed Companies, and Excellent Case of Chinese Private Corporate Social Responsibility in 2023. The Company, Huayou Recycling, Chengdu B&M were included in the list of "Most growing enterprise in carbon neutral" at the 3rd Carbon Neutral Bo'ao Conference; Huayou Recycling and Volkswagen Group (China) achieved cooperation results in the comprehensive utilization of decommissioned electrical batteries and successfully transferred cooperation products; cascaded products and solutions were provided to Huachen BMW to realize green electricity recycling. The Company increased investment in energy conservation and consumption reduction, green, low-carbon, and environmental protection technologies, optimized the energy structure and improved energy efficiency, actively implemented carbon reduction measures, and promoted transformation of the industry chain towards green and low-carbon. The Company actively fulfilled social responsibilities. In China, Congo (DRC), Zimbabwe, Indonesia and other places of operation, the Company's affiliated units actively carried out public welfare and social activities such as student donations, charitable donations, community construction, disaster relief, unpaid blood donation, etc. The Company strengthened due diligence management of mineral supply chain, and released the *Joint Action Initiative on High-quality Development of Critical Mineral Supply Chain*, contributing its effort to industrial governance.

## V. Main operation status during the reporting period

None

### (I) Analysis of primary business

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

Monetary unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the same period of last year	Change ratio (%)
Operating income	66,304,047,529.81	63,033,785,499.49	5.19
Operating costs	56,948,773,263.76	51,313,704,226.23	10.98
Selling and distribution expenses	149,847,438.15	76,361,160.93	96.24
General and administrative expenses	2,116,578,496.78	1,962,553,558.46	7.85

Financial expenses	1,478,166,059.86	1,325,942,319.21	11.48
R&D expenses	1,440,592,932.96	1,708,614,242.61	-15.69
Net cash flow from operating activities	3,485,888,093.33	2,913,806,375.38	19.63
Net cash flow from investing activities	-16,550,869,671.66	-24,355,937,489.20	-32.05
Net cash flow from financing activities	15,103,229,650.73	23,701,787,364.06	-36.28
Taxes and surcharges	367,789,918.20	475,540,906.77	-22.66
Other income	319,947,781.25	191,220,264.84	67.32
Investment income	857,352,477.88	1,359,671,470.01	-36.94
Income from changes in fair value	218,765,480.50	-147,500,921.76	248.31
Loss from credit impairment	-42,016,975.44	-209,807,487.97	-79.97
Loss from assets impairment	-370,559,650.46	-1,292,300,598.86	-71.33
Income from asset disposal	29,425,810.49	2,413,571.80	1,119.18
Non-operating income	20,868,408.64	8,932,425.57	133.63
Non-operating expenses	62,067,656.16	52,502,652.88	18.22
Income tax expenses	268,880,833.58	326,821,637.31	-17.73

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 employee salaries caused by the expansion of sales scale

Reasons for changes in general and administrative expenses: Mainly due to an increase in employee salaries, depreciation and amortization expenses, service fees etc. in the current period

Reasons for changes in financial expenses: Mainly due to an increase in the interest expenses in the current period

Reasons for changes in R&D expenses: Mainly due to a decrease in material consumption in the current period.

Reasons for changes in net cash flow from operating activities: Mainly due to an increase in gross profit caused by the increase in product sales

Reasons for changes in net cash flow from investing activities: Mainly due to a decrease in the scale of investment in projects under construction compared to the previous year

Reasons for changes in net cash flow from financing activities: Mainly due to an increase in cash paid for debt repayment compared to the previous period

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

Reasons for changes in other income: Mainly due to an increase in government subsidies received in the current period

Reasons for changes in investment income: Mainly due to a decrease 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 an increase in the profits from ineffective hedging of futures contracts directly related to production and operation

Reasons for changes in loss from credit impairment: Mainly due to the decrease in the bad debt losses

Reasons for changes in loss from assets impairment: Mainly due to a decrease in inventory impairment losses

Reasons for changes in income from asset disposal: Mainly due to an increase in income from the disposal of fixed assets

Reasons for changes in non-operating income: Mainly due to an increase in compensation income

Reasons for changes in non-operating expenses: Mainly due to an increase in external donations

Reasons for changes in income tax expenses: Mainly due to the reduction in the income tax expenses in the current period caused by a decrease in profits

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

Applicable Not applicable

#### 2. Analysis of income and costs

√Applicable □Not applicable  
 None

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

Monetary unit: Yuan Currency: RMB

Analysis of the primary business by industry						
By industry	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
New energy battery materials and raw materials	42,098,281,498.63	36,398,125,668.85	13.54	-11.82	-4.95	-6.24
Nonferrous metals	11,800,010,396.25	8,953,153,204.31	24.13	131.30	166.35	-9.98
Trade and others	11,013,359,642.43	10,565,037,002.54	4.07	24.65	22.89	1.37
Analysis of the primary business by products						
By products	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
Cobalt products	4,185,183,444.73	3,820,208,139.90	8.72	-51.08	-39.41	-17.58
Copper products	4,889,827,507.19	3,490,943,384.68	28.61	11.16	24.20	-7.49
Nickel products	8,921,018,614.17	7,262,147,841.09	18.60	224.84	222.49	0.59
Lithium products	1,306,192,176.70	1,137,877,913.04	12.89	-3.24	56.82	-33.36
Ternary precursor	10,076,016,729.89	8,236,370,381.62	18.26	1.48	4.47	-2.34
Cathode material	18,916,406,739.53	17,441,555,437.91	7.80	-17.04	-11.78	-5.50
Nickel intermediate	5,144,530,695.71	3,564,987,683.59	30.70	89.52	111.98	-7.34
Trade and others	11,472,475,629.39	10,962,225,093.87	4.45	24.96	24.23	0.56

Analysis of the primary business by region						
By region	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
Domestic	27,747,257,909.39	24,039,555,111.64	13.36	13.74	27.11	-9.11
Overseas	37,164,393,627.92	31,876,760,764.06	14.23	-0.31	1.71	-1.70
Analysis of the primary business by sales mode						
By sales mode	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
Self-sales	64,911,651,537.31	55,916,315,875.70	13.86	5.25	11.27	-4.66

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

(2). Analysis of production and sales volumes

√Applicable □Not applicable

Main products	Unit	Production volume	Sales volume	Inventory	Increase/decrease in production volume compared to that in the previous year (%)	Increase/decrease in sales volume compared to that in the previous year (%)	Increase/decrease in inventory compared to that in the previous year (%)
Cobalt products	Ton (metal quantity)	40,645.56	41,382.61	3,769.01	5.58	12.20	-11.61
Copper products	Ton (metal quantity)	89,470.41	87,789.09	4,447.13	-1.02	-2.06	60.84
Nickel products	Ton (metal quantity)	128,314.30	126,430.51	4,577.37	83.33	87.78	54.95
Lithium products	Ton (physical quantity)	11,476.56	8,235.35	3,293.21	140.97	104.46	3,916.11
Ternary precursor	Ton (physical quantity)	123,611.99	129,144.57	4,946.68	21.30	30.64	-52.86
Cathode	Ton				-4.94	4.73	-59.16

material	(physical quantity)	90,221.81	94,618.18	3,113.85			
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Description of the production and sales volumes  
None.

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

Applicable  Not applicable

### (4) Analysis of costs

Monetary unit: Yuan

By industry							
By industry	Cost component items	Amount in the current period	Proportion in the total cost (%)	Amount in the same period of last year	Proportion in the total cost (%)	Change ratio (%)	Description of the situation
New energy battery materials	Operating cost	36,398,125,668.85		38,295,659,707.40		-4.95	
New energy battery materials	Raw material cost	31,048,226,517.68	85.30	34,313,882,054.84	89.60	-9.52	
New energy battery materials	Accessory cost	1,833,391,536.66	5.04	1,462,142,287.61	3.82	25.39	
New energy battery materials	Labor cost	707,337,972.98	1.94	522,025,631.27	1.36	35.50	
New energy battery materials	Energy cost	982,530,467.21	2.70	727,686,730.63	1.90	35.02	
New energy battery materials	Other costs	1,826,639,174.32	5.02	1,269,923,003.05	3.32	43.84	
Nonferrous metals	Operating cost	8,953,153,204.31		3,361,447,510.18		166.35	
Nonferrous metals	Raw material cost	6,892,238,152.72	76.98	2,130,238,924.10	63.37	223.54	
Nonferrous metals	Accessory cost	799,262,365.54	8.93	619,886,931.13	18.44	28.94	
Nonferrous metals	Labor cost	185,226,451.38	2.07	67,458,841.81	2.01	174.58	
Nonferrous metals	Energy cost	503,943,340.53	5.63	172,966,775.66	5.15	191.35	
Nonferrous metals	Other costs	572,482,894.15	6.39	370,896,037.48	11.03	54.35	

By products							
By products	Cost component items	Amount in the current period	Proportion in the total cost (%)	Amount in the same period of last year	Proportion in the total cost (%)	Change ratio (%)	Description of the situation
Cobalt products	Operating cost	3,820,208,139.90		6,305,147,096.62		-39.41	
Cobalt products	Raw material cost	3,418,850,827.09	89.49	5,363,745,527.91	85.07	-36.26	
Cobalt products	Accessory cost	151,969,863.39	3.98	382,577,046.66	6.07	-60.28	
Cobalt products	Labor cost	41,722,819.47	1.09	125,471,730.28	1.99	-66.75	
Cobalt products	Energy cost	85,278,668.00	2.23	172,911,573.23	2.74	-50.68	
Cobalt products	Other costs	122,385,961.96	3.20	260,441,218.54	4.13	-53.01	
Nickel products	Operating cost	7,262,147,841.09		2,251,925,426.80		222.49	
Nickel products	Raw material cost	6,438,282,162.48	88.66	2,125,594,132.10	94.39	202.89	
Nickel products	Accessory cost	294,536,379.27	4.06	53,306,149.24	2.37	452.54	
Nickel products	Labor cost	87,583,129.54	1.21	14,135,957.47	0.63	519.58	
Nickel products	Energy cost	209,847,937.15	2.89	23,454,280.66	1.04	794.71	
Nickel products	Other costs	231,898,232.65	3.19	35,434,907.33	1.57	554.43	
Lithium products	Operating cost	1,137,877,913.04		725,609,889.05		56.82	
Lithium products	Raw material cost	976,733,354.06	85.84	637,954,625.38	87.92	53.10	
Lithium products	Accessory cost	66,114,714.50	5.81	41,733,328.98	5.75	58.42	
Lithium products	Labor cost	33,478,462.78	2.94	16,355,710.22	2.25	104.69	
Lithium products	Energy cost	12,694,026.15	1.12	7,146,880.49	0.98	77.62	
Lithium products	Other costs	48,857,355.55	4.29	22,419,343.97	3.09	117.93	

Ternary precursor	Operating cost	8,236,370,381.62		7,884,161,258.87		4.47	
Ternary precursor	Raw material cost	7,033,305,821.80	85.39	7,061,748,923.72	89.57	-0.40	
Ternary precursor	Accessory cost	319,463,195.07	3.88	262,832,808.14	3.33	21.55	
Ternary precursor	Labor cost	108,635,658.61	1.32	127,177,165.23	1.61	-14.58	
Ternary precursor	Energy cost	267,851,605.01	3.25	211,961,942.05	2.69	26.37	
Ternary precursor	Other costs	507,114,101.13	6.16	220,440,419.73	2.80	130.05	
Cathode material	Operating cost	17,441,555,437.91		19,770,468,193.15		-11.78	
Cathode material	Raw material cost	16,275,052,100.88	93.31	18,738,377,153.98	94.78	-13.15	
Cathode material	Accessory cost	200,644,398.28	1.15	158,701,364.93	0.80	26.43	
Cathode material	Labor cost	323,774,588.29	1.86	132,114,700.50	0.67	145.07	
Cathode material	Energy cost	214,015,490.87	1.23	262,980,004.45	1.33	-18.62	
Cathode material	Other costs	428,068,859.60	2.45	478,294,969.29	2.42	-10.50	
Copper products	Operating cost	3,490,943,384.68		2,810,769,789.36		24.20	
Copper products	Raw material cost	2,363,169,620.62	67.69	1,706,412,443.76	60.71	38.49	
Copper products	Accessory cost	458,165,217.59	13.12	571,759,476.80	20.34	-19.87	
Copper products	Labor cost	88,190,293.62	2.53	54,826,251.20	1.95	60.85	
Copper products	Energy cost	273,793,233.23	7.84	140,981,788.80	5.02	94.20	
Copper products	Other costs	307,625,019.62	8.81	336,789,828.80	11.98	-8.66	
Nickel intermediate	Operating cost	3,564,987,683.59		1,681,728,395.88		111.98	
Nickel intermediate	Raw material	1,037,882,	29.11	582,991,004.	34.67	78.03	

te	cost	692.15		24			
Nickel intermedia te	Accessory cost	1,141,760,134.11	32.03	611,119,043.99	36.34	86.83	
Nickel intermedia te	Labor cost	292,449,313.27	8.20	72,008,206.88	4.28	306.13	
Nickel intermedia te	Energy cost	339,723,006.09	9.53	128,611,787.91	7.65	164.15	
Nickel intermedia te	Other costs	753,172,537.96	21.13	286,998,352.87	17.07	162.43	

Other description of cost analysis

None

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

Applicable Not applicable

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

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

Applicable Not applicable

**(7) Major customers and suppliers**

**(8) A. Major customers of the Company**

Applicable Not applicable

The total sales amount achieved through the top 5 customers is RMB 32,237,832,900, accounting for 48.62% of the total sales amount of the year. Among them, the total sales amount achieved through related parties is 0 Yuan, accounting for 0.00% of the total sales amount of the year.

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

Applicable Not applicable

**B. Major suppliers of the Company**

Applicable Not applicable

The total purchase amount achieved through the top 5 suppliers is RMB 14,222,113,500, accounting for 27.16% of the total purchase amount of the year. Among them, the total purchase amount achieved through related parties is 0 Yuan, accounting for 0.00% of the total purchase amount of the year.

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

Applicable Not applicable

Other description

None

**3. Expenses**

Applicable Not applicable

Item	Current period	The same period last year	Change ratio (%)
Selling and distribution expenses	149,847,438.15	76,361,160.93	96.24
General and administrative	2,116,578,496.78	1,962,553,558.46	7.85

expenses			
R&D expenses	1,440,592,932.96	1,708,614,242.61	-15.69
Financial expenses	1,478,166,059.86	1,325,942,319.21	11.48
Total	5,185,184,927.75	5,073,471,281.21	2.20

#### 4. R&D input

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

Applicable Not applicable

Monetary unit: Yuan

Expensed R&D investments in the current period	1,440,592,932.96
Capitalized R&D investments in the current period	
Total R&D investments	1,440,592,932.96
Proportion of total R&D investments in the operating income (%)	2.17
Proportion of capitalized R&D investments (%)	

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

Applicable Not applicable

Number of R&D employees	2,084
Proportion of R&D employees in the total employees of the Company (%)	7.05
Classification of R&D employees by educational background	
Category	Number of employees
Doctorate	59
Master	482
Bachelor	499
College	410
High school and below	634
Classification of R&D employees by age	
Category	Number of employees
Under 30 (exclusive) years old	1,047
30 (inclusive) ~ 40 (exclusive) years old	731
40 (inclusive) ~ 50 (exclusive) years old	243
50 (inclusive) ~ 60 (exclusive) years old	59
60 years old or above	4

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

Applicable Not applicable

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

Applicable Not applicable

#### 5. Cash flow

Applicable Not applicable

Item	Current period	The same period last year	Change ratio (%)
Net cash flow from operating activities	3,485,888,093.33	2,913,806,375.38	19.63
Net cash flow from investing	-16,550,869,671.66	-24,355,937,489.20	-32.05

activities			
Net cash flow from financing activities	15,103,229,650.73	23,701,787,364.06	-36.28

**(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 (%)	Change ratio (%)	Detailed description
Held-for-trading financial assets	373,221,093.05	0.30	251,991,490.83	0.23	48.11	Mainly due to an increase in wealth management products
Derivative financial assets	1,395,343,385.26	1.11	608,711,611.68	0.55	129.23	Mainly due to an increase in hedging futures contracts
Other receivables	392,878,676.92	0.31	580,628,313.49	0.53	-32.34	Mainly due to a decrease in dividends receivable
Other current assets	3,733,610,807.82	2.97	2,891,137,816.94	2.61	29.14	Mainly due to an increase in input tax of VAT to be deducted or refunded
Long term equity investments	9,712,766,665.74	7.74	7,914,624,818.43	7.16	22.72	Mainly due to an increase in investment amount in associates and investment income recognized under equity method
Other non-current financial assets	6,573,600.00	0.01	527,509,366.89	0.48	-98.75	Mainly due to long-term equity investments recognized since there is significant impact on MBM Company after the completion of equity

						transfer
Fixed assets	46,339,084,007.03	36.92	26,217,069,544.01	23.71	76.75	Mainly due to a higher number of conversion of constructions in progress to fixed assets in the current period
Construction in progress	10,819,557,175.49	8.62	14,281,929,827.36	12.91	-24.24	Mainly due to a higher number of conversion of construction in progress to fixed assets in the current period
Other non-current assets	3,851,581,151.15	3.07	5,994,992,788.87	5.42	-35.75	Mainly due to a decrease in engineering equipment prices prepaid
Short-term borrowings	15,048,622,566.53	11.99	12,019,822,703.67	10.87	25.20	Mainly due to an increase in various types of borrowing for the expansion of the Company
Held-for-trading financial liabilities	-	-	40,024,798.40	0.04	-100.00	Mainly due to a decrease in derivative financial liabilities in held-for-trading financial liabilities
Contract liabilities	431,037,852.87	0.34	2,359,463,860.52	2.13	-81.73	Mainly due to a decrease in customers' goods payments received in advance
Other payables	2,698,990,402.87	2.15	4,612,710,195.77	4.17	-41.49	Mainly due to a decrease in funds received from inter-company borrowings and post-sale repurchases
Non-current liabilities maturing within one	8,155,852,008.93	6.50	5,757,928,311.87	5.21	41.65	Mainly due to an increase in long-term borrowing

year						maturing within one year
Long-term borrowings	18,900,325,508.81	15.06	11,927,781,731.79	10.79	58.46	Mainly due to an increase in long-term borrowing after the adjustment of financing structure
Estimated liabilities	65,282,244.77	0.05	42,977,538.13	0.04	51.90	Mainly due to an increase in provision for mining environment restoration costs
Deferred tax liability	56,940,020.10	0.05	363,494,364.03	0.33	-84.34	Mainly due to the offsetting of deferred income tax assets and liabilities in the current period
Capital reserve	16,052,788,315.05	12.79	10,398,505,364.59	9.40	54.38	Mainly due to an increase of capital reserve by RMB 4.033 billion caused by the funds received from GDR issuance
Less: treasury stock	1,323,606,826.04	1.05	631,014,574.20	0.57	109.76	Mainly due to an increase in treasury stock caused by the repurchase of shares by the Company in the current period

Other information

None

## 2. Overseas assets

Applicable Not applicable

### (1) Asset size

Including: overseas assets 58,684,864,775.36 (Monetary unit: Yuan Currency: RMB), accounting for 46.75% of the total assets.

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

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of overseas assets	Cause of formation	Operation mode	Operating income during the reporting period	Net profit during the reporting period

Huayue Company	New establishment	Self-operation	6,788,427,872.44	926,624,042.09
Huafei Company	New establishment	Self-operation	2,303,454,972.76	223,436,863.47
Huake Company	New establishment	Self-operation	5,252,562,228.57	726,047,952.63
Huayou Hong Kong	New establishment	Self-operation	16,798,429,313.71	1,637,830,418.35

### 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	4,733,146,309.59	The RMB 4,733,146,309.59 is other cash and bank balances, including the bank acceptance deposit of RMB 3,156,266,863.66, letter of credit deposit of RMB 452,578,910.35, letter of guarantee deposit of RMB 6,052,500.00, loan deposit of RMB 1,097,663,952.77, environmental impact assessment deposit of RMB 9,508,508.46, litigation freezing amount of RMB 10,522,599.11, and other deposits of RMB 552,975.24.
Receivables financing	598,161,801.28	Being used as pledge guarantee for bank financing
Inventories	1,843,990,852.54	Being used as pledge guarantees for bank financing and futures trading, and the inventories for after-sales repurchase
Fixed assets	15,526,597,174.51	Being used as mortgage guarantees for bank financing, and the fixed assets for after-sales leaseback
Intangible assets	260,369,484.50	Being used as mortgage guarantee for bank financing
Construction in progress	328,101,585.57	Being used as mortgage guarantees for bank financing, and construction in progress for after-sales leaseback
Accounts receivable	569,998,176.82	Being used as pledge guarantee for bank financing
Held-for-trading financial assets	202,078,356.16	Being used as pledge guarantee for bank financing
Total	24,062,443,740.97	/

### 4. Other information

Applicable Not applicable

#### (IV) Analysis of industry operational information

Applicable Not applicable

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

#### Analysis of operational information of the non-ferrous metal industry

##### 1 Cost of ore raw materials

Applicable Not applicable

##### 2 Basic information of self-owned mines (if any)

Applicable Not applicable

Mine name	Main varieties	Resource qty	Reserves	Grade	Annual output	Remaining exploitable years	Expiry date of license/mining rights
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Arcadia lithium mine in Zimbabwe	Petalite and spodumene	61.8497 million tons	44.4772 million tons	1.10%	4.5 million tons	9.88 years	Permanent
PE527 Copper Cobalt Mine - Luiswishi Mine (V2 sulfide mine+V1 oxidized mine) in Congo	Copper and cobalt	2.7804 million tons	707,900 tons of sulfide ore; 522,400 tons of oxidized ore	Pure copper 1.75%; pure cobalt 0.35%	1.1 million tons	1.12 years	April 3, 2024 The mining rights are currently being renewed
Newly added surface stacked oxidized ore in PE527 Copper Cobalt Mine - Luiswishi Mine in Congo	Copper and cobalt		1.821 million tons	Copper 1.51%; cobalt 0.43%		Production not yet planned	April 3, 2024 The mining rights are currently being renewed
Existing surface stacked oxidized ore in PE527 Copper Cobalt Mine - Luiswishi Mine in Congo	Copper and cobalt		1.9971 million tons	Copper 1.76%; cobalt 0.37%		Production not yet planned	April 3, 2024 The mining rights are currently being renewed
PE527 Copper Cobalt Mine - Lukuni Mine in Congo	Copper	3.4616 million tons	1.9707 million tons (including newly added exploitable sulfide ore)	Pure copper 1.41%	1.2 million tons	1.64 years	April 3, 2024 The mining rights are currently being renewed

## (V) Analysis of investments

### 1. Overall analysis of equity investments

√Applicable □Not applicable

- 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.
- 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.
- 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.
- 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 Technology Co., Ltd. in Singapore. After the establishment, the Company will hold 65% equity in Huayou International Investment Co., Ltd.
- 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 Technology Co., Ltd. by the wholly-owned subsidiary Huayou Recycling at the consideration of RMB 0.

8. On June 20, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of PT. Indonesia Hongda Industry Park with a registered capital of IDR 10.5 billion (approximately USD 700,000) by its subsidiary Huaxing Nickel (Hong Kong) Company Limited and PT. RIMAU JAVA INVESTAMA, PT RIMAU MULTI INVESTAMA in Indonesia. After the establishment, Huaxing Nickel will hold 70% equity of the company.

9. On June 20, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Indonesia Dahua Industrial Park Co., Ltd. with a registered capital of IDR 150 billion (approximately USD 10 million) by its subsidiary Huaxing Nickel (Hong Kong) Company Limited and PT RIMAU JAVA INVESTAMA in Indonesia. After the establishment, Huaxing Nickel will hold 70% equity of the company.

10. On June 20, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of PT. Indonesia Huali Industry Park with a registered capital of IDR 75 billion (approximately USD 5 million) by its subsidiary Huaxing Nickel (Hong Kong) Company Limited and PT RIMAU JAVA INVESTAMA, PT RIMAU MULTI INVESTAMA in Indonesia. After the establishment, Huaxing Nickel will hold 70% equity of the company.

11. 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.

12. 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).

13. On July 20, 2023, the General Manager's Office Meeting of the Company decided to approve its subsidiary Huaxing Nickel (Hong Kong) Company Limited to sign a capital increase agreement PT Rimau New World, which stipulates that both parties may increase their capital contribution to Indonesia Pomalaa Industrial Park Co., Ltd. by USD 102 million according to their respective equity ratios.

14. On July 30, 2023, the General Manager's Office Meeting of the Company decided to approve its subsidiary PT. Indonesia Huali Industry Park to joint establish PT. GREEN MALILI UNITY POWER in Indonesia with PT. RIMAU ELEKTRIK PERKASA, with a registered capital of IDR 15 billion (approximately USD 1 million). After the establishment, PT. Indonesia Huali Industry Park will hold 66.5% equity in the company.

15. On July 30, 2023, the General Manager's Office Meeting of the Company decided to approve the subsidiary PT. Indonesia Huali Industry Park to joint establish PT. MALILI UNITY POWER in Indonesia with PT. RIMAU ELEKTRIK PERKASA, with a registered capital of IDR 15 billion (approximately USD 1 million). After the establishment, PT. Indonesia Huali Industry Park will hold 66.5% equity in the company.

16. On July 30, 2023, the General Manager's Office Meeting of the Company decided to approve the subsidiary Indonesia Dahua Industrial Park Co., Ltd. to joint establish PT. MATARAPE EXCELLENT ENERGY in Indonesia with PT. RIMAU ELEKTRIK PERKASA, with a registered capital of IDR 15 billion (approximately USD 1 million). After the establishment, Dahua Industrial Park will hold 66.5% equity in the company.

17. On July 30, 2023, the General Manager's Office Meeting of the Company decided to approve the subsidiary PT. Indonesia Hongda Industry Park to joint establish PT. NORTHKOLAKA PRIME ENERGY

in Indonesia with PT. RIMAU ELEKTRIK PERKASA, with a registered capital of IDR 15 billion (approximately USD 1 million). After the establishment, PT. Indonesia Hongda Industry Park will hold 66.5% equity in the company.

18. On August 15, 2023, the General Manager's Office Meeting of the Company decided to agree to the Company's acquisition of 51% equity of BAYVORL MINING (PRIVATE) LIMITED in Zimbabwe at a price of USD 350,000.

19. On August 16, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Changchun Zongxu Huayou Energy Technology Co., Ltd. by its subsidiary Huayou Recycling, Changchun FAW Comprehensive Utilization Co., Ltd., Changchun Comprehensive Innovation Investment Partnership (LP), Zhaodong Longsheng Bowei New Energy Technology Co., Ltd., and Shanghai Junzheng Chenxian Enterprise Management Partnership (LP), with a registered capital of RMB 10 million. After the establishment, Huayou Recycling will hold 20% equity in the company.

20. On September 1, 2023, the General Manager's Office Meeting of the Company decided to approve the Company's investment in the electrolytic nickel project carried out by Everlasting Nickel Co., Ltd. with an annual output of 50,000 tons (nickel metal quantity) in Indonesia through its subsidiary Huajun International Investment Co., Ltd. together with GUNDRAK INTERNATIONAL PTE. LTD. and JINKINS INTERNATIONAL CAPITAL PTE. LTD., with a total investment of USD 274 million. After the investment, Huajun International Investment Co., Ltd. will hold 39% equity in the company.

21. On September 20, 2023, the General Manager's Office Meeting of the Company decided to approve the establishment of Quzhou Huayou Resource Recycling Technology Co., Ltd. by its subsidiary Resource Recycling, with a registered capital of RMB 51 million. After the establishment, Quzhou Huayou Resource Recycling will hold 100% equity in the company.

22. On October 4, 2023, the General Manager's Office Meeting of the Company decided to approve the introduction of the new shareholders Quzhou Lvshi New Materials Equity Investment Partnership Enterprise (LP) and Tianjin Dongfu Huaxin Equity Investment Co., Ltd., by its subsidiary Huayou Quzhou. After the transaction is completed, the Company will hold 83.7677% equity in Huayou Quzhou.

23. On October 20, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Chengdu Huanke Green Energy Co., Ltd. by its subsidiary Huayou Recycling, Chengdu Xingrong Environmental Protection Technology Co., Ltd., and Chengdu Mengjiang Investment Group Co., Ltd., with a registered capital of RMB 29.32 million. After the establishment, Huayou Recycling will hold 44% equity in the company.

24. On October 30, 2023, the General Manager's Office Meeting of the Company decided to approve the investment in the construction of an industrial park project by its subsidiary PT. Indonesia Huali Industry Park, with a total investment of approximately USD 50 million.

25. On November 11, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Chengdu Huayou Energy Technology Co., Ltd. by its subsidiary Huayou Recycling, Chengdu Xingrong Environmental Protection Technology Co., Ltd., Chengdu Bus Group Longxing Automotive Technology Service Co., Ltd., and Chengdu Mengjiang Investment Group Co., Ltd.

26. On November 30, 2023, the General Manager's Office Meeting of the Company decided to approve the investment in the construction of an industrial park project by its subsidiary Indonesia Dahua Industrial Park Co., Ltd., with a total investment of approximately USD 50 million.

27. On December 1, 2023, the General Manager's Office Meeting of the Company decided to approve the increase of capital contribution of USD 20 million to Guangxi Huayou Import & Export Co., Ltd. by its wholly-owned subsidiary Huayou Hong Kong.

28. On December 10, 2023, the General Manager's Office Meeting of the Company decided to approve the Company's acquisition, through its wholly-owned subsidiary Huabo (Singapore) Limited, of 60% equity of Kerui Industrial Park, Indonesia held by PT KITA BERJUANG BERSAMA at a price of IDR 7.2 billion, and of 10% equity of Kerui Industrial Park, Indonesia held by PT SENAMAS INDONESIA at a price of IDR 1.2 billion. After the acquisition, Huabo (Singapore) will hold 70% equity in Kerui Industrial Park.

29. On December 14, 2023, the General Manager's Office Meeting of the Company decided to approve the establishment of Zhejiang Huayou Green Energy Technology Co., Ltd. and Zhejiang Huayou Recycling Lithium Technology Co., Ltd. by its subsidiary Huayou Recycling.

30. On December 18, 2023, the General Manager's Office Meeting of the Company decided to agree to its subsidiary Huayou Recycling's acquisition of 5% equity of Jiangsu Huayou held by Nanjing Kerui Innovation and Entrepreneurship Management Services Co., Ltd. at a consideration of RMB 6.25 million. After the transaction is completed, Huayou Recycling will hold a 40% equity in Jiangsu Huayou.

**(1) Major equity investments**

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Name of the investee	Main business	Whether the investee is mainly engaged in investment business	Investment method	Investment amount	Shareholding ratio	Whether the investee's financial data in consolidated with that of the Company	Statement account (if applicable)	Source of funds	Partner (if applicable)	Investment period (if any)	Progress as of the balance sheet date	Estimated income (if any)	Impact amount of current profit and loss	Whether any lawsuit is involved	Disclosure date (if any)	Disclosure index (if any)
Huaxian Company	Non ferrous basic metal manufacturing/industry	Yes	Increase of capital contribution	20,000	49%	Yes		Self-owned funds and self-raised funds			Normal			No	2023-07-26	Announcement No. 2023-108
KNI Company	Nonferrous metal manufacturing	Yes	Increase of capital contribution	384,215.2	73.2%	Yes		Self-owned funds and self-raised funds			Normal			No	2023-12-05	Announcement No. 2023-172
Total	/	/	/	404,215.2	/	/	/	/	/	/	/			/	/	/

**(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 Kft in Hungary	The total planned investment of the project is EUR 1.278 billion, with a construction scale of 25000 tons/year and a total planned investment of EUR 252 million for the first phase	Preliminary preparation work	RMB 171,566,900	RMB 171,566,900	After the project fully achieves the planned capacity, the Company will add an annual capacity of approximately 100,000 tons of ternary cathode materials.

1. On June 21, 2023, the Company held the 4th meeting of its sixth board of directors and approved the *Proposal on Foreign Investments*, agreeing that the Company, through its controlling subsidiary Bamo Technology Hungary Kft, invests in the construction of a ternary cathode project for high-nickel electrical batteries in Hungary. After preliminary calculation, the total planned investment of the project is EUR 1.278 billion, with a construction scale of 25,000 tons/year and a total planned investment of EUR 252 million for the first phase.

### (3) Financial assets measured at fair value

Applicable Not applicable

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

Securities investments

Applicable Not applicable

Further information about securities investments

Applicable Not applicable

Private fund investments

Applicable Not applicable

Derivatives investments

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

##### (VII) 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 550.992 million	14,932,662,876.53	10,688,639,497.60	4,244,023,378.93	16,798,429,313.71	1,637,830,418.35
Huayou Quzhou	Manufacturing	R&D, production and sales of cobalt, copper and nickel products	RMB 2,401.2436million	21,622,891,415.86	14,965,907,760.14	6,656,983,655.72	22,132,537,831.49	252,105,399.21
Huayou Mining Hong Kong	Business and service industries	African mining development and investment platform	HKD 10,000	16,485,476,156.03	5,890,641,324.79	10,594,834,831.24	65,325,894.25	92,441,524.07
Huayou New Energy Quzhou	Manufacturing	Production and sales of ternary precursor materials	RMB 2,265.7866million	9,754,504,948.04	6,224,452,921.63	3,530,052,026.41	7,526,054,594.83	120,639,763.36
Huayou Singapore	Trade and wholesale industry	Trade of cobalt, copper and nickel products	USD 15 million	2,360,026,360.44	2,160,468,656.89	199,557,703.55	12,062,522,635.38	47,971,464.29
Huayue Nickel Cobalt	Manufacturing	Manufacturing of non ferrous basic metals; bulk trade in metals and metal ores; bulk trade in cement, lime, sand and gravel; and bulk trade in materials and basic	USD 260 million	12,089,486,535.52	6,985,223,269.77	5,104,263,265.75	6,788,427,872.44	926,624,042.09

		chemicals						
Huawei Nickel Resources	Investment and trade	Industrial investment, international trade	USD 10,000	2,514,169,354.43	632,998,038.36	1,881,171,316.07	-	771,109,814.25
Huake Company	Manufacturing	Manufacturing of non ferrous basic 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 103.1820 million	4,073,185,360.25	2,481,733,709.51	1,591,451,650.74	5,252,562,228.57	726,047,952.63
Tianjin B&M	Manufacturing	R&D, production and sales: cobalt, nickel, copper oxides; cobalt, nickel, copper salts; cobalt, nickel, copper metals and products; cobalt powder; nickel powder; copper powder, cobalt hydroxide; lithium cobalt oxide;	RMB 207,319,289.00	4,092,383,811.61	2,226,704,760.53	1,865,679,051.08	2,541,459,099.66	1,208,642,230.71

		ammonium chloride						
Chengdu B&M	Manufacturing	R&D, production and sales: cobalt, nickel, copper oxides; cobalt, nickel, copper salts; cobalt, nickel, copper metals and products; cobalt powder; nickel powder; copper powder, cobalt hydroxide; lithium cobalt oxide; ammonium chloride	RMB 1,030 million	11,802,128,996.11	9,367,433,209.54	2,434,695,786.57	18,531,721,073.28	529,066,944.80
Huafei Nickel Cobalt	Manufacturing	Non-ferrous base metal manufacturing/industry	USD 540 million	16,698,337,841.47	12,677,787,095.10	4,020,550,746.37	2,303,454,972.76	223,436,863.47

Remarks: Tianjin B&M's net profit in 2023 includes Chengdu B&M's dividend of RMB 1.2 billion.

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

Applicable Not applicable

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

#### (I) Industry structure and trend

Applicable Not applicable

#### 1. Broad prospect of new energy vehicles, great potential of lithium-ion battery cathode materials

In response to the severe challenges of global climate change, environmental pollution, structural energy shortage, etc., major governments around the world actively promoted the energy revolution, put forward the goal of “carbon peak, carbon neutral”, and took reducing carbon emissions and promoting

the application of clean energy as a major strategic choice to cultivate new economic growth points and build an environmentally friendly society. Promoting the auto industry to transform towards clean energy and developing electric vehicles has become the strategic focus of many countries and major automakers in the world to cope with energy and environmental challenges. The global new energy vehicle industry is moving forward and accelerating development, with broad market prospect. As a key link and core component of the new energy vehicle value chain, the lithium-ion battery cathode material industry is also expanding its market capacity, with huge potential.

In order to promote the healthy, stable and sustainable development of the new energy vehicle industry, the Chinese government has given strong support to the development of the new energy vehicle industry and adopted a series of supporting policies and measures to support and encourage, which will have a great impact on the supply and demand. Recently, the State Council issued the *Action Plan to Promote Large-scale Equipment Replacement and Consumer Goods Trade-in* to further deploy the activities of replacing old vehicles with new ones, and will subsequently introduce the implementation measures and policy rules for replacing old vehicles with new ones. “Replacing old vehicles with new ones” may become the main line of policy to further promote automobile consumption in 2024. At the same time, industry enterprises are also accelerating the pace of innovation, and working together to promote China’s new energy vehicle industry to form a good situation of steady progress and coordinated development. According to the data from EVTank, in 2023, the sales of new energy vehicles in China reached 9.495 million, and the shipment of lithium-ion battery cathode materials was 2.48 million tons. It is expected that in 2024, the sales of new energy vehicles in China will reach 11.80 million, and the shipment of lithium-ion battery cathode materials will exceed 2.9 million tons.

From a global perspective, carbon reduction has become the consensus of the global auto industry. The great change of the auto industry has started with new energy vehicles, and the major auto countries have listed it as a strategic direction. With the expected decline of subsidies, new energy vehicles will enter a transition period driven by policy to market. Deep market competition has promoted the auto industry to make profound changes in product research and development, industrial ecology, and development pattern. High-quality development of new energy vehicles is already an irreversible global trend. According to the data from EVTank, the global sales of new energy vehicles in 2023 reached 14.653 million, where the sales in Europe and the US were 2.948 million and 1.468 million, respectively, with a year-on-year growth rate of 18.3% and 48.0%. It is expected that the global sales of new energy vehicles will reach 18.30 million in 2024 and 47.0 million in 2030. The incremental demand for new energy vehicles drives the rapid expansion of the lithium-ion battery industry, providing a strong guarantee for the expansion of the lithium-ion battery cathode material market.

## **2. Determined demand for nickel-cobalt-lithium materials, enhanced strategic position of energy metals**

With the continuous improvement of the penetration rate of new energy vehicles and the steady transformation of the energy pattern, as nickel, cobalt and lithium are essential raw materials for ternary electrical batteries, the demand for them will maintain a strong growth trend. According to the data from SMM, in 2023, the domestic production of nickel sulfate was about 422,600 metal tons, an increase of 12.12% year-on-year. Data from Antaike show that in 2023, China’s total output of lithium salt was about 702,000 tons of LCE, an increase of 19.2% year-on-year, and the production of cobalt materials in 2023 was about 229,000 tons, an increase of 15.8% year-on-year. According to the International Energy Agency’s *World Energy Outlook*, the transformation towards clean energy will require two to four times more critical minerals in 2040 than it does now.

In the new energy era, with the increasingly strengthening of the strategic resource attributes of energy metals, the competition between countries for critical metal minerals has become increasingly fierce, and frequent intervention policies have been introduced to ensure the independent and controllable upstream resources of lithium-ion battery materials and guide the localization of the lithium-ion battery industry chain. Since 2022, countries rich in lithium resources such as Chile and Mexico have proposed to promote the nationalization of lithium resources; in June 2022, the US established a “Mineral Security Partnership” with key partner countries to strengthen supply chain control over battery materials such as nickel, cobalt and lithium; in November 2022, the Canadian

government required three Chinese lithium ore companies to divest or cancel their equity investments in Canadian lithium ore companies; in December 2023, the US government issued the *Bipartisan Infrastructure Act* and the *Inflation Reduction Act (IRA)*, from which it could be seen that, starting from 2025, if critical minerals such as lithium, nickel, cobalt and graphite produced in China are exported to the US for use in clean energy vehicles, no consumer purchase subsidies will be received; in March 2024, the European Council finally approved the *Critical Raw Materials Act*, which aims to ensure the EU's access to safe and sustainable supplies of critical raw materials and improve Europe's capacity for refining, processing and recycling critical raw materials. At the same time, downstream enterprises in the battery industry chain are also competing to lay out upstream resources. In recent years, CATL, BYD and other enterprises continue to lay out energy and metal resources in the world; Tesla, BMW, Volkswagen Group, Stellantis, Renault, GM, Ford, Toyota and other enterprises also reduce costs and ensure supply by directly investing in mining companies, or bypassing battery and material factories to directly sign raw material procurement contracts with mining companies. The strategic position of energy metals such as nickel, cobalt and lithium continues to improve.

### 3. Intensified market competition, highlighted trend of concentration

The broad market prospect of new energy vehicles has brought huge business opportunities for the whole industry chain of lithium-ion battery materials, and upstream and downstream enterprises in the industry chain have announced the expansion of production capacity to cope with the growing market demand. With the accelerated expansion and release of production capacity, the competition in the lithium-ion battery cathode material market has intensified, backward production capacity has been phased out, and the trend of industry concentration has been highlighted.

Because the quality of lithium-ion battery materials has a crucial impact on battery performance, combined with its certification cycle and the characteristics of deep customer bonding, the lithium-ion battery material industry shows a characteristic of high concentration. According to the data from SMM, in 2023, the market share of the domestic ternary material industry CR3 reached 38%, CR5 reached 55% and CR10 reached 80%, respectively increasing by 3%, 3% and 1% compared with 2022. With the development of lightweight and intelligent new energy vehicles, lithium-ion battery performance requirements continue to improve, and cathode materials usher in a new round of technology iteration and upgrade. Leading lithium material enterprises with technology and cost advantages are expected to gradually build and strengthen the competitiveness "moat", and with the advantages in production capacity, customers, resources, etc., deepen the binding with downstream high-quality customers through long-term orders, further stabilize the industry position, and promote the steady improvement of market concentration.

### 4. Obvious trend of internationalization of management, lithium-ion battery industry chain "going out" at a higher speed

From the perspective of the global market, China's vehicle electrification process is leading, and Europe, the US and other regions are accelerating to catch up. Overseas lithium-ion battery industry chain space is huge, and the requirements for localization are getting higher and higher. In order to seize more market share and cope with overseas policy changes, many domestic lithium-ion battery material industry chain enterprises have accelerated the pace of "going out", and the trend of internationalization of management is becoming more and more obvious. In terms of batteries, CATL has built factories in Germany, Hungary, Indonesia and the US; EVE has bought land and built factories in Hungary, Malaysia and the UK; Gotion High-tech has established subsidiaries in Thailand, Vietnam and the US; CALB has gone out to Portugal; Envision AESC has layout in the US, Spain and France; REPT has an agenda to build factories in Southeast Asia and Europe; SVOLT will build factories in Germany, Thailand, etc. In terms of materials, Huayou Cobalt, Easpring, Ronbay Technology, etc., have layout for ternary and lithium iron phosphate cathode projects in Europe.

According to incomplete statistics of GGII, as of the end of 2023, the production capacity planned by leading battery enterprises in overseas layout exceeded 500GWh. In 2024, the overseas layout of the domestic lithium-ion battery industry chain will usher in "implementation". According to statistics, in 2024, the production capacity planned by Chinese electrical battery enterprises will exceed 90GWh in

the US, exceed 20GWh in Japan, exceed 10GWh in Southeast Asian countries, and exceed 50GWh in Germany and Spain. With the implementation and production of more overseas projects, lithium-ion battery enterprises will seize the opportunity in the new year's market. China's lithium-ion battery enterprises accelerate the pace of "going out", and the overseas market of electrical batteries, especially the European market, will become more important. At present, the European and US electric vehicle markets present a coexistence of "new opportunities and new challenges". In this context, advance planning and diverse layout will become the key ideas for China's lithium-ion battery enterprises to "go out" to win and give play to their competitive advantages. In the future, to realize the internationalization of management, China's lithium-ion battery enterprises will not only plan in overseas capacity construction, mainstream customer expansion and binding and capital market financing, but also meet the challenges in security supply chain building, technology and product adaptation, low-carbon transformation, etc.

In summary, under the influence of multiple factors such as the long-term improvement of the new energy vehicle industry, the maturity of the existing material technology and industrial system, and the limited supply of resources, the new energy lithium-ion battery materials and cobalt new materials industries engaged in by the Company have broad market prospects. In the future, with the further advancement of the Company's African resource development projects, the completion and production of the Indonesian laterite nickel ore HPAL project, the up to standard of Quzhou and Guangxi ternary material projects, and the gradual implementation of downstream projects in South Korea, Hungary and Morocco, the Company's integrated industry chain advantages will be more highlighted. The Company has the ability to match the market and opportunities, will follow the trend of industrial development, seize the market opportunities, give full play to its own advantages, improve the quality and make progress in the process of improving the industry concentration and forming the industrial pattern, be a pioneer in developing new productive forces and promoting high-quality development, constantly develop its new advantages and driving forces for development, and contribute its own strength to the development of the new energy lithium-ion battery material industry.

## (II) Development strategy of the Company

Applicable Not applicable

**Overall development idea of the Company:** To, led by new energy lithium-ion battery materials, form an integrated industrial structure of lithium-ion battery cathode materials from resources, refining, materials to recycling, build a management pattern of "overseas resources, domestic manufacturing and global market", step out a "three-in-one" transformation road of controlling resources, expanding the market and improving capacity, and accelerate the Company's high-quality development process.

### "Two-new three-actions" strategy:

"Two-new" refers to new energy lithium-ion battery material and cobalt new material. New energy lithium-ion battery material: on the basis of the application in the original 3C lithium-ion battery field, it enters the energy field such as vehicle electrical battery and energy storage battery. Cobalt new material: cobalt new materials hold the lead.

"Three-actions" refers to high-end products, industrial integration and internationalization of management. High-end products: try to be high-end as enough as possible, that is, continue to increase the proportion of high-end products in the total product sales revenue, and continue to increase the proportion of high-end products in the client procurement. Industrial integration: strengthen integration, that is, continue to enhance the competitiveness of the industry chain in the depth, shorten the process through integration, reduce carbon emissions, and build this advantage. Internationalization of management: achieve excellent internationalization, integrate global resource elements, create value for customers, and contribute to the industry.

## (III) Business plan

Applicable Not applicable

In 2024, the Company will adhere to the transformation and development, firm strategic orientation, adhere to the essence of business of “customer-centric, creating value for customers”, strengthen scientific and technological innovation, promote management reform, improve industrial planning, deepen industrial layout, optimize industrial structure, implement the business idea of overall planning, scientific and technological support, cost reduction and efficiency increase, improve the three elements of “quality, cost and efficiency”, expand the market, increase orders, increase load, seek progress in stability and strive to win in progress, continue to create the competitive advantage of “product leadership and cost leadership”, firm confidence, forge ahead, and strive to promote the Company’s high-quality development.

### **1. Drive the high-quality development of the Company with a high level of science and technology**

The Company will increase capital investment, strengthen organizational construction, accelerate technological progress, and implement the science and innovation strategy of “supporting the industry and leading the future” to provide scientific and technological support for the high-quality development of the Company. The Company will further strengthen the construction of high-level scientific and technological talents, with international leading talents, young scientific and technological talents and high-end industrial talents as the core, to achieve full coverage of industry chain leading talents; open the door to scientific research, strengthen technical exchanges and cooperation with universities, research institutions and external enterprise technology centers, promote the deep integration of industry, university and research institute, and create an open innovation platform; adhere to the idea of applied research, carry out the application research of new energy lithium-ion battery materials, cutting-edge materials and future power materials, and commit to key technological breakthroughs; strengthen the protection, management and application of intellectual property rights, actively participate in the formulation of national and industry standards, and enhance the ability to undertake major national and provincial scientific research projects; focus on the product trend of high voltage and high-nickel, and achieve full coverage of IPD in major trends and key areas; strengthen the demand connection and joint research and development with customers, compete for first supply and second supply, improve the accuracy and success rate of product research and development, and promote upstream and downstream enterprises in the industry chain to work together to tackle key problems; in the aspects of environmental protection, manufacturing quality, energy conservation and consumption reduction, and digital transformation, strengthen innovative research in the fields of process technology, advanced equipment, and intelligent manufacturing, comprehensively improve the Company’s innovation ability, enhance technology accumulation, and cultivate and develop new quality productivity with high-tech as the core element.

### **2. Promote the high-quality development of the Company with a high level of operation**

The Company will adhere to the essence of business, firmly create value, strengthen overall planning, budget control, plan implementation and industrial cooperation, expand the market, increase orders, and increase load to ensure the Company’s stable production, orderly operation, and steady growth of shipments. In terms of market, the Company will steadily enhance the Chinese market, focus on breaking through the Japanese and South Korean markets, orderly explore the European and US markets, expand the share of stock orders, seize the opportunities to increase orders, center on customers to provide customized industry chain services, give full play to the advantages of low-cost resources, strengthen IPD support, complete the whole industry chain penetration, strive to compete for orders from leading customers, and increase the supply proportion of important customers. In terms of industrial cooperation, the Company will coordinate the domestic and foreign production bases, give full play to the advantages of the integrated industry chain, strengthen the mutual coordination and strong support of the industry chain in the global market competition, and improve the three major elements of “quality, cost and efficiency”. In terms of production and manufacturing, the Company will create an extreme manufacturing system of “extremely low cost, extremely high efficiency and extreme energy efficiency”, create a “benchmark line and demonstration line”, build a batch of benchmarks, train a team, innovate a set of methods, and establish a long-term mechanism for the promotion, management and improvement of extreme manufacturing.

### **3. Facilitate the high-quality development of the Company with a high level of openness**

The Company will adhere to open cooperation, practice the development model of “Industrial agglomeration, enterprise cluster, zonation and integration”, and under the new situation, improve industrial planning, adjust project construction and optimize spatial layout to create an open Huayou for the world; unswervingly develop resources, strengthen the construction of major projects, and support transformation, upgrading, and strategic development. In Africa, the Arcadia lithium ore project in Zimbabwe has improved the safety and stability of production on the basis of reaching production standards and normal production. In Indonesia, the projects of Huayue, Huafei and Huake are still promoted to improve the construction of slag storage yard, slurry conveying pipeline, comprehensive utilization of tailings and other supporting facilities; Huaxiang project will be completed as soon as possible to reach the production standards; the focus will be on promoting the Pomalaa project in cooperation with Ford and Vale Indonesia. In Asia, the projects in cooperation with LG Chem and POSCO FUTURE M will be implemented as soon as possible to start construction. In Europe, the Hungary cathode material project will be built into a beacon project for the Company’s internationalization. At home, corresponding adjustments will be made to the project capacity scale and construction progress of Quzhou, Yulin, Chengdu, Tongxiang and other projects according to market changes and other factors, and the project units will do a good job in the corresponding deployment under the overall arrangement of the Company. The Company will practice the development concept of “cooperation and joint development, common benefit for future”, strengthen and deepen the cooperative relationship with customers, suppliers and other partners based on the principle of value creation and benefit sharing, innovate the cooperation mechanism, integrate global resources, and build a new pattern of high-quality development with a high level of openness.

### **4. Contribute to the high-quality development of the Company with a high level of management**

The Company will emancipate the mind, adhere to the integrity and innovation, improve the management shortcomings with management reform, and improve management efficiency and create management value through system, mechanism and system innovation. The Company will strengthen overall budget management and strengthen the binding force of financial budgets and business plans, and according to the principle of accurate division, accurate accounting and accurate incentive and the division method of profit, cost and expense, subdivide the accounting units, fulfill the main responsibility, and strengthen the independent accounting; in accordance with the principles of streamlining, efficiency, and value creation, rationalize the management system, reduce organizational levels, streamline functional departments, and build a lean and efficient organizational system; adhere to the goal orientation and prevention first, fulfill the responsibility of environmental safety, implement environmental safety measures, strengthen environmental safety work, and strengthen the bottom line of safety production to ensure safe development of the Company; strengthen brand building with quality as the core, and improve the Company’s product quality, management quality and development quality; firmly establish risk awareness, improve risk prevention and control ability, strengthen overseas investment risk management and control and overseas patent protection, pay attention to the political, economic and social development of the country where the business is located, and prevent ESG, compliance operation, exchange rate fluctuations and other risks to ensure the Company’s stable operation and safe development.

### **5. Support the high-quality development of the Company with a high level of ESG**

The Company will deepen and implement the “low-carbon, green and sustainable” transformation strategy, promote low-carbon production and green manufacturing, strengthen ESG practice, and build a green supply chain to enhance the Company’s sustainable value creation ability; strengthen carbon footprint management, step up efforts to save energy, reduce consumption and reduce carbon emissions, and increase the proportion of clean energy use, including green electricity; reduce carbon emissions in the production process through technological innovation and process research; extensively carry out ESG practice in its subsidiaries at home and abroad, actively fulfill its social responsibility, participate in community construction, engage in public welfare undertakings, strengthen the responsible management of nickel, cobalt, lithium and other mineral resources, and properly resolve the risks of

sustainable development of mineral resources; expand and strengthen the recycling science and technology, promote the “waste for materials” recycling mode of waste electrical batteries, lay out recycling business at home and abroad, and build a sustainable development ecological chain of resource recovery and recycling.

Investors should note that the above business plan does not constitute a performance commitment of the Company to investors. Investors should understand the difference between business plan and performance commitment and pay attention to investment risks.

#### **(IV) Possible risks**

Applicable Not applicable

##### **1. Market risk**

The Company’s main products include lithium-ion cathode materials, precursor products, nickel, cobalt and lithium new material products, and copper products. Due to the influence of various factors such as global economy, supply and demand, market expectations and speculative speculation, the prices of nickel, cobalt, lithium and copper metals present high volatility feature, which in turn leads to product market price fluctuations. During the reporting period, the prices of cobalt products fluctuated and declined overall, the prices of nickel products and lithium products dropped dramatically, while the prices of copper products 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 nickel, cobalt, lithium and copper metals in the future, the Company will face the risk of inventory depreciation loss and operating performance falling short of expectations, significant decline, or losses.

##### **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**

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 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.

### **7. Risk of overcapacity**

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

### **(V) Others**

Applicable Not applicable

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

Applicable Not applicable

## Section IV Corporate Governance

### I. Description of corporate governance-related information of the Company

√Applicable □Not applicable

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

#### 1. Shareholders and the General Meeting of Shareholders

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

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

The Board of Directors of the Company has operated in accordance with laws and regulations such as the *Company Law*, the *Articles of Association* and the *Rules of Procedure of Board of Directors*. The Board of Directors currently consists of 7 members, including 3 independent directors. Both the number and composition of the Board of Directors are in compliance with the requirements of laws, regulations and the *Articles of Association*. There are 4 special committees under the Board of Directors, including the Nomination Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Strategy Committee. When the Board of Directors deliberates on major matters, the relevant special committees shall provide professional opinions and recommendations to make sure that the Board of Directors makes decisions in a scientific and reasonable manner. The Company held a total of 22 meetings of the Board of Directors during the reporting period.

#### 3. Supervisors and the Board of Supervisors

The Board of Supervisors of the Company has performed its duties in accordance with the *Articles of Association*, the *Rules of Procedure of the Board of Supervisors* and other requirements. It has supervised the Company's operations and its financial position, as well as the legality and compliance in respect of the performance of duties by the directors and other senior officers of the Company, thus effectively safeguarding the rights and interests of the Company and its shareholders. The Board of Supervisors is currently composed of 3 members, including 2 employee representative supervisors. Both the number and composition of the Board of Supervisors are in compliance with the requirements of the relevant laws and regulations. During the reporting period, the Company held a total of 13 meetings of the Board of Supervisors.

#### 4. Information Disclosure and Transparency

During the reporting period, the Company has disclosed relevant information in a truthful, accurate, timely and complete manner in strict accordance with applicable laws and regulations as well as the *Articles of Association*, the *Information Disclosure Management Policy* and other requirements. The Company has

assigned the Secretary of the Board of Directors to be in charge of the disclosure of information and handled the incoming calls and inquiries from shareholders and investors seriously, so as to ensure that all shareholders and investors have fair and timely access to the information required to be disclosed.

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

Applicable Not applicable

## II. Specific measures taken by the Company's controlling shareholder and actual controller to ensure the Company's independence in assets, personnel, finances, organization, business and other aspects, as well as the solutions adopted, work progress and follow-up plans that affect the Company's independence

Applicable Not applicable

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

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

Applicable Not applicable

## III. Summary of the general meeting of shareholders of the Company

Session	Date of the meeting	Query index of the designated website on which the resolutions are disclosed	Date on which the resolutions are disclosed	Resolutions of the meeting
The First Extraordinary General Meeting of Shareholders 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 Huayou Cobalt on Resolutions of the First Extraordinary General Meeting of Shareholders in 2023
2022 Annual General Meeting of Shareholders	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 Huayou Cobalt on Resolutions of 2022 Annual General Meeting of Shareholders
The Second Extraordinary General Meeting of Shareholders 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 Huayou Cobalt on Resolutions of the Second Extraordinary General Meeting of Shareholders in 2023
The Third Extraordinary General Meeting of Shareholders in 2023	September 27, 2023	Website of the Shanghai Stock Exchange <a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	September 28, 2023	Announcement of Huayou Cobalt on Resolutions of the Third Extraordinary General Meeting of Shareholders in 2023
The Fourth Extraordinary General Meeting of Shareholders	December 21, 2023	Website of the Shanghai Stock Exchange <a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	December 22, 2023	Announcement of Huayou Cobalt on Resolutions of the Fourth Extraordinary General Meeting of

in 2023				Shareholders in 2023
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The extraordinary general meeting of shareholders convened at the request of preferred shareholders with resumed voting rights

Applicable Not applicable

Description of the general meeting of shareholders

Applicable Not applicable

#### IV. Changes in directors, supervisors, and senior officers

##### (I) Changes in shareholding and compensation of current and departing directors, supervisors and senior officers during the reporting period

√Applicable □Not applicable

Unit: Share

Name	Position	Gender	Age	Term start	Term end	Shares held at the beginning of the year	Shares held at the end of the year	Change in shares during the year	Reason for the change	Total pre-tax compensation received from the Company during the reporting period (RMB'0,000)	Whether or not received compensation from a related party of the Company
Chen Xuehua	Chairman	Male	63	March 24, 2008	May 17, 2026	110,006,461	110,006,461	0		802.9392	No
Chen Hongliang	Director, General Manager	Male	51	March 24, 2008	May 17, 2026	520,000	670,000	150,000	Implementation of equity incentive plan	660.8390	No
Fang Qixue	Vice Chairman, Deputy General Manager	Male	62	January 6, 2020	May 17, 2026	325,000	425,000	100,000	Implementation of equity incentive plan	493.7729	No
Wang Jun	Director, Deputy General Manager, Chief Financial Officer	Male	54	February 22, 2023	May 17, 2026	0	100,000	100,000	Implementation of equity incentive plan	344.9960	No
Zhu Guang	Independent Director	Male	67	April 17, 2020	May 17, 2026	0	0	0		18.0000	No
Dong	Independent	Male	58	May 13,	May	0	0	0		18.0000	No

Xiuliang	Director			2022	17, 2026						
Qian Bolin	Independent Director	Male	64	April 17, 2020	May 17, 2026	0	0	0		18.0000	No
Zhang Jiangbo	Chairman Supervisor	Male	42	May 18, 2023	May 17, 2026	46,980	8,580	-38,400	Cancellation of shares repurchased under equity incentive plan	75.6340	No
Xi Hong	Supervisor	Female	55	May 18, 2023	May 17, 2026	34,150	6,345	-27,805	Cancellation of shares repurchased under equity incentive plan	56.4800	No
Tao Yiwen	Supervisor	Female	46	April 24, 2014	May 17, 2026	0	0	0		67.0197	No
Chen Yaozhong	Deputy General Manager	Male	54	April 17, 2015	May 17, 2026	162,500	262,500	100,000	Implementation of equity incentive plan	403.7170	No
Xu Wei	Deputy General Manager	Male	41	July 12, 2016	May 17, 2026	162,500	262,500	100,000	Implementation of equity incentive plan	380.6498	No
Gao Baojun	Deputy General Manager	Male	55	January 20, 2021	May 17, 2026	97,500	97,500	0		666.0693	No
Qian Xiaoping	Deputy General Manager	Male	52	September 30, 2018	May 17, 2026	0	0	0		254.1200	No
Wu Mengtao	Deputy General Manager	Male	61	January 19, 2022	May 17, 2026	130,000	180,000	50,000	Implementation of equity incentive plan	319.8823	No
Lu Feng	Deputy General Manager	Male	41	January 20, 2021	May 17, 2026	78,000	78,000	0		218.1826	No
Fang	Deputy	Male	52	January 9,	May	130,000	180,000	50,000	Implementation	285.8996	No

Yuan	General Manager			2017	17, 2026				of equity incentive plan		
Li Rui	Secretary of the Board of Directors	Male	42	January 9, 2017	May 17, 2026	80,600	102,600	22,000	Implementation of equity incentive plan	119.7568	No
Yuan Zhong	Chairman Supervisor (former)	Male	50	April 26, 2011	May 18, 2023	0	27,000	27,000	Implementation of equity incentive plan	77.3907	No
Shen Jianrong	Supervisor (former)	Male	52	April 24, 2014	May 18, 2023	0	17,000	17,000	Implementation of equity incentive plan	56.2725	No
Zhang Binghai	Deputy General Manager (former)	Male	60	March 24, 2008	May 18, 2023	247,000	297,000	50,000	Implementation of equity incentive plan	137.3366	No
Zhou Qifa	Deputy General Manager (former)	Male	61	July 8, 2020	May 18, 2023	130,000	180,000	50,000	Implementation of equity incentive plan	135.3475	No
Hu Yanhui	Deputy General Manager, Chief Financial Officer (former)	Male	49	December 3, 2019	May 18, 2023	130,000	130,000	0	Implementation of equity incentive plan	47.1082	No
Total	/	/	/	/	/	112,280,691	113,030,486	749,795	/	5,657.4137	/

Name	Main work experience
Chen Xuehua	Mr. Chen Xuehua, male, born in 1961, is of Chinese nationality, with no overseas permanent right of abode. He is a senior economist and an honorary doctor of the University of Lubumbashi. Mr. Chen Xuehua worked in a rural chemical factory operated by Xianghou Village of Lutou Township in Tongxiang City and Tongxiang Huaxin Chemical Factory. In 2002, Mr. Chen Xuehua founded Zhejiang Huayou Cobalt and Nickel Materials Company Limited (the predecessor of the Company) with others. He served as the Chairman and General Manager of the Company from June 2002 to July 2016 and the Chairman of the Company from July 2016 to date. Mr. Chen Xuehua is also currently serving as the Chairman of Huayou Holding Group Co., Ltd.

Chen Hongliang	Mr. Chen Hongliang, male, born in 1973, is of Chinese nationality. He holds a junior college degree. Mr. Chen Hongliang used to work in Agricultural Bank of China Tongxiang Sub-branch, Agricultural Bank of China Zhejiang Trust and Investment Company Tongxiang Securities Department, Shenyin Wanguo Securities Co., Ltd. Tongxiang Business Office, and Tongxiang Huaxin Chemical Factory. He has been working with the Company since May 2002, serving as a Director and Deputy General Manager of the Company. From July 2016 to the present, he has served as a Director and General Manager of the Company.
Fang Qixue	Mr. Fang Qixue, male, was born in October 1962. Graduated from Wuhan University of Science and Technology, majoring in mineral processing, and obtained a PhD degree in engineering from Central South University, he is a professor-level senior engineer and holder of the license issued by the Securities and Futures Commission of Hong Kong to carry on relevant business. He had worked with Beijing General Research Institute of Mining and Metallurgy (BGRIMM) as a professor-level senior engineer and head of the Mineral Engineering Research Institute of BGRIMM. Then he served as Deputy General Manager of China United Copper Co., Ltd., Director and General Manager of Minmetals JCCL Mining Investment Co., Ltd., and the Chief Technology Officer of China Minmetals Non-ferrous Metals Co., Ltd. and General Manager of its Investment Department. Dr. Fang also served at Standard Bank (its Headquarters located in Johannesburg, South Africa) as the Head of Mining and Metals Coverage of China, Vice Chairman and Head of Mining and Metals Coverage Asia of Standard Bank Plc, Hong Kong Branch, and Vice Chairman and Head of Mining and Metals Coverage Asia of Standard Advisory Asia. From May 2015 to December 2019, Dr. Fang worked with Zijin Mining Group Co., Ltd. as its Director and Vice President. He joined the Company in January 2020 and is currently a Director, Deputy Chairman and Deputy General Manager of the Company.
Wang Jun	Mr. Wang Jun, male, was born in October 1970. With a MBA degree from Tsinghua University, he is now a senior accountant, a national leading high-end talent in accounting, a member of the China Enterprise Standard Advisory Committee and a member of the Chartered Institute of Management Accountants (CIMA). Having worked in the non-ferrous metals industry for nearly 30 years, Mr. Wang has obtained extensive experience in financial management, capital operation and on-site management of large overseas mining companies. He had served as CFO and Board Secretary of Chalco International, Deputy Chief Accountant and Head of Finance and Capital Operation Department of Chalco Group, and CFO and Board Secretary of Chalco China. Mr. Wang Jun joined the Company in February 2023, and currently serves as Director, Deputy General Manager and Chief Financial Officer of the Company.
Zhu Guang	Mr. Zhu Guang, male, born in March 1957, holds a master's degree in international economics from the University of International Business and Economics and a PhD in economics from the Central University of Finance and Economics. Dr. Zhu is currently Vice Chairman of HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd. and guest professor of Central South University and Central University of Finance and Economics. He once worked with Minmetals, serving as General Manager of Minmetals Trading Company, General Manager of Minmetals International Nonferrous Metals Company, and Senior Vice President and member of the Party Leadership Group of Minmetals Group. Dr. Zhu has been working in HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd. since 2009 and served as the president of Longming Iron Ore on behalf of HOPU Investment. He also served as Deputy Chairman of Xiamen Tungsten, Vice Chairman of China Tungsten Association, Chairman of International Tungsten Association, Chairman of Jiangxi Tungsten Group, Chairman of China United Copper, Chairman of Minmetals Aluminum, Chairman of Sherwin Alumina Plant, Deputy Chairman of Guangxi Huayin Aluminum, among other positions. Since April 2020, he has served as an independent director of the Company.
Dong Xiuliang	Mr. Dong Xiuliang, male, born in 1966, is of Chinese nationality, with no overseas permanent right of abode. He has a PhD in quantitative economics and a postdoctoral degree in business administration. Dr. Dong was formerly a faculty member of the Finance Department of the Business School of Jilin University, and a professor and doctoral supervisor at the School of Management of Jilin University, serving successively as Deputy Director, Secretary and Director of Finance and Management Department. Currently, he is a professor and doctoral supervisor at the School of Business and Management of Jilin University. Having been qualified as an independent director in October 2013, Dr. Dong has served as an independent director of the Company since May 2022 and as an independent director of Huajji Dengyun Auto-parts (Holding) Co., Ltd. since December 2017.

Qian Bolin	Mr. Qian Bolin, male, born in November 1960, is a member of the CPC. With a bachelor's degree, Mr. Qian is a certified tax agent and senior accountant. From August 1981 to October 1997, Mr. Qian worked with Hangzhou Material Recycling Corporation, serving successively as Deputy Chief and Chief of Finance Section, Deputy General Manager and Chief of Finance Section of the Corporation; from November 1997 to December 2013, he worked with Zhonghui (Zhejiang) CTA Firm, serving successively as Deputy Director and Director, Manager of Finance Department and Chief Financial Officer; from December 2013 to present, he has been working with Zhonghui CPA LLP. Mr. Qian has served as an independent director of the Company since April 2020.
Zhang Jiangbo	Mr. Zhang Jiangbo, male, born in 1982, is of Chinese nationality, with no overseas permanent right of abode. He has a bachelor's degree. Mr. Zhang Jiangbo once served as the legal affairs supervisor of Taizhou Baiyun Economic Development Corporation and the manager of the contract department of ROHO Investment (Group) Co., Ltd. Mr. Zhang joined the Company in August 2011 and has served as the head of legal affairs, Deputy Director of the Investment and Legal Affairs Department and Director of the Legal Affairs Department of the Company. Mr. Zhang Jiangbo now serves as Chairman Supervisor and Chief Legal Officer of the Company.
Xi Hong	Ms. Xi Hong, female, born in 1969, is of Chinese nationality, with no overseas permanent right of abode. She has a bachelor's degree. Ms. Xi previously worked as a budgeter in Urumqi Second Iron and Steel Plant and Budget Office of Xinjiang Construction Engineering Group Fifth Construction Company. Joined the Company in July 2008, she has successively served as a senior auditor, deputy director and director of the Audit Department, director of the Inspection and Supervision Department, and director of Audit and Supervision Department. Mr. Xi is now the General Manager of Audit and Supervision Center.
Tao Yiwen	Ms. Tao Yiwen, female, born in 1978, is of Chinese nationality, with no overseas permanent right of abode. She holds a postgraduate degree. Ms. Tao joined the Company in March 2005, and has since served as Deputy Director of the Office of the President of the Group and Deputy Director of the Enterprise Management Department. She is currently the Deputy General Manager of the Operation Center of the New Material Industry Group.
Chen Yaozhong	Mr. Chen Yaozhong, male, born in 1970, is of Chinese nationality, with no overseas permanent right of abode. He has a master's degree. Mr. Chen once worked in the Futures Department of Liaoning Huaxi Group and the Securities Department of Tianjin Lantian Hi-Tech Co., Ltd. He also served as Assistant General Manager and Deputy General Manager of Tianjin B&M Science and Technology Co., Ltd. Joined in the Company in June 2013, Mr. Chen is now Deputy General Manager of the Company and Chairman of Tianjin B&M, Puhua Company and Leyou Company respectively.
Xu Wei	Mr. Xu Wei, male, born in 1983, is of Chinese nationality, with no overseas permanent right of abode. He has a bachelor's degree. Mr. Xu joined the Company in June 2007 and has since served as Deputy Director and Director of Manufacturing Department 3, Production Director, General Manager of Tongxiang Metallurgical Business Unit, Deputy General Manager of Quzhou Huayou Cobalt New Materials Co., Ltd., Plant Manager of Product Subplant, General Manager of Product Business Unit, General Manager and other positions. Mr. Xu currently is Deputy General Manager of the Company and General Manager of Huayou Quzhou.
Gao Baojun	Mr. Gao Baojun, male, born in December 1969, is of Chinese nationality, with no overseas permanent right of abode. He holds a bachelor's degree in nonferrous metal smelting, a master's degree in project management, and is a professor-level senior engineer. Mr. Gao started his career in 1992, working in design, R&D and engineering management of non-ferrous metal smelting projects. He previously served as an engineer in China General Research Institute for Nonferrous Metals, department head and Deputy General Manager of China ENFI Engineering Co., Ltd., and as Chairman and General Manager of Tangshan Tenglong Regeneration Technology Co., Ltd. He joined the Company in May 2018 and currently serves as Deputy General Manager of the Company and General Manager of Huayue Company (a subsidiary of the Company).
Qian Xiaoping	Mr. Qian Xiaoping, male, born in 1972, is of Chinese nationality, with no overseas permanent right of abode. He holds a master's degree. Mr. Qian had served in the People's Liberation Army (PLA) 53508 troop. Later, he worked with Bank of Communications as a clerk in the security section, account manager and deputy chief of a sub-branch, then with CITIC Bank as chief of a sub-branch, assistant president of a branch and deputy president of a

	branch. He also served as president of Jiaxing branch of China Merchants Bank. Mr. Qian Xiaoping joined the Company in October 2018 and now serves as the Deputy General Manager of the Company.
Wu Mengtao	Mr. Wu Mengtao, male, born in August 1963, Chinese nationality, with no overseas permanent right of abode, is a professor-level senior engineer and expert with special government allowance of the State Council. Mr. Wu worked with the 18th Research Institute of Electronics of the Ministry of Information Industry from July 1985 to August 2002, serving as an engineer, senior engineer, director of the research laboratory (equivalent to division chief), etc. From August 2002 to present, he has served in Tianjin B&M Science and Technology Co., Ltd. as Deputy General Manager and Chief Engineer, General Manager, Managing Director and other positions. Mr. Wu currently also serves as vice president of China Industrial Association of Power Sources, expert of National Science and Technology Award Review Expert Pool, expert of Patent Examination Committee of the Patent Office of CNIPA, technical consultant of Tianjin High People's Court for IP trials, 2016 national leading talent of high-level innovation and entrepreneurship in Chengdu, expert of Technology Expert Committee of China Electronic Materials Industry Association, part-time professor of Nankai University, chair professor of Henan University, president of Tianjin New Materials Industry Alliance, and president of Chengdu Green Energy Industry Association.
Lu Feng	Mr. Lu Feng, male, born in 1983, is of Chinese nationality, with no overseas permanent right of abode. He has received a bachelor's degree. Mr. Lu joined the Company in March 2007. He has since served as the head of the Supply Department and director of the Logistics Department of the Group, General Manager of the import and export company, General Manager of the Procurement Center of the Group, and General Manager of the Construction Project Center of the Group. Currently, Mr. Lu is the Deputy General Manager of the Company, in charge of the Procurement Center of the Group, the Construction Management Center of the Group and the Civil Engineering Center of the Company.
Fang Yuan	Mr. Fang Yuan, male, born in 1972, is of Chinese nationality, with no overseas permanent right of abode. He has a bachelor's degree. Mr. Fang started his first job in 1993 and engaged in environmental protection and secretarial work at Kecheng District Bureau of Urban Construction and Environmental Protection. Later, he became deputy chief and chief of Kecheng District Environmental Monitoring (Supervision) Station, deputy chief and chief of Development and Construction Management Division and director of Chengnan Sub-bureau of Quzhou Municipal Environmental Protection Bureau. He also once served as a member of the CPC Working Committee and deputy director of the management committee of Quzhou Green Industry Cluster. Mr. Fang joined the Company in January 2017 and is currently the Deputy General Manager of the Company.
Li Rui	Mr. Li Rui, male, born in 1982, is of Chinese nationality, with no overseas permanent right of abode. He holds a postgraduate degree. Mr. Li joined Zhejiang Huayou Cobalt Co., Ltd. in January 2007, and has since served as Commissioner of the Listing Office, Deputy Director of the Securities and Investment Department, Director of the Securities and Investment Department, and Representative of the Securities Affairs successively. Currently, Mr. Li serves as Secretary of the Board of Directors of the Company.

Other relevant information

Applicable Not applicable

**(II) Positions held by current and departing directors, supervisors and senior officers during the reporting period**
**1. Positions held in shareholder entities**
Applicable Not applicable

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

**2. Positions held in other entities**
Applicable Not applicable

Name	Entity	Position	Term start	Term end
Chen Xuehua	Zhejiang Huayou New Energy Technology Co., Ltd.	Chairman	June 2020	
Chen Xuehua	Zhejiang Huayou Recycling Technology Co., Ltd.	Executive Director, Manager	March 2017	
Chen Xuehua	Quzhou Huayou Cobalt New Materials Co., Ltd.	Director	June 2016	
Chen Xuehua	Tongxiang Huajin Construction Management Service Co., Ltd.	Executive Director, Manager	September 2020	
Chen Xuehua	Huayou Holding Group Co., Ltd.	Chairman, Manager	December 2006	
Chen Xuehua	HUAYOU HONGKONG HOLDING LIMITED	Executive Director	February 2019	
Chen Xuehua	RUBY MINING HONGKONG LIMITED	Executive Director		
Chen Xuehua	TMA HONGKONG CONSULTING COMPANY LIMITED	Executive Director	October 2020	
Chen Xuehua	TMA INTERNATIONAL PTE. LTD.	Director	August 2019	
Chen Xuehua	Zhejiang Youshan New Materials Technology Co., Ltd.	Executive Director, Manager	June 2018	
Chen Xuehua	HUAYOU HOLDING SG PTE. LTD.	Director		
Chen Xuehua	CCM INTERNATIONAL INVESTMENT PTE. LTD.	Director		
Chen Hongliang	Quzhou Huayou Cobalt New Materials Co., Ltd.	Chairman	December 2016	
Chen Hongliang	Shanghai Feicheng Metal Materials Co., Ltd.	Executive Director	November 2018	
Chen Hongliang	Huayou International Recycling Resources Co., Limited	Executive Director	April 2017	
Chen Hongliang	HUAYOU INTERNATIONAL MINING (HONGKONG) LIMITED	Director	October 2013	
Chen Hongliang	HUANENG ASIA INTERNATIONAL CO., LIMITED	Director	April 2021	
Chen Hongliang	HUAYOU RESOURCES PTE. LTD.	Executive Director		
Chen Hongliang	LA MINIERE DE KASOMBO SAS	Chairman	August 2014	
Chen Hongliang	CONGO DONGFANG INTERNATIONAL MINING SAS	Chairman	February 2008	
Chen Hongliang	FEZA MINING SAS	Chairman	December 2016	
Chen Hongliang	HUAYOU INTERNATIONAL MINING HOLDING LIMITED	Director	October 2013	

Chen Hongliang	Huayuan Copper Company Limited	Director	August 2019	
Chen Hongliang	ORIENT INTERNATIONAL MINERALS & RESOURCE (PROPRIETARY) LIMITED	Executive Director	September 2006	
Chen Hongliang	PEACEFRIEND INVESTMENT LIMITED	Director	October 2017	
Chen Hongliang	Huatuo Cobalt Company Limited	Director	October 2017	
Chen Hongliang	Huayou International Cobalt (Hong Kong) Company Limited	Director	November 2020	
Chen Hongliang	Tongxiang Huaxing Trading Co., Ltd.	Chairman	April 2007	
Chen Hongliang	Huayou International Resources (Hong Kong) Limited	Director	July 2022	
Chen Hongliang	Hua Jin International (Hong Kong) Limited	Director	September 2022	
Chen Hongliang	Hua Ming (Hong Kong) Limited	Director	September 2022	
Chen Hongliang	Hua Qun (Hong Kong) Limited	Director	September 2022	
Chen Hongliang	Hua Bin (Hong Kong) Limited	Director	September 2022	
Chen Hongliang	Shanghai Huayou Jintian Enterprise Management Co., Ltd.	Executive Director	June 2023	
Chen Hongliang	Huayou New Energy Technology (Quzhou) Co., Ltd.	Director	March 2023	
Chen Hongliang	Hua Wu (Hong Kong) Limited	Director	September 2022	
Chen Hongliang	Hua Chi (Hong Kong) Limited	Director	August 2022	
Chen Hongliang	Hua Qi (Hong Kong) Limited	Director	August 2022	
Chen Hongliang	Huasheng Nickel (Hong Kong) Limited	Director	January 2022	
Chen Hongliang	Huaxing Nickel (Hong Kong) Limited	Director	January 2022	
Chen Hongliang	Huacai (Hong Kong) Limited	Director	September 2021	
Chen Hongliang	Huayong International (Hong Kong) Limited	Director	September 2021	
Chen Hongliang	Shanghai Huayou Xinsheng Metal Co., Ltd.	Executive Director	November 2022	
Chen Hongliang	Huaqi (Singapore) Pte. Ltd.	Director	November 2022	
Chen Hongliang	HUAZE INTERNATIONAL INVESTMENT PTE. LTD.	Director	December 2022	
Chen Hongliang	HUAYAO INTERNATIONAL INVESTMENT PTE. LTD.	Director	December 2022	
Chen Hongliang	HUAJUN INTERNATIONAL INVESTMENT PTE. LTD.	Director	December 2022	
Chen Hongliang	Huayou Nickel Resources Holding Limited (华友镍矿资源控股有限公司)	Director	October 2022	
Chen Hongliang	Huayou International Lithium (Hong Kong) Limited	Director		
Chen Hongliang	Huayou International Resources (Hong Kong) Limited	Director		
Fang Qixue	HUAYOU INTERNATIONAL	Director	December	

	MINING(HONGKONG) LIMITED		2020	
Fang Qixue	Huatuo Cobalt Company Limited	Director	November 2020	
Fang Qixue	Huayou International Cobalt (Hong Kong) Company Limited	Director	November 2020	
Fang Qixue	HUATUO INTERNATIONAL DEVELOPMENT PTE. LTD.	Director	September 2021	
Fang Qixue	Huasheng Nickel (Hong Kong) Limited	Director	January 2022	
Fang Qixue	Huaxing Nickel (Hong Kong) Limited	Director	January 2022	
Fang Qixue	Huacai (Hong Kong) Limited	Director	September 2021	
Fang Qixue	Huayong International (Hong Kong) Limited	Director	September 2021	
Fang Qixue	Hua Jin International (Hong Kong) Limited	Director	September 2022	
Fang Qixue	Hua Ming (Hong Kong) Limited	Director	September 2022	
Fang Qixue	Hua Qun (Hong Kong) Limited	Director	September 2022	
Fang Qixue	Hua Bin (Hong Kong) Limited	Director	September 2022	
Fang Qixue	Hua Wu (Hong Kong) Limited	Director	September 2022	
Fang Qixue	Hua Chi (Hong Kong) Limited	Director	August 2022	
Fang Qixue	Hua Qi (Hong Kong) Limited	Director	August 2022	
Fang Qixue	Huaqi (Singapore) Pte. Ltd.	Director	November 2022	
Fang Qixue	HUAZE INTERNATIONAL INVESTMENT PTE. LTD.	Director	December 2022	
Fang Qixue	HUAYAO INTERNATIONAL INVESTMENT PTE. LTD.	Director	December 2022	
Fang Qixue	HUAJUN INTERNATIONAL INVESTMENT PTE. LTD.	Director	December 2022	
Fang Qixue	Huayou International Lithium (Hong Kong) Limited	Director		
Fang Qixue	Huayou International Resources (Hong Kong) Limited	Director		
Fang Qixue	Huayou Nickel Resources Holding Limited (华友镍矿资源控股有限公司)	Director	October 2022	
Fang Qixue	PROSPECT LITHIUM ZIMBABWE (PVT) LTD	Chairman		
Fang Qixue	Huashun Resources Pte. Ltd. (华顺资源(私人)有限公司)	Director		
Fang Qixue	Bevor Mining Pte. Ltd. (贝沃尔矿业(私人)有限公司)	Director	December 2023	
Fang Qixue	PT. Sulawesi Manganese Recycle	Chief Supervisor		
Fang Qixue	Huayou New Energy Lithium Material Co., Ltd. (华友新能源锂电材料有限公司)	Director		
Fang Qixue	PT. HUASHENG NICKEL COBALT	Chairman, General Manager		
Fang Qixue	PT. Indonesia Pomalaa Industry Park	Director		
Zhu Guang	Ningbo Meishan Free Trade Port Zone Guopuxing Investment Management Co., Ltd.	Director, Manager	June 2017	

Zhu Guang	Xiamen Minglu Yuhui Investment Co., Ltd.	Supervisor	January 2021	
Zhu Guang	Erlian Longming Railway Maintenance and Development Co., Ltd.	Director	April 2012	
Zhu Guang	Yangzhou Longtou Houde Fund Management Co., Ltd.	Chairman	August 2019	
Dong Xiuliang	Jilin University	Professor and Doctoral Supervisor at the School of Business and Management	January 2022	
Qian Bolin	Zhonghui CPA LLP	Rehiring after retirement		
Zhang Jiangbo	Leyou New Energy Materials (Wuxi) Co., Ltd.	Supervisor	June 2018	
Zhang Jiangbo	Zhejiang Puhua New Energy Materials Co., Ltd.	Supervisor	January 2019	
Zhang Jiangbo	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.	Supervisor	April 2018	
Zhang Jiangbo	Zhejiang Huayou New Energy Technology Co., Ltd.	Supervisor	April 2018	
Zhang Jiangbo	Huajin New Energy Materials (Quzhou) Co., Ltd.	Supervisor	July 2018	
Zhang Jiangbo	Zhejiang Like Cobalt Nickel Co., Ltd.	Supervisor	June 2020	
Zhang Jiangbo	Zhejiang Huayou Recycling Lithium Technology Co., Ltd. (浙江华友循环锂科技有限公司)	Supervisor	December 2023	
Zhang Jiangbo	Zhejiang Huayou Green Energy Technology Co., Ltd. (浙江华友绿能科技有限公司)	Supervisor	December 2023	
Zhang Jiangbo	Heishui Huayou Recycling Technology Co., Ltd	Supervisor	December 2018	
Zhang Jiangbo	Sichuan Haopurui New Energy Material Co., Ltd.	Supervisor	December 2018	
Zhang Jiangbo	Shanghai Huayou Xinsheng Metal Co., Ltd.	Supervisor	November 2022	
Zhang Jiangbo	Zhejiang Huayou Supply Chain Co., Ltd.	Supervisor	January 2024	
Zhang Jiangbo	Quzhou Minfu Woneng New Energy Vehicle Technology Co., Ltd.	Supervisor	August 2017	
Zhang Jiangbo	Shanghai Feicheng Metal Materials Co., Ltd.	Supervisor	November 2018	
Zhang Jiangbo	PT. HUAFEI NICKEL COBALT	Supervisor		
Zhang Jiangbo	KNI Company	Supervisor		
Zhang Jiangbo	PT. Huali Nickel Indonesia	Chief Supervisor		
Zhang Jiangbo	PT. Huaxiang Refining Indonesia	Supervisor		
Zhang Jiangbo	PT. Sulawesi Manganese Recycle	Supervisor		
Zhang Jiangbo	PT. Weda Bay Industrial Park	Chief Supervisor		
Zhang Jiangbo	PT. HNNM Indonesia (HNNM 印尼有限公司)	Supervisor	February 2024	
Zhang Jiangbo	Bamo Technology Hungary Kft	Supervisor		
Zhang Jiangbo	LG-HY BCM Co., Ltd.	Supervisor		
Xi Hong	Guangxi B&M Technology Co., Ltd.	Supervisor	April 2021	
Xi Hong	Quzhou Huayou Cobalt New Materials Co., Ltd.	Supervisor	May 2011	
Xi Hong	Guangxi Huayou Lithium Industry Co., Ltd.	Supervisor	April 2022	
Xi Hong	Quzhou Huayou Resource Recycling	Supervisor	April	

	Technology Company Limited		2017	
Xi Hong	Quzhou Huayou Environmental Protection Technology Co., Ltd.	Supervisor	September 2022	
Xi Hong	Quzhou Hangyang Huayou Gas Co., Ltd.	Supervisor	July 2023	
Xi Hong	Guangxi Huayou New Energy Technology Co., Ltd.	Supervisor	April 2021	
Xi Hong	Guangxi Huayou New Materials Co., Ltd.	Supervisor	April 2021	
Xi Hong	Quzhou Huayou Resource Recycling Technology Company Limited	Supervisor	September 2023	
Xi Hong	Hualing Import & Export (Tongxiang) Co., Ltd.	Supervisor	May 2021	
Xi Hong	Huashan Import & Export (Wenzhou) Co., Ltd.	Supervisor	May 2021	
Xi Hong	Huawang Import & Export (Tongxiang) Co., Ltd.	Supervisor	May 2021	
Xi Hong	Guangxi Huayou Construction Project Management Co., Ltd.	Supervisor	February 2021	
Xi Hong	Huajian Import & Export (Wenzhou) Co., Ltd.	Supervisor	June 2022	
Xi Hong	Huazheng Import & Export (Tongxiang) Co., Ltd.	Supervisor	June 2022	
Xi Hong	Huashan Import & Export (Tongxiang) Co., Ltd.	Supervisor	March 2021	
Xi Hong	Tongxiang Huashi Import & Export Co., Ltd.	Supervisor	November 2020	
Xi Hong	Huake Import & Export (Wenzhou) Co., Ltd.	Supervisor	May 2021	
Xi Hong	Huaxun Import & Export (Tongxiang) Co., Ltd.	Supervisor	May 2021	
Xi Hong	Zhejiang Youqing Trading Co., Ltd.	Supervisor	May 2019	
Xi Hong	Beijing Youhong Yongsheng Technology Co., Ltd.	Supervisor	August 2020	
Xi Hong	Beijing Huashan Yongsheng Technology Co., Ltd.	Supervisor	May 2021	
Xi Hong	Tongxiang Hua'ang Trading Co., Ltd.	Supervisor	August 2020	
Xi Hong	PT. HUAFEI NICKEL COBALT	Supervisor		
Xi Hong	PT. HUASHAN NICKEL COBALT	Supervisor		
Xi Hong	PT. HUAKE NICKEL INDONESIA	Supervisor		
Xi Hong	PT. HUASHENG NICKEL COBALT	Supervisor		
Xi Hong	PT. Indonesia Pomalaa Industry Park	Chief Supervisor		
Xi Hong	PT. Indonesia Dahuaxing Industry Park	Chief Supervisor		
Xi Hong	PT. Indonesia Hongda Industry Park (印尼宏大工业园有限公司)	Chief Supervisor		
Xi Hong	PT. Indonesia Huali Industry Park (印尼华丽工业园有限公司)	Chief Supervisor		
Chen Yaozhong	Zhejiang Huayou New Energy Technology Co., Ltd.	Director, Manager	April 2018	
Chen Yaozhong	Guangxi B&M Technology Co., Ltd.	Executive Director, General Manager	April 2021	
Chen Yaozhong	Zhejiang Puhua New Energy Materials Co., Ltd.	Chairman	January 2019	
Chen Yaozhong	Tianjin B&M Science Technology Co., Ltd.	Chairman	June 2018	
Chen Yaozhong	Zhejiang B&M Science and Technology Co., Ltd.	Executive Director	November 2021	
Chen	Leyou New Energy Materials (Wuxi) Co.,	Chairman	June 2018	

Yaozhong	Ltd.			
Chen Yaozhong	Bamo Technology Hungary Kft	Executive Director	December 2022	
Xu Wei	Quzhou Huayou Cobalt New Materials Co., Ltd.	Director, General Manager	June 2016	
Xu Wei	Quzhou Huayou Resource Recycling Technology Company Limited	Executive Director	December 2016	
Xu Wei	Guangxi Huayou New Materials Co., Ltd.	Executive Director	April 2021	
Xu Wei	Huayou New Energy Technology (Quzhou) Co., Ltd.	Chairman	March 2023	
Xu Wei	Huajin New Energy Materials (Quzhou) Co., Ltd.	Director	November 2022	
Xu Wei	Quzhou Huayou Environmental Protection Technology Co., Ltd.	Chairman	September 2022	
Xu Wei	Guangxi Huayou New Energy Technology Co., Ltd.	Executive Director and General Manager	December 2022	
Xu Wei	Quzhou Huayou Resource Recycling Technology Company Limited	Executive Director	September 2023	
Xu Wei	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.	Director	January 2023	
Xu Wei	PT. HNNM Indonesia (HNNM 印尼有限公司)	Chairman	February 2024	
Gao Baojun	Tongxiang Hua'ang Trading Co., Ltd.	Chairman	August 2020	
Gao Baojun	Beijing Youhong Yongsheng Technology Co., Ltd.	Chairman	August 2020	
Gao Baojun	PT. HUAYUE NICKEL COBALT	Director	February 2021	
Gao Baojun	Qingshan Lvshui Environmental Services and Treatment Co., Ltd.	Chairman	February 2021	
Gao Baojun	PT. Huali Nickel Indonesia	Director		
Gao Baojun	PT. HUASHAN NICKEL COBALT	Director	February 2022	
Wu Mengtao	Chengdu B&M Technology Co., Ltd	Executive Director, General Manager		
Wu Mengtao	Tianjin B&M Science Technology Co., Ltd.	Director, General Manager		
Lu Feng	Zhejiang Huayou Import & Export Co., Ltd.	Chairman	November 2013	
Lu Feng	Zhejiang Youqing Trading Co., Ltd.	Chairman, General Manager	May 2019	
Lu Feng	Tongxiang Hua'ang Trading Co., Ltd.	General Manager	August 2020	
Lu Feng	Huashan Import & Export (Tongxiang) Co., Ltd.	Chairman	August 2021	
Lu Feng	Tongxiang Huashi Import & Export Co., Ltd.	Executive Director, Manager	November 2020	
Lu Feng	Huaxun Import & Export (Tongxiang) Co., Ltd.	Chairman	May 2021	
Lu Feng	Huawang Import & Export (Tongxiang) Co., Ltd.	Chairman	May 2021	
Lu Feng	Hualing Import & Export (Tongxiang) Co., Ltd.	Chairman	May 2021	
Lu Feng	Beijing Youhong Yongsheng Technology Co., Ltd.	General Manager	August 2020	
Lu Feng	Beijing Huashan Yongsheng Technology Co., Ltd.	Chairman	August 2021	

Lu Feng	Huashan Import & Export (Wenzhou) Co., Ltd.	Chairman	May 2021	
Lu Feng	Huake Import & Export (Wenzhou) Co., Ltd.	Chairman	May 2021	
Notes on the positions held in other entities	None			

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

Applicable Not applicable

Decision-making procedures for the compensation	Compensation of directors, supervisors and senior officers is deliberated and approved at the meeting of the Board of Directors and the general meeting of shareholders.
Whether a director recuses himself/herself from the Board of Directors' discussion of his/her compensation	No
Details of the recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors on the compensation matters	The compensation of directors, supervisors and senior officers for the year 2023 is in line with the current situation of the Company's operation and management as well as the Company's performance, and it does not harm the interests of the Company and its shareholders.
Determination basis for the compensation	The Company has implemented a base salary and performance appraisal system for its directors, supervisors and senior officers, whereby compensation is determined on the basis of the Company's production and operation and performance results and under the principle of compensation being tied to performance. The independent director is compensated by annual allowances.
Actual payment of the compensation	For details of actual payments, please refer to the table entitled "Changes in shareholding and compensation of directors, supervisors and senior officers" in Section IV, Item IV (I).
Total amount of compensation received as at the end of the reporting period	RMB 56,574,137

### (IV) Changes of directors, supervisors and senior officers of the Company

Applicable Not applicable

Name	Position	Description of change	Reasons for change
Wang Jun	Director	Election	Election at General Meeting of Shareholders
Wang Jun	Deputy General Manager, Chief Financial Officer	Appointment	Appointment by the Board of Directors
Zhang Jiangbo	Chairman Supervisor	Election	Election at Employee Representative Assembly
Xi Hong	Supervisor	Election	Election at General Meeting of Shareholders
Qian Xiaoping	Director	Departure	Departure upon expiry of term of office
Yuan Zhong	Supervisor	Departure	Departure upon expiry of term of office

Shen Jianrong	Supervisor	Departure	Departure upon expiry of term of office
Zhang Binghai	Deputy General Manager	Departure	Departure upon expiry of term of office
Zhou Qifa	Deputy General Manager	Departure	Departure upon expiry of term of office
Hu Yanhui	Deputy General Manager, Chief Financial Officer	Departure	Departure upon expiry of term of office

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

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

**V. Meetings of the Board of Directors held during the reporting period**

Session	Date of the meeting	Resolutions of the meeting
The 48th meeting of the Fifth Board of Directors	January 4, 2023	Announcement of Huayou Cobalt on Resolutions of the 48th Meeting of the Fifth Board of Directors
The 49th meeting of the Fifth Board of Directors	January 9, 2023	Announcement of Huayou Cobalt on Resolutions of the 49th meeting of the Fifth Board of Directors
The 50th meeting of the Fifth Board of Directors	February 22, 2023	Announcement of Huayou Cobalt on Resolutions of the 50th meeting of the Fifth Board of Directors
The 51st meeting of the Fifth Board of Directors	February 27, 2023	Announcement of Huayou Cobalt on Resolutions of the 51st meeting of the Fifth Board of Directors
The 52nd meeting of the Fifth Board of Directors	March 17, 2023	Announcement of Huayou Cobalt on Resolutions of the 52nd meeting of the Fifth Board of Directors
The 53rd meeting of the Fifth Board of Directors	March 27, 2023	Announcement of Huayou Cobalt on Resolutions of the 53rd meeting of the Fifth Board of Directors
The 54th meeting of the Fifth Board of Directors	March 30, 2023	Announcement of Huayou Cobalt on Resolutions of the 54th meeting of the Fifth Board of Directors
The 55th meeting of the Fifth Board of Directors	April 7, 2023	Announcement of Huayou Cobalt on Resolutions of the 55th meeting of the Fifth Board of Directors
The 56th meeting of the Fifth Board of Directors	April 26, 2023	Announcement of Huayou Cobalt on Resolutions of the 56th meeting of the Fifth Board of Directors
The 1st meeting of the Sixth Board of Directors	May 18, 2023	Announcement of Huayou Cobalt on Resolutions of the 1st meeting of the Sixth Board of Directors
The 2nd meeting of the Sixth Board of Directors	June 16, 2023	Resolutions of the 2nd meeting of the Sixth Board of Directors of Huayou Cobalt
The 3rd meeting of the Sixth Board of Directors	June 19, 2023	Announcement of Huayou Cobalt on Resolutions of the 3rd meeting of the Sixth Board of Directors
The 4th meeting of the Sixth Board of Directors	June 21, 2023	Resolutions of the 4th meeting of the Sixth Board of Directors of Huayou Cobalt
The 5th meeting of the Sixth Board of Directors	June 27, 2023	Resolutions of the 5th meeting of the Sixth Board of Directors of Huayou Cobalt
The 6th meeting of the Sixth Board of Directors	July 10, 2023	Announcement of Huayou Cobalt on Resolutions of the 6th meeting of the Sixth Board of Directors
The 7th meeting of the Sixth Board of Directors	July 25, 2023	Announcement of Huayou Cobalt on Resolutions of the 7th meeting of the Sixth Board of Directors
The 8th meeting of the Sixth Board of Directors	August 25, 2023	Announcement of Huayou Cobalt on Resolutions of the 8th meeting of the Sixth Board of Directors
The 9th meeting of the Sixth Board of Directors	August 29, 2023	Announcement of Huayou Cobalt on Resolutions of the 9th meeting of the Sixth Board of Directors
The 10th meeting of the Sixth Board of Directors	August 31, 2023	Announcement of Huayou Cobalt on Resolutions of the 10th meeting of the Sixth Board of Directors

The 11th meeting of the Sixth Board of Directors	September 11, 2023	Announcement of Huayou Cobalt on Resolutions of the 11th meeting of the Sixth Board of Directors
The 12th meeting of the Sixth Board of Directors	October 24, 2023	Announcement of Huayou Cobalt on Resolutions of the 12th meeting of the Sixth Board of Directors
The 13th meeting of the Sixth Board of Directors	December 4, 2023	Announcement of Huayou Cobalt on Resolutions of the 13th meeting of the Sixth Board of Directors

## VI. Directors' performance of duties

### (I) Attendance of directors at the meeting of the Board of Directors and the general meeting of shareholders

Name	Independent director or not	Attendance at the meeting of the Board of Directors						Attendance at the general meeting of shareholders
		Number of meetings required to attend during the year	Number of meetings attended in person	Number of meetings attended by way of telecommunication	Number of meetings attended by proxy	Number of meetings absent	Failure to attend in person two consecutive meetings or not	Number of general meetings attended
Chen Xuehua	No	22	22	20	0	0	No	1
Chen Hongliang	No	22	22	20	0	0	No	4
Fang Qixue	No	22	22	21	0	0	No	2
Wang Jun	No	13	13	12	0	0	No	3
Qian Xiaoping	No	9	9	9	0	0	No	2
Zhu Guang	Yes	22	22	21	0	0	No	5
Dong Xiuliang	Yes	22	22	21	0	0	No	5
Quan Bulin	Yes	22	22	21	0	0	No	5

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

Applicable Not applicable

Number of meetings of the Board of Directors held during the year	22
Of which: Number of on-site meetings	2
Number of meetings held by means of telecommunication	20
Number of meetings held on-site with option of access via telecommunication	2

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

Applicable Not applicable

### (III) Other information

Applicable  Not applicable

## VII. Special committees under the Board of Directors

 Applicable  Not applicable

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

Special committees	Members
Audit Committee	Qian Bolin, Fang Qixue, Zhu Guang
Nomination Committee	Zhu Guang, Chen Xuehua, Qian Bolin
Remuneration and Appraisal Committee	Dong Xiuliang, Chen Hongliang, Qian Bolin
Strategy Committee	Chen Xuehua, Chen Hongliang, Fang Qixue, Zhu Guang, Dong Xiuliang

### (II) The Audit Committee held 4 meetings during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
January 4, 2023	1. Deliberated and approved the <i>Proposal on the Signing of a Sales Contract &amp; Conducting of a Related-party Transaction with Puhua Company</i>	None	
April 26, 2023	1. Deliberated and approved the <i>Proposal on the 2022 Annual Report and Its Summary</i> 2. Deliberated and approved the <i>2022 Auditor's Report of the Company</i> 3. Deliberated and approved the <i>Proposal on the 2022 Internal Control Audit Report</i> 4. Deliberated and approved the <i>Proposal on the 2022 Final Account Report</i> 5. Deliberated and approved the <i>Proposal on the 2023 Budget Report</i> 6. Deliberated and approved the <i>Proposal on the Review of Related-party Transactions in 2022</i> 7. Deliberated and approved the <i>Proposal on Estimated Daily Related-party Transactions for Year 2023</i> 8. Deliberated and approved the <i>Proposal on the Retaining the Audit Institution for Year 2023</i> 9. Deliberated and approved the <i>Proposal on the 2022 Internal Control Evaluation Report</i> 10. Deliberated and approved the <i>Proposal on Changes in Accounting Policies</i> 11. Deliberated and approved the <i>Proposal on the Provision for Asset Impairment and Credit Impairment</i> 12. Deliberated and approved the <i>Proposal on the Company's Acceptance of Financial Assistance from Related Parties &amp; Conducting of a Related-party Transaction</i> 13. Deliberated and approved the <i>Proposal on the First Quarter Report of 2023</i>	None	
August 25, 2023	1. Deliberated and approved the <i>Proposal on the 2023 Semi-annual Report and Its Summary</i> 2. Deliberated and approved the <i>Proposal on New Daily Related-party Transactions</i>	None	
October 24, 2023	1. Deliberated and approved the <i>Proposal on the Third Quarter Report of 2023</i>	None	

## (III) The Nomination Committee held 3 meetings during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
February 22, 2023	1. Deliberated and approved the <i>Proposal on the Appointment of Vice General Managers</i>	None	
April 26, 2023	1. Deliberated and approved the <i>2022 Work Report of the Nomination Committee under the Board of Directors</i> 2. Deliberated and approved the <i>Proposal on the Election of Non-independent Director Candidates for the New Board of Directors</i> 3. Deliberated and approved the <i>Proposal on the Election of Independent Director Candidates for the New Board of Directors</i>	None	
May 18, 2023	1. Deliberated and approved the <i>Proposal on Appointment of the President</i> 2. Deliberated and approved the <i>Proposal on the Appointment of Vice President and Chief Financial Officer</i> 3. Deliberated and approved the <i>Proposal on the Appointment of the Secretary of the Board of Directors</i>	None	

## (IV) The Remuneration and Appraisal Committee held 5 meetings during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
January 9, 2023	1. Deliberated and approved the <i>Proposal on the Repurchase and Cancellation of Some Restricted Shares</i> 2. Deliberated and approved the <i>Proposal on the Achievement of the Unlocking Conditions for the First Unlocking Period of the Restricted Shares Reserved for Second Grant under the 2021 Restricted Stock Incentive Plan</i>	None	
April 26, 2023	1. Deliberated and approved the <i>Proposal on the Remuneration of Directors, Supervisors, and Senior Officers for Year 2022</i>	None	
June 19, 2023	1. Deliberated and approved the <i>Proposal on the Adjustment of the Repurchase Price of Restricted Shares</i> 2. Deliberated and approved the <i>Proposal on the Repurchase and Cancellation of Some Restricted Shares</i> 3. Deliberated and approved the <i>Proposal on the Achievement of the Unlocking Conditions for the Second Unlocking Period of the Restricted Shares First Granted under the 2021 Restricted Stock Incentive Plan</i> 4. Deliberated and approved the <i>Proposal on the Achievement of the Unlocking Conditions for the First Unlocking Period of the Restricted Shares First Granted under the 2022 Restricted Stock Incentive Plan</i>	None	
July 25, 2023	1. Deliberated and approved the <i>Proposal on the '2023 Restricted Stock Incentive Plan (Draft)' of</i>	None	

	<i>the Company and Its Summary</i> 2. Deliberated and approved the <i>Proposal on the 'Measures for the Implementation and Assessment Management of the 2023 Restricted Stock Incentive Plan' of the Company</i>		
August 29, 2023	1. Deliberated and approved the <i>Proposal on Adjustment of the Matters Relating to the First Grant of Incentives Shares under the 2023 Restricted Stock Incentive Plan</i> 2. Deliberated and approved the <i>Proposal on the First Grant of Restricted Shares to Incentive Recipients</i>	None	

## (V) The Strategy Committee held 1 meeting during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
April 26, 2023	1. Deliberated and approved the <i>Proposal on the 2022 Annual Report and Its Summary</i> 2. Deliberated and approved the <i>Proposal on the 2022 Final Account Report</i> 3. Deliberated and approved the <i>Proposal on the 2023 Budget Report</i>	None	

## (III) Particulars of the matter on which objection is raised

Applicable Not applicable

## VIII. Description of the risks to the Company identified by the Board of Supervisors

Applicable Not applicable

During the reporting period, the Board of Supervisors has no objections to the matters under supervision.

## IX. Employees of the parent company and major subsidiaries at the end of the reporting period

## (I) Employees

Number of in-service employees of the parent company	2,190
Number of in-service employees of the major subsidiaries	27,358
Total number of in-service employees	29,548
Number of retirees requiring costs to be borne by the parent company and major subsidiaries	23
Functions	
Function	Number of Employees
Production	21,484
Sales	240
Technical	4,689
Financial	356
Administrative	2,779
Total	29,548
Educational background	
Educational background	Number of Employees
PhD	78
Master	1,293
Bachelor's degree	6,806

Junior college	3,833
High school and below	17,538
Total	29,548

## (II) Employee compensation policy

Applicable Not applicable

Compensation and benefits serve as material security for employees' right to existence and right to development. Adhering to the principle that the salary is competitive in the industry and region in which the Company operates, the Company has been making continuous efforts to improve the salary standard of its employees. Subject to the requirements of laws and regulations, the Company implements a comprehensive working hour system for primary level employees and a standard working hour system for managerial and technical staff. The Company controls overtime work strictly to protect the employees' right to have rest. Overtime pay is provided for working on holidays in accordance with the law, and compensatory leaves are prioritized for overtime on weekends. The Company has devised a reasonable salary structure, which includes job level salary, monthly performance salary, skill allowance, management allowance, overtime pay, post allowance, night shift allowance, annual performance salary, incentive bonus and other allowances and subsidies. Based on the value of "striver-oriented", the distribution system has materialized the Company's distribution concepts of "results oriented performance heroes" and "favoring the strivers". This does not only present a reasonable reward to employees for their work, but also motivates them to keep improving their professional competence. The distribution system has reflected the cultural concept of "high performance, high income; enhanced performance of the enterprise, increased income of its employees". In 2023, the Company kept the bonus for excess performance and enhanced the performance appraisal, with the aim of activating talents, driving strategies and guiding employees to pursue development and growth together with the Company. The Company has also implemented a restricted stock incentive plan to further establish and improve the long-term incentive mechanism, with a view to attracting and retaining talents and fully mobilizing the enthusiasm of core management personnel and key personnel.

## (III) Employee training plans

Applicable Not applicable

Adhering to the people-oriented principle, the Company is committed to building a healthy and sustainable learning organization to promote the growth of employees and enterprises together. With scientific career development channels and all-around learning platforms for employees, the Company has developed a craftsman team, an engineer team and a management team with Huayou's characteristics, and established the talent value chain of 'leading talents make leading Huayou'.

In 2023, under the framework of comprehensive talent development system, the Company carried out various training activities focusing on organizational development and talent construction, relying on the "Youxuehai" digital learning platform. For example, the Company launched the recruit training camp of "You Endeavor" and the college student training camp of "Rising Star Program"; focusing on internal talent team building, the Company has implemented the talent project of "Capable Generals, Veteran Soldiers and Future"; aiming at high-quality operation, the Company has also conducted programs to improve safety and environmental management capabilities, regional compliance system, and overseas localized employee training. The training totaled 95,900 hours in a year, covering 500,000 domestic and overseas employees. In addition, the Company has attached great importance to the development of frontline technical personnel, carrying out professional title appraisal, skill competitions, and other activities. Such activities have not only inspired the employees to promote the spirit of engineers, but also effectively boosted upgrading of employees' competence and development of the Company's business.

## (IV) Outsourcing of labor services

Applicable Not applicable

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

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

Applicable Not applicable

In accordance with the requirements of the *Notice on Further Implementing Matters Relating to Cash Dividends of Listed Companies* (Zheng Jian Fa [2012] No. 37), the *No. 3 Guidelines for the Supervision of Listed Companies - Cash Dividends of Listed Companies* (Zheng Jian Fa [2023] No. 61) issued by the China

Securities Regulatory Commission, other applicable laws, regulations and regulatory documents and the Articles of Association of the Company, with comprehensive consideration of such factors as enterprise profitability, business development plan, shareholders' return, cost of social capital and external financing environment, the Company formulated a dividend return plan for shareholders for the next three years (2022-2024), with a view to further enhancing the transparency of the profit distribution policy of the Company, improving the profit distribution decision and supervision mechanism, maintaining the continuity and stability of the profit distribution policy, protecting the legitimate rights and interests of investors and facilitating the investors to form stable expectations on returns: after drawing in full the legal reserves and the optional reserves in accordance with the Articles of Association, relevant laws and regulations and resolutions of the general meeting of shareholders, the Company shall distribute dividends to shareholders in cash or stock every three years and the profits distributed in cash shall not be less than 30% of the average annual distributable profits realized in the said three years.

Based on the total share capital of the Company after deducting the shares held in the Company's special securities account for repurchase, a cash dividend of RMB10 (inclusive of tax) will be paid to all shareholders for every 10 shares (inclusive of tax), and no distribution of bonus share and conversion of capital reserve fund into share capital will be implemented. Shares held by the Company through special securities account for repurchase will not participate in this profit distribution, and the specific number will be disclosed in the announcement on implementation of equity distribution. Where there is any change in the Company's total share capital during the period from the date of disclosure of this Announcement to the equity registration date for implementation of equity distribution, the Company intends to maintain the distribution ratio for each share unchanged and adjust the total distribution amount accordingly, and the detailed adjustment shall be announced separately.

## (II) Special notes on cash dividend policy

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Bonus shares/10 shares (shares)	0
Dividends/10 shares (RMB) (incl.tax)	10
Capital conversion/10 shares (shares)	0
Cash dividend (incl. tax)	1,688,234,638
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement for the year of dividend distribution	3,350,891,340.06
Ratio to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	50.38
Amount for repurchase of shares in cash and included in cash dividends	638,081,400.64

Total dividend amount (incl. tax)	2,326,316,038.64
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	69.42

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

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

Applicable Not applicable

Description of the matter	Query index
On July 25, 2023, the Company held the 7th meeting of the Sixth Board of Directors, at which the <i>Proposal on the '2023 Restricted Stock Incentive Plan (Draft) of the Company and Its Summary</i> and other relevant proposals were deliberated and approved. The incentive plan was deliberated and approved at the second extraordinary general meeting of shareholders convened by the Company in 2023.	For more information, please refer to the <i>Huayou Cobalt 2023 Restricted Stock Incentive Plan (Draft)</i> disclosed on July 26, 2023 and other related announcements.
On August 29, 2023, the Company held the 9th meeting of the Sixth Board of Directors, at which the Proposal on Adjustment of the Matters Relating to the First Grant of Incentives Shares under the 2023 Restricted Stock Incentive Plan and the Proposal on the First Grant of Restricted Shares to Incentive Recipients were deliberated and approved. It was approved that 13,682,000 shares of restricted stock be granted to 1,856 incentive recipients at a grant price of RMB 25.38 per share, with August 29, 2023 as the first grant date. Registration of the first grant under this incentive plan was completed on September 26, 2023. Given that some employees failed to participate in the subscription of some or all of the restricted shares within the prescribed period during the process of making payment after the determination of the grant date, the number of incentive recipients under the first grant was adjusted from 1,856 to 1,524, and the number of incentive shares was adjusted from 13,682,000 to 11,379,200 shares.	For more information, please refer to the Announcement of Huayou Cobalt on Adjustment of the Matters Relating to the First Grant of Restricted Shares under the 2023 Restricted Stock Incentive Plan (2023-123) and the Announcement of Huayou Cobalt on the First Grant of Restricted Shares to Incentive Recipients (2023-124), both disclosed on August 30, 2023, as well as the Announcement of Huayou Cobalt on Results of the First Grant of Restricted Shares to Incentive Recipients (2023-142) disclosed on September 29, 2023.

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

Equity incentives

Applicable Not applicable

Other information

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

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

Applicable Not applicable

Unit: Share

Name	Position	Number of restricted shares held at the beginning	Number of restricted shares newly granted	Grant price of restricted shares (RMB)	Shares unlocked	Shares in lock-up	Number of restricted shares held at the end of the	Market price at the end of the reporting
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		of year	during the reporting period				period	period (RMB)
Chen Hongliang	Director, President	422,500	150,000	25.38/share	175,500	397,000	397,000	32.93
Fang Qixue	Vice Chairman, Vice President	266,500	100,000	25.38/share	110,500	256,000	256,000	32.93
Wang Jun	Director, Vice President, Chief Financial Officer	0	100,000	25.38/share	0	100,000	100,000	32.93
Chen Yaozhong	Vice President	133,250	100,000	25.38/share	55,250	178,000	178,000	32.93
Xu Wei	Vice President	133,250	100,000	25.38/share	55,250	178,000	178,000	32.93
Fang Yuan	Vice President	106,600	50,000	25.38/share	44,200	112,400	112,400	32.93
Wu Mengtao	Vice President	106,600	50,000	25.38/share	20,800	135,800	135,800	32.93
Li Rui	Secretary of the Board of Directors	65,000	22,000	25.38/share	27,040	59,960	59,960	32.93
Total	/	1,233,700	672,000	/	488,540	1,417,160	1,417,160	/

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

Applicable Not applicable

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

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

Applicable Not applicable

For more information, please refer to the *2023 Annual Internal Control Evaluation Report* disclosed by the Company on April 20, 2024 on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>). The Company did not detect any significant defects in internal control during the year.

Description of significant defects in internal control during the reporting period

Applicable Not applicable

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

Applicable Not applicable

During the reporting period, the Company has implemented management control over its subsidiaries in strict accordance with the *Company Law*, the *Articles of Association* and other applicable laws, regulations and rules. First, the Company has guided its subsidiaries to improve their corporate governance structure, and modern enterprise system, and revised and improved their articles of association and other relevant systems in accordance with relevant laws and regulations; Second, the Company has supervised its subsidiaries to submit advance reports on major matters, such as related party transactions, external

guarantees, and external investments; Third, the Company has applied classified control to each subsidiary by business under the principle of combination of management, empowerment and goal orientation and aiming at the development objectives of improving quality, efficiency, transformation and upgrading.

#### **XIV. Internal control audit reports**

Applicable Not applicable

The Company prepared and disclosed the *2023 Annual Internal Control Evaluation Report*, and Pan-China Certified Public Accountants LLP audited the Company's internal control and issued a standard unmodified *Internal Control Audit Report*. The *Internal Control Audit Report* is available on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

Whether internal control audit report is disclosed: Yes

Type of internal control audit report: Standard unmodified report

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

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

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

#### **XVI. Others**

Applicable Not applicable

## Section V Environmental and Social Responsibility

### I. Environmental information

Whether mechanisms related to environmental protection have been established	Yes
Investments in environmental protection during the reporting period (Monetary unit: RMB'0,000)	58,757.66

#### (I) Description of environmental protection of the Company and its subsidiaries that are key pollutant discharging units announced by the environmental protection authorities

√Applicable □Not applicable

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

#### 1. Information about pollution discharge

√Applicable □Not applicable

Entity Name	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	31.68mg/L	40mg/L	19.66t	32.349t	No
	Ammonia nitrogen				0.25mg/L	2mg/L	0.15t	3.077t	No
	Nitrogen oxide	Organized discharge	10	Waste gas generation points in each workshop	4.82mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.74t	1.733t	No
	Sulfur dioxide				0.25mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.06t	0.102t	No
	Particulate matter				0.51mg/m <sup>3</sup>	10mg/m <sup>3</sup>	0.14t	7.77t	No
	Non-methane hydrocarbon				20.32mg/m <sup>3</sup>	120mg/m <sup>3</sup>	3.45t	15.345t	No
Huayou Quzhou	COD	Intermittent discharge	2	Discharge outlet for production wastewater and nickel line wastewater	45.96 mg/L	50mg/L	216.167t	315.440t	No
	Ammonia nitrogen				0.81 mg/L	5(8)mg/L	3.706t	31.363t	No

	Sulfur dioxide	Organized discharge	10	Waste gas generation points in each workshop	4.7880mg/L	100mg/m <sup>3</sup>	10.503t	211.733t	No	
	Nitrogen oxide		6	Waste gas generation points in each workshop	25.121mg/m <sup>3</sup>	100mg/m <sup>3</sup>	7.689t	259.116t	No	
			2	Waste gas generation points in each workshop	33.401mg/m <sup>3</sup>	300mg/m <sup>3</sup>	1.403t		No	
	Non-methane hydrocarbon		6	Waste gas generation points in each workshop	7.715mg/m <sup>3</sup>	120mg/m <sup>3</sup>	2.759t	73.664t	No	
			1	Waste gas generation points in each workshop	0	60mg/m <sup>3</sup>	0		No	
	Particulate matter		37	Waste gas generation points in each workshop	3.602mg/m <sup>3</sup>	10mg/m <sup>3</sup>	9.348t	87.267t	No	
			4	Waste gas generation points in each workshop	24.64mg/m <sup>3</sup>	120mg/m <sup>3</sup>	7.287t		No	
			2	Waste gas generation points in each workshop	3.337mg/m <sup>3</sup>	30mg/m <sup>3</sup>	0.137t		No	
	Huayou New Energy Quzhou		COD	Intermittent discharge	2	Main discharge outlet of the factory	45.96 mg/L	50mg/L	96.54t	385.244t
Ammonia nitrogen		0.81 mg/L	5(8)mg/L				1.7t	41.387t	No	
Nitrogen oxide		Organized discharge	27	Exhaust gas generation point of spray workshop	Non-production	100mg/m <sup>3</sup>	Non-production	0.666t	No	
Sulfur dioxide						100mg/m <sup>3</sup>		0.2t	No	
Ammonia (ammonia gas)					Waste gas generation points in each workshop	2.115 mg/m <sup>3</sup>	10mg/m <sup>3</sup>	1.128t	14.733t	No
Particulate matter					Waste gas generation points in each workshop	3.22 mg/m <sup>3</sup>	10mg/m <sup>3</sup>	1.055t	19.012t	No
Huayou Puxiang	COD	Intermittent discharge	1	Main discharge outlet of the factory	28.909mg/L	50mg/L	4.578t	39.268t	No	
	Ammonia nitrogen				0.277mg/L	5mg/L	0.044t	3.927t	No	
	Particulate matter	Organized discharge	7	Waste gas generation points in each workshop	1.334mg/m <sup>3</sup>	10mg/m <sup>3</sup>	0.057t	3.185t	No	
Resource Recycling	COD	Intermittent discharge	1	Main discharge outlet of the factory	45.96mg/L	50mg/L	37.827t	43.687t/a	No	
	Ammonia nitrogen				0.81mg/L	5(8)mg/L	0.67t	4.04t/a	No	
	Particulate matter	Organized discharge	24	Waste gas	3mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.13t	17.195t	No	

	Non-methane hydrocarbon	discharge		generation points in each workshop	3mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.048t	2.053t	No
Huajin Company	COD	Intermittent discharge	1	Main discharge outlet of the factory	36mg/L	200mg/L	0.45t	9.22t	No
	Ammonia nitrogen				1.46mg/L	35mg/L	0.015t	1.2t	No
	Particulate matter	Organized discharge	5	Waste gas generation points in each workshop	3.04mg/m <sup>3</sup>	10mg/m <sup>3</sup>	1.23t	2t	No

## 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 properly. 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 conformed to the relevant emission standards.

Entity name	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 it meet standards, is in normal operation.</p> <p><b>Solid waste treatment measures:</b> Domestic wastes are commissioned to the environmental sanitation department for paid removal. General industrial solid wastes such as non-ferrous metal ash are commissioned 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 commissioned 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 (except that the bag dust removal facility of the high temperature discharge of residues removal is not opened due to the shutdown of the production line), 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 are in normal operation during the reporting period. The facilities 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.</p> <p><b>Solid waste treatment measures:</b> Domestic wastes are commissioned to the environmental sanitation department for paid removal. General industrial solid wastes such as non-ferrous metal ash and gypsum slag are commissioned to third-party units for comprehensive utilization, while hazardous wastes such as waste activated carbon and three-phase residues</p>

	<p>are commissioned 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 34 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 are in normal operation. The facilities use two-stage precision filtration, stripping deamination tower, water quality regulation and other methods to meet the standards for wastewater treatment.</p> <p><b>Solid waste treatment measures:</b> Domestic wastes are commissioned to the environmental sanitation department for paid removal. Hazardous wastes such as waste packaging materials, cloth and felt contaminated with materials, waste filter cloth, empty chemical reagent bottles, waste lubricating oil, are commissioned 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 Puxiang	<p><b>Waste gas treatment facilities:</b> All of the 14 sets of waste gas treatment facilities, 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 are in normal operation. The facilities include 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 systems which uses anoxic + MBR combined process to meet the standards for wastewater treatment.</p> <p><b>Solid waste treatment measures:</b> Domestic wastes are commissioned to the environmental sanitation department for paid removal. General industrial solid wastes such as waste outer packaging bags and biochemical sludge are commissioned 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 commissioned 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 24 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.</p> <p><b>Solid waste treatment measures:</b> Domestic wastes are commissioned to the environmental sanitation department for paid removal. Hazardous waste such as waste activated carbon, waste engine oil and third-phase residue are commissioned 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 20 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 use 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> Domestic wastes are commissioned to the environmental sanitation department for paid removal. General industrial solid wastes such as waste</p>

	<p>outsourcing tapes and waste wrapping films are commissioned 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 commissioned 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>
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### 3. Environmental impact assessment of construction projects and other administrative permits for environmental protection with respect thereto

√Applicable □Not applicable

Entity name	Environmental impact assessment of construction projects and other administrative permits for environmental protection with respect thereto during the reporting period
Huayou Cobalt	The project of optimizing and upgrading cobalt to nickel process was approved by Jiaxing Ecological Environment Bureau on December 11, 2023 (Jiahuan Tongjian [2023] No. 129).
Huayou Quzhou	<p>(1) Project acceptance</p> <p>① The change project of nickel sulfate for high-purity ternary electrical batteries with an annual output of 30,000 tons (metallometry) (nickel ice cobalt and alloy leaching sub-project) passed the self-inspection for acceptance of the Company on April 27, 2023;</p> <p>② The project of nickel sulfate for high-purity ternary electrical batteries with an annual output of 30,000 tons (metallometry) (Phase II sub-project of hazardous solid waste recycling and sub-project of waste material recycling) passed the self-inspection for acceptance of the Company on May 31, 2023;</p> <p>③ The project of high-purity nickel sulfate with an annual output of 50,000 tons (metallometry) (Phase I) passed the self-inspection for acceptance of the Company on September 28, 2023;</p> <p>④ The high-purity nickel construction project with an annual output of 50,000 tons (metallometry) passed the self-inspection for acceptance of the Company on October 31, 2023.</p> <p>(2) Environmental impact assessment (EIA) approval</p> <p>① 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);</p> <p>② The project of high-purity nickel sulfate with an annual output of 50,000 tons (metallometry) (Phase I) was approved by Quzhou Ecological Environment Bureau on March 24, 2023 (Qu Huan Zhi Zao Jian [2013] No. 18);</p> <p>③ The high-purity nickel construction project with an annual production capacity of 50,000 tons (metallometry) was approved by the Quzhou Ecological Environment Bureau on July 25, 2023 (Qu Huan Zhi Zao Jian [2023] No. 36);</p> <p>④ The pilot-scale test project of oxidized cobalt sulfuric acid curing and roasting was approved by Quzhou Municipal Bureau of Ecology and Environment on August 28, 2023 (Qu Huan Zhi Zao Jian [2023] No. 43).</p>

Huayou New Energy Quzhou	<p>The project of ternary precursor materials for high-nickel electrical batteries with an annual output of 50,000 tons passed the self-inspection for acceptance of the Company on June 13, 2023.</p> <p>The construction project of laboratory-scale test of new type of low-cost sodium precursor was approved by Quzhou Ecological Environment Bureau (Qu Huan Zhi Zao Jian [2023] No. 35);</p> <p>The project of flexible production of key materials for cathode with an annual output of 11,000 tons was approved by Quzhou Ecological Environment Bureau (Qu Huan Zhi Zao Jian [2023] No. 42);</p> <p>The project of research on key technologies for green and efficient manufacturing of new materials for high-performance power batteries by spray pyrolysis was approved by Quzhou Ecological Environment Bureau (Qu Huan Zhi Zao Jian [2023] No. 68).</p>
Huayou Puxiang	/
Resource Recycling	The project of high value utilization of polymorphic nickel resources to prepare battery-grade nickel sulfate passed the self-inspection for acceptance of the Company on July 28, 2023.
Huajin Company	/

#### 4. Contingency plans for environmental emergencies

√Applicable □Not applicable

Entity name	Contingency plans for environmental emergencies
Huayou Cobalt	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huayou Cobalt revised its contingency plan for environmental emergencies (which is valid until November 2026) in 2023, and filed the plan with Tongxiang Ecological Environment Bureau under the number 330483-2023-115-H.
Huayou Quzhou	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huayou Quzhou revised its contingency plan for environmental emergencies (which is valid until October 2026) in 2023 and filed the plan with Quzhou Ecological Environment Bureau under the number 330802-2023-091-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 contingency plan for environmental emergencies (which is valid until 2026) in 2023 and filed the plan with Zhizao Xincheng Branch of Quzhou Ecological Environment Bureau under the number 330802-2023-029-H.
Huayou Puxiang	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huayou Puxiang revised its contingency plan for environmental emergencies (which is valid until 2026) in 2023 and filed the plan with Tongxiang Branch of Jiaxing Ecological Environment Bureau under the number 330483-2023-006-H.
Resource Recycling	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Resource Recycling revised its contingency plan for environmental emergencies (which is valid until 2026) in 2023 and filed the plan with Quzhou Ecological Environment Bureau under the number 330802-2024-011-H.
Huajin Company	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huajin Company prepared its contingency plan for environmental emergencies (which is valid until 2024) in 2021 and filed the plan with Zhizao Xincheng Branch of Quzhou Ecological Environment Bureau under the number 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 connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, Huayou Cobalt has developed a self-monitoring plan in accordance with relevant provisions of the *Measures for Administration of National Pollution Discharge License* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also commissions third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring results 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 connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, Huayou Quzhou has developed a self-monitoring plan in accordance with relevant provisions of the *Measures for Administration of National Pollution Discharge License* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also commissions third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring results 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 connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, Huayou New Energy Quzhou has developed a self-monitoring plan in accordance with relevant provisions of the *Measures for Administration of National Pollution Discharge License* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also commissions third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring results 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 connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, Huayou Puxiang has developed a self-monitoring plan in accordance with relevant provisions of the *Measures for Administration of National Pollution Discharge License* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also commissions third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring results 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, Resource Recycling has developed a self-monitoring plan in accordance with relevant provisions of the *Measures for Administration of National Pollution Discharge License* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also commissions third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring results to the Zhejiang Enterprise Self-Monitoring Information Disclosure Platform.

Huajin Company 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, Huajin Company has developed a self-monitoring plan in accordance with relevant provisions of the *Measures for Administration of National Pollution Discharge License* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also commissions third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring results 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 requiring disclosure**

Applicable Not applicable

## **(II) Description of environmental protection situation of the companies other than the key pollutant discharging units**

Applicable Not applicable

## 1. Administrative punishment received due to environmental issues

Applicable Not applicable

## 2. Disclosure of other environmental information by reference to the 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 in the amendment list, is discharged from the exhaust funnel at a high altitude. Storage and disposal of solid waste: Domestic 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. The company follows the *PRC Law on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the 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, hence such process complies with the regulations of the ecological environment regulatory department.

The main pollutants discharged by Tianjin B&M include COD, ammonia nitrogen, particulate matter, nickel and its compounds, cobalt and its compounds, ammonia, hydrogen chloride, sulfuric acid mist, TRVOC, 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: Domestic waste is commissioned to the environmental sanitation department for regular and paid removal. 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 commissioned to Tianjin Hejia Veolia Environmental Services Co., Ltd. and other qualified units for disposal. The company follows the *PRC Law on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) and its amendment list during the storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the 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, hence such process 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 altitudes after the particulate matter meets the standards specified in the *Emission Standard of Pollutant for Battery Industry* (GB 30484-2013), 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: Domestic waste is commissioned to the environmental sanitation department for paid removal. 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 commissioned to Jiangsu Bangteng Environmental Protection Technology Development Co., Ltd. for disposal. The company follows the *PRC Law on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) and its amendment list during the storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the 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, hence such process complies with the regulations of the ecological environment regulatory department.

Guangxi B&M:

The main pollutants discharged from the nonferrous 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: Domestic waste is commissioned to the environmental sanitation department for collection and disposal. Hazardous waste such as waste packaging materials, waste filter cloth, chemical reagent packaging, rags and felt are commissioned 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 commissioned to qualified units such as Yulin Hehan Jinhui Renewable Resources Co., Ltd. for disposal. The company follows the *PRC Law on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) and its amendment list during the storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the 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, hence such process complies with the regulations of the ecological environment regulatory department.

The main pollutants discharged from the cathode materials 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 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 altitudes 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 altitudes after meeting the *Integrated Emission Standard of Air Pollutants* (GB16297-1996).

**Storage and disposal of solid waste:** Domestic waste is commissioned to the environmental sanitation department for collection and disposal. 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 *PRC Law on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the 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, hence such process 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 collectors. 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 Zhejiang Hongye Supply & Marketing 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 commissioned to Wenzhou Environmental Development Co., Ltd. for disposal. The company follows the *PRC Law on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the 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, hence such process complies with the regulations of the ecological environment regulatory department.

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

Applicable Not applicable

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

Applicable Not applicable

Upholding the philosophy of green development, the Company has made continuous efforts to strengthen its energy management system and environmental management system, integrating energy saving and emission reduction, resource management, and biodiversity protection into all aspects of production and operation, thus constantly minimizing the impact of its operational activities on the environment, promoting green and sustainable development, and creating a brighter future for mankind. The Company keeps working to progress the certification of its environmental management system while several of its factories have already obtained the “Zero Carbon” factory certification.

#### Protection of nature and ecology

During the reporting period, the Company’s overseas projects were engaged in a number of eco-protection activities, including biodiversity survey and assessment, participation in biodiversity conservation actions, etc. The Company endeavored to achieve positive impacts by setting up a special fund for eco-protection, cooperating with stakeholders, and carrying out practical activities such as planting forests and wildlife protection to minimize or avoid damaging the ecological environment. Huayue Company has successfully planted about 1,100 mangrove trees along the coastline of Labota Village around the industrial park, with a total planting area of about 11 hectares. Huafei Company has established a 15,000-square-meter nursery base to conserve biodiversity, and has so far cultivated a total of 1.16 million plants of 27 species for landscaping the factory and living areas.

#### Pollutant discharge management

In strict compliance with the PRC Law on Prevention and Control of Air Pollution, the PRC Law on Prevention and Control of Environmental Pollution by Solid Wastes, the Emission Standards of Air Pollutants and other laws and regulations, as well as the applicable local requirements of its overseas places of operation, Huayou Cobalt categorizes and manages the pollutant generated from its production and operations according to the standards and requirements of relevant internal rules of the Company. The Company will consistently apply advanced technologies to reduce or lower the level of pollutant discharge and adopt stricter discharge standards. With regard to the various types of pollutants/wastes generated, the

Company is striving to upgrade the treatment of general solid wastes to increase the rate of reuse or resource utilization of solid wastes, as well as to improve the capacity of waste gas treatment facilities to reduce pollutant emissions continuously.

#### Waste gas management

During the reporting period, the Company has developed Air Pollutant Emission Control Procedures and other institutional documents within each of its subsidiaries to supervise and manage the emission of waste gas. Dust is controlled by bag dust removal and water film dust reduction treatment. Production waste gas such as sulfur dioxide and acid mist is absorbed and treated by applying lye spray tower. Organic waste gas generated is treated by RTO to reduce the impact of the production process on the atmospheric environment.

#### Waste management

During the reporting period, the Company has always been committed to responsibly addressing the impact on the environment and communities in the places where it invests by the waste generated during the production process. Subsidiaries within the Group have implemented a point-to-point utilization program for hazardous wastes to achieve the utilization of high-value solid wastes and re-resolution of non-conforming products, and to realize reduction, resource utilization and compliance from the source. The Company improves the conversion rate of raw materials and reduces the amount of waste generated through measures such as use of low-toxic and low-hazardous materials and innovation and upgrading of production technology. The Company also seeks to maximize the level of resource utilization of waste through proper storage, end-of-pipe recycling or comprehensive utilization, and commissions qualified third parties to transport and dispose of waste to minimize the negative impacts of waste on the neighboring environment and community health, and to reduce risks.

#### Wastewater management

During the reporting period, the Company attributed great importance to the discharge of wastewater during the production process. It took the initiative to carry out wastewater management, testing oil pollutants, metal ions, acid and alkali pollutants in the water body strictly in compliance with relevant laws and regulations in the place where it operates to ensure that the wastewater discharged was up to standard. The Company commissions a third-party institution to test the production wastewater every quarter, and the test results are 100% up to standard.

#### Environmental protection training

During the reporting period, the Company actively conducted training related to environmental protection to provide cultural support for the implementation of the Company's environmental protection management strategy. The Company provided special training on environmental compliance management, standardized management of three wastes and other aspects, with a coverage rate of 100%. Environmental protection-related knowledge and skills training was incorporated into the daily work of employees, and environmental protection awareness was further enhanced through environment day themed activities, such as tree planting eco-brick making activities on World Environment Day, which was to practice the concept of environmental protection.

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

Whether carbon reduction measures are adopted or not	Yes
Reduction of carbon dioxide equivalent emissions (Unit: tons)	214,815 (excl. renewable energy certificate (REC) offsets)
Type of carbon reduction measures (e.g. use of clean energy for power generation, use of carbon reduction technologies in production processes, development and production of new products that contribute to carbon reduction, etc.)	Carbon reduction technologies are employed in production, construction and use of distributed rooftop photovoltaics.

Describe the specifics

Applicable Not applicable

Always pursuing the concept of green and low-carbon development, the Company has been taking active steps to implement carbon-reducing and carbon-reducing processes and energy structure substitution and promote the green and low-carbon transformation of the industrial chain, with the goal of "achieving carbon-neutral operation by 2050" in each of its industrial sectors. The Company has implemented a detailed work plan for each aspect of the whole industrial chain and each region of the Group to continuously promote "short process, large-scale equipment, automatic production line, intelligent manufacturing, digital operation, and green industry", thereby increasing the proportion of clean energy structure and expand the application of green and low-carbon technologies.

1. Adjust energy structure to boost the proportion of clean power usage

In 2023, Quzhou and Tongxiang bases were equipped with distributed rooftop photovoltaic (PV) of 10MW

and 1.9MW, with an annual PV power generation capacity of 2.27 million kWh and a reduction of 1,295 tons of carbon emissions; Chengdu base gave full play to its advantages in hydropower resources, with an annual consumption of hydropower of 550 million kWh; and in Africa region, the hydropower consumption amounted to 270 million kWh. International REC was acquired in 2023 to achieve renewable power attribute substitution of 620 million kWh. The Group's usage of clean power reaches 34% in 2023.

2. Keep exploring energy-saving and carbon-reducing capacity of process equipment to improve energy utilization efficiency

The Company developed targeted solutions to address high energy consumption and high carbon emissions in its production and manufacturing process: the further research made on the silicon removal by nickel sulfate leach solution to replace the process of silicon removal by evaporation, resulting in a reduction of carbon emission by 10,656 tons; the electrolysis anode liquid recycling transformation implemented to maximize the utilization of acid in anode liquid and reduce liquid alkali consumption, resulting in a reduction of carbon emission by 8,840 tons; the oxygen autoclave (the core equipment of smelting) optimized to reduce steam consumption, resulting in a reduction of carbon emission by 7,131 tons; the process for synthesis using ambient metal fluid improved, resulting in a reduction of carbon emissions by 2,274 tons; the reuse of ammonia water and renovation of deammonia waste heat utilization implemented at Guangxi base, resulting in a reduction of carbon emission by 10,847 tons; the renovation of synthetic water bath system to reduce steam consumption, promotion of reuse of evaporated ammonia waste heat in deammonia tower, and centralized treatment and reuse of water in gutters implemented at Quzhou base, resulting in a reduction of carbon emissions by 69,370 tons in total; the further research made on optimization and adjustment of the kiln oxygen consumption process at Chengdu base, resulting in a reduction of carbon emissions by 6,643 tons. In addition, the Company has further reduced its total carbon emissions by improvement of the performance of production equipment energy efficiency of motors and other general-purpose equipment, self-control frequency adjustment, and parameter optimization.

In total, the Group reduced carbon emissions in the production process by 213,520 tons in 2023.

## II. Social responsibility

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

Applicable Not applicable

During the reporting period, the Company has given high priority to the fulfillment of its corporate social responsibility and disclosed its annual environmental, social and governance report. For more information, please refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange and the Company's official website.

### (II) Specifics of social responsibility work

Applicable Not applicable

External donations and public welfare projects	Amount/Description	Notes
Total input (RMB'0,000)	946.81	
Including: Funds (RMB'0,000)	911.00	
Materials converted into cash (RMB'0,000)	35.80	
Number of people benefited (persons)	67,992	

Describe the specifics

Applicable Not applicable

The Company has always practiced the investment philosophy of "making contributions to the local economy and society wherever it invests". Fully aware that the development of the enterprise depends on the support of the people in the communities at home and abroad, the Company actively engages in rural revitalization and fulfills its overseas responsibilities. It makes sincere efforts to reward society and actively participates in all kinds of charitable donations and public welfare activities, with a particular focus on the fields of community education, medical and health care, economic development, infrastructure and the environment, so as to pass on its love and warmth to the needy people all over the world. During the reporting period, the Company spent a total of RMB 9,468,100 on external donations and public welfare programs.

### III. Consolidating and expanding the achievements of poverty alleviation, rural revitalization and other specific efforts

Applicable Not applicable

Poverty alleviation and rural revitalization projects	Amount/Description	Notes
Total input (RMB'0,000)	122.26	
Including: Funds (RMB'0,000)	122.26	
Materials converted into cash (RMB'0,000)	/	
Number of people benefited (persons)	4,676	
Forms of assistance (e.g. poverty alleviation through industry, employment, education, etc.)		Poverty alleviation through industry and education

Describe the specifics

Applicable Not applicable

Rural revitalization

Taking an active role in responding to the national strategy of rural revitalization, the Company has been practicing its social responsibility by assisting in high-quality development and building a demonstration zone of common prosperity. During the reporting period, in order to support the development of rural revitalization in Yugan County, Jiangxi Province, the Company helped Phoenix Village with RMB 200,000 in the form of assistance donation after learning that Phoenix Village in Baimaqiao Township suffered economic difficulties in developing photovoltaic industry projects for poverty alleviation due to limited income of the village. The funds are targeted for use in the construction of distributed photovoltaic projects on the roofs of Phoenix Village, which brings a stable source of income to the collective economy of the 8 villager groups of the village, with an agricultural population of 1,100 households and 4,025 people. This has boosted the local economic development and practically improved the production and living standards of the people in the area under assistance.

Assistance through education

The Company has been actively supporting education in various forms, from primary education to higher education, contributing Huayou's strength to the implementation of the strategy of invigorating China through science and education. During the reporting period, "Huayou Building Dreams" Scholarships, a charitable program under Huayou Common Wealth Fund, were granted for the first time, and "Huayou Chongxue Award" continued to be granted, with a total of 183 students received awards. Among them, the "Huayou Building Dreams" award granted scholarships of RMB 560,000 to 52 students in Tongxiang City who entered prestigious universities for further studies. "Huayou Chongxue Award" granted scholarships of RMB 123,200 to a total of 131 outstanding students of Tongxiang Qixin School, including those who excelled in the final exams and those who won the Inspiration and Dream Fund.

## Section VI Major Matters

### I. Performance of commitments

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

√Applicable □Not applicable

Background of commitment	Type of commitment	Party making the commitment	Details of commitment	Date of commitment	Whether there is performance period	Period of commitment	Whether commitments are performed in a strict and timely manner	Reasons for failure to make timely performance	Next steps to be taken in case of failure to make timely performance
Commitments related to IPO	About 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 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		Yes		Yes		

			<p>that competes with, or may compete with, the Company's main businesses, whether within or outside the territory of China, by themselves or in conjunction with Other, in any form; and (2) supporting Other in any way, whether within or outside the territory of China, to engage in any business or activity that competes or may compete with the principal business of the Company; and (3) otherwise engaging (whether directly or indirectly) in any business or activity that competes or may compete with the principal business of the Company. 4. As of the date of the Letter of Commitment, if the Company further expands its business scope, neither the Commitment Makers nor any entity under their control will compete in any way with the expanded business of the Company; If competition arises after the business expansion, the Commitment Makers and any entity under their control will avoid such horizontal competition by discontinuing the operation of the competing business, or by incorporating the competing business into the Company, or by transferring the competing business to an unrelated third party. 5. The foregoing commitment shall take effect from the date of issuance of the Letter of Commitment to the date when the Commitment Makers cease to be the controlling shareholders of the Company or the date when the Company ceases to be listed in domestic or foreign securities exchange institutions.</p>						
Commitments related to refinancing	Others	Huayou Holding (the controlling shareholder of the Company) and Chen Xuehua (the actual controller)	<p>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 <i>Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</i>. 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.</p>		Yes		Yes		
	About horizontal competition	Huayou Holding (the controlling shareholder)	<p>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</p>		Yes		Yes		

		r of the Company) and Chen Xuehua (the actual controller)	we invest in any other business that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries. 2. During the foregoing period, I/the Company and other enterprises controlled by me/the Company will promptly notify Huayou Cobalt of any business opportunity that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries and will use our best efforts to pass the business opportunity to Huayou Cobalt in order to avoid competition or potential competition with Huayou Cobalt and its subsidiaries and to ensure that the interests of Huayou Cobalt and other shareholders of Huayou Cobalt are not harmed. 3. The operating profits obtained by me/the Company as a result of non-performance or improper performance of the above commitments shall be owned by Huayou Cobalt. If I/the Company causes any loss to Huayou Cobalt and its relevant shareholders as a result of failure to perform or improper performance of the above commitments, I/the Company shall bear such loss in full in cash and be held jointly and severally liable.						
	About 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 held jointly and severally liable.		Yes		Yes		
	Others	Directors	Upon completion of the non-public offering, the directors and senior						

	and senior officers of the Company	<p>officers of the Company will continue to faithfully and diligently perform their duties, safeguard the legitimate rights and interests of the Company and all shareholders, and make the following commitments to the effective performance of the Company's measures to make up the gap in accordance with the relevant regulations of the China Securities Regulatory Commission: "1. I undertake to perform my duties faithfully and diligently and to protect the legitimate rights and interests of the Company and all shareholders; 2. I undertake not to give benefits to other entities or individuals free of charge or on unfair terms, and not to harm the interests of the Company in any other way; 3. I undertake to restrict my job-related consumption behavior; 4. I undertake not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of duties; 5. I undertake that the remuneration system established by the Board of Directors or the Nomination and Remuneration Committee is linked to the implementation of the Company's measures to make up the gap; 6. I undertake that the vesting conditions of any equity incentive plans announced will be linked to the implementation of the Company's measures to make up the gap; 7. I undertake to effectively implement the Company's measures to make up the gap and fulfill any commitments I have made regarding the measures to make up the gap. If I violate any of these commitments and cause losses to the Company or its investors, I am willing to bear the liability for compensation to the Company or its investors in accordance with the law; 8. From the date of issuance of the commitments to the completion of the Company's non-public offering of the shares, if the China Securities Regulatory Commission formulates any other new regulatory requirements regarding the measures to make up the gap and their commitments and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, I undertake to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time."</p>						
Others	Huayou Holding (the controlling shareholde	<p>In order to reduce the impact of the shares issued in this non-public offering diluting the return for the current period and ensure that the measures taken by the issuer to make up the gap can be effectively implemented, Huayou Holding, the controlling shareholder of the Company, and Chen Xuehua, the actual controller, have made the</p>						

		r of the Company) and Chen Xuehua (the actual controller)	following commitments to the effective implementation of the Company's measures to make up the gap in accordance with the relevant regulations of the China Securities Regulatory Commission: "1. The Company/I undertake to exercise the shareholders' rights in accordance with the relevant laws, regulations, and the relevant provisions of the Articles of Association, and undertake not to interfere in the operation and management of the Company beyond our authority and not to harm the interests of the Company; 2. The Company/I undertake to effectively implement the Company's relevant measures to make up the gap and fulfill any commitments I have made in this regard. If I violate any of these commitments and cause losses to the Company or its investors, I am willing to bear the liability for compensation to the Company or its investors in accordance with the law; 3. From the date of issuance of the commitments to the completion of the Company's non-public offering of the shares, if the China Securities Regulatory Commission formulates any other new regulatory requirements regarding the measures to make up the gap and their commitments, and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, The Company/I undertake to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time."						
	Others	Chen Xuehua (the actual controller of the Company)	Chen Xuehua, the actual controller of the Company, has committed to participate in the subscription of the Company's shares in this non-public offering. Chen Xuehua also has made relevant commitments in respect of the non-existence of any reduction or plans for reduction of shareholdings, as follows: "1. During the period of six months prior to the date of this commitment letter, I have not sold or in any way reduced my shareholdings in the Company through Huayou Holding Group Co., Ltd.; 2. Where I participate in the subscription of the Company's shares in the 2020 non-public offering, I undertake that during the period of six months prior to the base date of this non-public pricing through six months after the completion of this non-public offering, I will not sell or in any way reduce my shareholdings in the Company, and I do not have any plans to reduce my shareholdings therein; 3. If I violate the above commitment and reduce my shareholdings, all the proceeds from the reduction will vest in the Company, and I shall bear all the legal liabilities arising therefrom in accordance with the law."						

	Others	Directors and senior officers of the Company	<p>Upon completion of the issuance of the convertible corporate bonds, the directors and senior officers of the Company will continue to faithfully and diligently perform their duties, safeguard the legitimate rights and interests of the Company and all shareholders, and make the following commitments to the effective performance of the Company's measures to make up the gap in accordance with the relevant regulations of the China Securities Regulatory Commission: "1. I undertake to perform my duties faithfully and diligently and to protect the legitimate rights and interests of the Company and all shareholders; 2. I undertake not to give benefits to other entities or individuals free of charge or on unfair terms, and not to harm the interests of the Company in any other way; 3. I undertake to restrict my job-related consumption behavior; 4. I undertake not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of duties; 5. I undertake that the remuneration system established by the Board of Directors or the Nomination and Remuneration Committee is linked to the implementation of the Company's measures to make up the gap; 6. I undertake that the vesting conditions of any equity incentive plans announced will be linked to the implementation of the Company's measures to make up the gap; 7. I undertake to effectively implement the Company's measures to make up the gap and fulfill any commitments I have made regarding the measures to make up the gap. If I violate any of these commitments and cause losses to the Company or its investors, I am willing to bear the liability for compensation to the Company or its investors in accordance with the law; 8. From the date of issuance of the commitments to the completion of the Company's issuance of the convertible corporate bonds, if the China Securities Regulatory Commission formulates any other new regulatory requirements regarding the measures to make up the gap and their commitments and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, I undertake to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time."</p>						
	Others	Huayou Holding (the controlling	<p>In order to reduce the impact of the convertible corporate bonds diluting the return for the current period and ensure that the Company's measures to make up the gap can be effectively implemented, Huayou Holding, the controlling shareholder of the Company, and Chen Xuehua, the actual</p>						

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

				recipient s are unlocked or canceled					
	Others	All incentive recipients	The incentive recipients of the Company in 2021, 2022 and 2023 undertake that if the Company fails to meet the conditions for the grant or exercise of rights due to false records, misleading statements or material omissions in the information disclosure documents, the incentive recipients will return all the benefits obtained from the equity incentive plan to the Company after the false records, misleading statements or material omissions in the relevant information disclosure documents have been confirmed.	From the date on which the grant registrati on is complete d to the date on which all restricted shares granted to the incentive recipient s are unlocked or canceled	Yes		Yes		

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

Achieved  Not Achieved  Not Applicable

**(III) Fulfillment of performance commitments and their impact on goodwill impairment testing**

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

**IV. Explanation given by the Board of Directors on "non-standard opinion audit report" from the accounting firm**

Applicable  Not applicable

**V. The Company's analysis of the reasons for and impact of changes in accounting policies, accounting estimates or corrections of material accounting errors**

**(I) The Company's analysis of the reasons for and impact of changes in accounting policies and accounting estimates**

Applicable  Not applicable

**(II) The Company's analysis of the reasons for and impact of changes in corrections of material accounting errors**

Applicable  Not applicable

**(III) Communication with the former accounting firm**

Applicable  Not applicable

**(IV) Approval procedures and others**

Applicable  Not applicable

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

Monetary unit: Yuan Currency: RMB

	Current appointment
Name of the domestic accounting firm	Pan-China Certified Public Accountants LLP
Compensation of the domestic accounting firm	3,600,000.00
Audit period of the domestic accounting firm	17 years
Names of CPAs from the domestic accounting firm	Wang Qiang and Zhang Jingjing
Cumulative years of audit service provided by the CPAs from the domestic accounting firm	Wang Qiang (5 years) and Zhang Jingjing (3 years)
Name of the overseas accounting firm	
Compensation of the overseas accounting firm	
Audit period of the overseas accounting firm	

	Name	Compensation
Accounting firm for internal control audits	Pan-China Certified Public Accountants LLP	680,000.00

Financial advisor		
Sponsor		

Notes on the appointment and dismissal of accounting firms

Applicable Not applicable

Upon deliberation and approval at the 56th meeting of the Fifth Board of Directors and the 2022 Annual General Meeting of Shareholders of the Company, the Company agreed to continue to appoint Pan-China Certified Public Accountants LLP as the Company's auditor for the year 2023, with the term of appointment of one year.

Change of accounting firm during the audit period

Applicable Not applicable

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

Applicable Not applicable

## VII. Exposure to the risk of delisting

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

## VIII. Matters relating to bankruptcy and reorganization

Applicable Not applicable

## IX. Major litigation and arbitration

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

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

Applicable Not applicable

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

Applicable Not applicable

## XII. Major related party transactions

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

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

Applicable Not applicable

Description of matter	Query index
On January 4, 2023, the <i>Proposal on Signing Sales Contract and Conclusion of Related Party Transactions with Puhua Company</i> was deliberated and approved at the 48th meeting of the Fifth Board of Directors, and it was then deliberated and approved by the first extraordinary	Please refer to the Announcement of Huayou Cobalt on Signing the Sales Contract and Conclusion of Related Party Transactions with Puhua Company (2023-005) disclosed on January 5, 2023.

meeting of shareholders in 2023.	
On April 26, 2023, the <i>Proposal on Estimations of Continuing Related Party Transactions in 2023</i> was deliberated and approved at the 56th meeting of the Fifth Board of Directors of the Company and it was then deliberated and approved at the 2022 annual general meeting of shareholders.	Please refer to the Announcement of Huayou Cobalt on Review of Continuing Related Party Transactions in 2022 and Estimations of Continuing Related Party Transactions in 2023 disclosed on April 28, 2023.
On August 25, 2023, the <i>Proposal on Additional Continuing Related Party Transactions</i> was deliberated and approved at the 8th meeting of the Sixth Board of Directors of the Company.	Please refer to the Announcement of Huayou Cobalt on Additional Continuing Related Party Transactions disclosed on August 26, 2023.

**2. Matters that have been disclosed in ad hoc announcements with progress or changes in subsequent implementation**

Applicable Not applicable

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

Applicable Not applicable

**(II) Related-party transactions arising from the acquisition or sales of assets or equity**

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

Applicable Not applicable

**2. Matters that have been disclosed in ad hoc announcements with progress or changes in subsequent implementation**

Applicable Not applicable

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

Applicable Not applicable

**4. Where performance agreements are involved, performance results for the reporting period shall be disclosed.**

Applicable Not applicable

**(III) Major related-party transactions regarding joint investments to third parties**

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

Applicable Not applicable

**2. Matters that have been disclosed in ad hoc announcements with progress or changes in subsequent implementation**

Applicable Not applicable

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

Applicable Not applicable

**(IV) Debt and credit with related parties**

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

Applicable Not applicable

Description of matter	Query index
On April 23, 2023, the <i>Proposal on the Acceptance of Financial Aid from Related Parties</i>	Please refer to the Company's <i>Announcement on the Acceptance of Financial Aid from Related</i>

<p><i>and Related Party Transactions</i> was deliberated and approved at the 32nd meeting of the Fifth Board of Directors. Maximum borrowing limit term: three years from the date when the general meeting of shareholders of the Company deliberates and approves the proposal.</p>	<p><i>Parties and Related Party Transactions (2023-060)</i> disclosed by the Company in the designated information disclosure media on April 28, 2023.</p>
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**2. Matters that have been disclosed in ad hoc announcements with progress or changes in subsequent implementation**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

**(VI) Others**

Applicable Not applicable

**XIII. Major contracts and performance**

**(I) Entrustment, contracting and leases**

**1. Entrustment**

Applicable Not applicable

**2. Contracting**

Applicable Not applicable

**3. Leases**

Applicable Not applicable

**(II) Guarantees**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Guarantee provided by the Company (excluding those provided for its subsidiaries)														
Guarantor	Relationship between the guarantor and the Company	Guaranteed party	Guarantee amount	Guarantee occurrence date (date of signing agreement)	Guarantee start date	Guarantee expiry date	Guarantee category	Collateral (if any)Collateral (if any)	Fulfilled or not	Overdue or not	Overdue amount	Counter guarantee	Related party guarantee or not	Relationship
Total amount of guarantees incurred during the reporting period (excluding those provided for subsidiaries)							0							

Total balance of guarantee at the end of the reporting period (A) (excluding those provided for subsidiaries)	0
Guarantees provided by the Company and its subsidiaries for subsidiaries	
Total amount of guarantee provided for subsidiaries during the reporting period	38,645,318,756.87
Total balance of guarantee provided for subsidiaries at the end of the reporting period (B)	37,067,318,346.02
Total amount of guarantees provided by the Company (including those provided for subsidiaries)	
Total amount of guarantee (A+B)	37,067,318,346.02
Proportion of the total amount of guarantee in the Company's net assets (%)	82.86%
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)	15,583,796,216.83
Amount of the part where the total amount of guarantee exceeds 50% of net assets (E)	14,700,640,352.33
Total amount of the above three guarantees (C+D+E)	30,284,436,569.16
Description of any possible joint and several liabilities for repayment of unexpired guarantees	None
Notes on guarantees	None

**(III) Entrusting others to manage cash assets**
**1. Entrusted wealth management**
**(1) Overall information about entrusted wealth management**

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Financial products	Self-owned funds	1,155,000,000.00	305,000,000.00	

Other information

□Applicable √Not applicable

**(2) Individual entrusted wealth management**

√Applicable □ Not applicable

Monetary unit: Yuan Currency: RMB

Trustee	Type	Amount	Starting date	Ending date	Funding source	Funding direction	Any restricted circumstances	Method for determining compensation	Annualized return rate	Expected returns (if any)	Actual gains or losses	Undue amount	Unrecovered overdue amount	Whether it has gone through statutory procedures	Whether there is any entrusted wealth management plan in the future	Amount of provision for impairment (if any)
Jiaxing Tongxiang Sub-branch, Bank of Com	Bank financial products	50,000,000.00	2023/2/6	2023/5/11	Self-owned funds	Bank financial products fund pool		Through agreement	1.55%		199,589.04			Yes		

municiations																
Jiaxing Tongxiang Sub-branch, Bank of Communications	Bank financial products	100,000,000.00	2023/5/17	2023/8/18	Self-owned funds	Bank financial products fund pool		Through agreement	3.00%		764,383.56			Yes		
Jiaxing Tongxiang Sub-branch, Bank of Communications	Bank financial products	100,000,000.00	2023/6/9	2023/7/31	Self-owned funds	Bank financial products fund pool		Through agreement	3.04%		433,095.89			Yes		
Jiaxing Tongxiang Sub-branch, Bank	Bank financial products	100,000,000.00	2023/8/3	2023/11/6	Self-owned funds	Bank financial products fund pool		Through agreement	2.94%		765,205.48			Yes		

of Com muni cations																
Jiaxi ng Tong xiang Sub- branch, Bank of Com muni cations	Bank financial products	100,000,000.00	2023/9/1	2023/12/4	Self-owned funds	Bank financial products fund pool		Through agreement	2.94%		757,150.68			Yes		
Quzh ou Branch, Bank of Com muni cations	Bank financial products	100,000,000.00	2023/2/20	2024/2/21	Self-owned funds	Bank financial products fund pool		Through agreement	2.35%	2,389,166.67		100,000,000.00		Yes		
Quzh ou Branch, Bank of Com muni cations	Bank financial products	200,000,000.00	2022/6/27	2023/1/4	Self-owned funds	Bank financial products fund pool		Through agreement	2.55%		2,668,767.12			Yes		

ns																
Quzhou Branch, Bank of Communications	Bank financial products	100,000,000.00	2023/6/19	2023/12/18	Self-owned funds	Bank financial products fund pool		Through agreement	2.25%		1,121,917.81			Yes		
Quzhou Branch, Bank of Communications	Bank financial products	100,000,000.00	2023/7/10	2023/12/11	Self-owned funds	Bank financial products fund pool		Through agreement	2.20%		928,219.18			Yes		
Quzhou Branch, Bank of Communications	Bank financial products	100,000,000.00	2023/12/22	2024/5/30	Self-owned funds	Bank financial products fund pool		Through agreement	2.30%	1,008,219.18		100,000,000.00		Yes		
Quzhou Branch, Bank of	Bank financial products	100,000,000.00	2023/12/29	2024/6/6	Self-owned funds	Bank financial products fund		Through agreement	2.30%	1,008,219.18		100,000,000.00		Yes		

Com muni cations	duc ts					pool										
Nanji ng Bran ch, Suzh ou Bank	Ban k fina ncia l pro duc ts	5,000, 000.00	20 23/ 12/ 25	2024 /1/2	Self-o wned funds	Bank financ ial produ cts fund pool		Thro ugh agree ment	2.33 %	2,265. 28		5,000 ,000. 00		Yes		

Other information

Applicable Not applicable

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

Applicable Not applicable

**2. Entrusted loans**

**(1) Overall information about entrusted loans**

Applicable Not applicable

Other information

Applicable Not applicable

**(2) Individual entrusted loan**

Applicable Not applicable

Other information

Applicable Not applicable

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

Applicable Not applicable

## 3. Others

Applicable Not applicable

**(IV) Other major contracts**
Applicable Not applicable

1. On 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.

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

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

Monetary unit: Yuan

Source of proceeds	Availability time of proceeds	Total amount of proceeds	Including : Amount of proceeds raised in excess	Net amount raised after deduction of issuance costs	Total amount of committed investment	Total amount of committed investment after adjustment (1)	Cumulative total amount of proceeds invested as of the end of the reporting period (2)	Progress of cumulative investment as of the end of the reporting period (%) (3) = (2)/(1)	Total amount invested in the current year (4)	Percentage of amount invested in the current year (%) (5) = (4)/(1)	Total amount of proceeds subject to change of use
Offering shares to specific parties	February 1, 2021	601,800.00		595,500.37	695,733.60	601,800.00	534,519.99	88.82	22,909.03	3.81	
Issuance	March 2, 2022	760,000.00		755,900.00	1,194,727.00	760,000.00	552,257.43	72.67	103,214.20	13.58	171,000.00

of convertible bonds																		
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**(II) Details of the investment projects by the proceeds raised**

√Applicable □Not applicable

Monetary unit: Yuan

Project name	Project nature	Whether it involves changing the investment direction	Source of proceeds	Availability time of proceeds	Whether to use proceeds raised in excess	Total amount of committed investment of project	Total amount of committed investment after adjustment (1)	Total amount invested in the current year	Cumulative total amount of proceeds invested as of the end of the reporting period (2)	Progress of cumulative investment as of the end of the reporting period (%) (3) = (2)/(1)	Date when the project reaches its intended useable condition	Project completed or not	Whether the investment progresses as scheduled	Specific reasons for failure to meet the scheduled progress	Benefits realized in the current year	Benefits realized or R&D results of the project	Any significant change in the feasibility of the project? If so, please give the particulars	Amount saved
Nickel metal high ice nickel project with an annual output of 45,000 tons	Manufacturing and construction	No	Offering shares to specific parties	February 1, 2021	No	366,295.96	300,000.00	3,417.20	245,357.72	81.79	Transfer to fixed assets in November 2022	No	Yes		80,637.41			64,509.82
Ternary precursor materials for high nickel	Manufacturing and	No	Offering shares to specific parties	February 1, 2021	No	152,637.64	130,000.00	19,491.83	117,248.19	90.19	The plant has been transferred to fixed assets, and the production line	No	Yes		535.88			

power battery project with an annual output of 50,000 tons	construction										was transferred to fixed assets by stages from May 2022 to May 2023						
Construction Project of Huayou Headquarter Research Institute	R&D	No	Offering shares to specific parties	February 1, 2021	No	35,000.00	30,000.00		30,114.08	100.38	Quzhou District transferred to fixed assets in June-August 2022; Tongxiang District transferred to fixed assets in December 2022	Yes	Yes		N/A		
Supplementary working capital	Replenishment of working capital and repayment of loans	No	Offering shares to specific parties	February 1, 2021	No	141,800.00	141,800.00		141,800.00	100.00					N/A		
Integration project with an annual output of 50,000 tons of high nickel power	Manufacturing and construction	Yes	Issuance of convertible bonds	March 2, 2022	No	460,000.00	289,000.00	63,405.79	223,083.16	77.19	The main plant of the nickel sulfate sub-project was transferred to fixed assets in March 2023, and the production	No	Yes				204,725.88

battery ternary cathode materials and 100,000 tons of ternary precursor materials											line is still in the production debugging stage, and the main plant of the ternary precursor sub-project was transferred to fixed assets in June 2023, and the production line is still in the production debugging stage.						
Project of ternary cathode material precursor for high-performance power batteries with an annual output of 50,000 tons	Manufacturing and construction	No	Issuance of convertible bonds	March 2, 2022	No	142,771.00	100,000.00	10,689.34	100,055.20	100.06	The plant was transferred to fixed assets, and the production line was transferred to fixed assets by stages from November 2022 to May 2023	Yes	Yes				1,248.52
Battery-grade nickel sulfate project with an annual output of 50,000 tons (nickel metal)	Manufacturing and construction	No	Issuance of convertible bonds	March 2, 2022	No	144,072.00	114,681.31	29,119.07	29,119.07	25.39	Civil construction	No	Yes				

quantity)																	
Green high-value battery recycling project with an annual processing capacity of 15,000 tons	Manufacturing and construction	No	Issuance of convertible bonds	March 2, 2022	No	13,938.00	9,583.00				Not constructed yet	No	Yes				
Battery black powder high-value green recycling project with an annual processing capacity of 12,000 tons	Manufacturing and construction	No	Issuance of convertible bonds	March 2, 2022	No	63,161.00	46,735.69				Not constructed yet	No	Yes				
Supplementary working capital	Replacement of working capital and repayment of loans	No	Issuance of convertible bonds	March 2, 2022	No	200,000.00	200,000.00		200,000.00	100					N/A		

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

√Applicable □ Not applicable

Monetary unit: Yuan Currency: RMB

Project name before change	Total amount of proceeds investment of the project before change/termination	Total amount of proceeds invested in the project before change/termination	Project name after change	Reason for change/termination	Amount of proceeds used to supplement working capital after change/termination	Decision-making procedures and information disclosure
Integration project of "ternary cathode materials sub-project" with an annual output of 50,000 tons of high nickel power battery ternary cathode materials and 100,000 tons of ternary precursor materials	170,785.00	0	Battery-grade nickel sulfate project with an annual output of 50,000 tons (nickel metal quantity)	The Company's investment project after this change is still the new energy lithium materials manufacturing, which is the Company's main business with good market prospects and profitability	0	Announcement of Huayou Cobalt on Changing Part of the Investment Project (2023-131)
			Green high-value battery recycling project with an annual processing capacity of 15,000 tons			
			Battery black powder high-value recycling project with an annual processing capacity of 12,000 tons			

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**(IV) Other information about the use of proceeds during the reporting period****1. Upfront investment in and replacement of investment projects with proceeds raised**

Applicable Not applicable

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**2. Temporary supplementation of working capital with idle proceeds**

Applicable Not applicable

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

Applicable Not applicable

Monetary unit: '0,000 Yuan Currency: RMB

1. The Company held the 55th meeting of the 5th session of the Board of Directors on April 7, 2023, and deliberated and approved the "Resolution on Temporary Supplementation of Working Capital by Using Idle Proceeds", agreeing that the Company would temporarily supplement its working capital by using the idle proceeds from the private offering of not more than RMB780,000,000 for a period of not more than 12 months from the date of the Board of Directors' deliberation and approval.

2. The Company held the 52nd Meeting of the Fifth Session of the Board of Directors on March 17, 2023 and deliberated and approved the "Resolution on Temporary Supplementation of Working Capital by Using Idle Proceeds", agreeing that the Company would temporarily supplement its Working Capital by using the idle proceeds from convertible bonds of not more than RMB2,800,000,000, with a term of use of not more than 12 months from the date of deliberation and approval by the Board of Directors. \_\_\_\_\_

**4. Supplementing working capital or repaying bank loans permanently with proceeds raised in excess**

Applicable Not applicable

**5. Others**

Applicable Not applicable

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

Applicable Not applicable

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## Section VII Change in Shares and Information about Shareholders

### I. Change in share capital

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

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

Unit: Share

	Before the change		Increase/decrease in the change (+, -)					After the change	
	Number of shares	Proportion (%)	New issues	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number of shares	Proportion (%)
I. Restricted shares	18,002,264	1.13	13,415,000			-7,665,441	5,749,559	23,751,823	1.39
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	13,415,000			-7,665,441	5,749,559	23,751,823	1.39
Including: shares held by domestic non-state legal persons									
Shares held by domestic natural persons	18,002,264	1.13	13,415,000			-7,665,441	5,749,559	23,751,823	1.39
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	100,000,000			6,413,608	106,413,608	1,686,334,697	98.61
1. RMB ordinary shares	1,579,921,089	98.87	100,000,000			6,413,608	106,413,608	1,686,334,697	98.61
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	113,415,000			-1,251,833	112,163,167	1,710,086,520	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 recipients involved in the first grant of the restricted shares under the 2021 Restricted Stock Incentive Plan have been dismissed due to incompetence, 16 incentive recipients have left the Company for personal reasons, 1 incentive recipient has left the Company due to the expiration of contract, and 1 incentive recipient has left the Company due to the expiration of the agreement on reemployment after retirement, 1 incentive recipient involved in the first grant of the reserved part of the restricted shares under the 2021 Restricted Stock Incentive Plan has left the Company for personal reasons; 1 incentive recipient involved in the second grant of the reserved part of the restricted shares under the 2021 Restricted Stock Incentive Plan has been dismissed due to incompetence; 3 incentive recipients involved in the first grant under the 2022 Restricted Stock Incentive Plan have been dismissed due to incompetence, 11 incentive recipients have left the Company for personal reasons, and 1 incentive recipient 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 recipients and no longer meet the provisions of the Company's shares incentive plan on incentive recipients, 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 recipients and the Proposal on the Adjustment of Matters Related to the Grant of the Reserved Part of the Restricted Shares under the 2022 Restricted Stock 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 recipients at the grant price of RMB 31.61/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 Stock 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 recipients 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 recipients involved in the first grant under the 2021 Restricted Stock Incentive Plan have left the Company for personal reasons, and 13 incentive recipients have terminated the labor relationship with the Company due to position transfer beyond their control, 7 incentive recipient involved in the first grant of the reserved part under the 2021 Restricted Stock Incentive Plan have left the Company for personal reasons, and 3 incentive recipients have terminated the labor relationship with the Company due to position transfer beyond their control, 1 incentive recipient involved in the second grant of the reserved part of the restricted shares under the 2021 Restricted Stock Incentive Plan has been prohibited from unlocking due to failure in the performance assessment, 7 incentive recipients involved in the first grant under the 2022 Restricted Stock Incentive Plan have left the Company for personal reasons, and 2 incentive recipients 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 recipient and no longer meet the provisions of the Company's shares incentive plan on incentive recipients, 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. The cumulative number of shares converted from convertible bonds by Huayou from January 1, 2023 to March 31, 2023 was 594. See Announcements No. 2023-043.

6. The cumulative number of shares converted from convertible bonds by Huayou from April 1, 2023 to June 30, 2023 was 432. See Announcements No. 2023-093.

7. The additional domestic underlying A shares corresponding to the GDRs were registered and placed in Shanghai Branch of China Securities Depository and Clearing Corporation Limited on July 4, 2023, and are held by Citibank, National Association, the Company's GDR depository. The number of additional underlying A shares listed on the Shanghai Stock Exchange on July 7, 2023 is 100,000,000. See the Company's Announcement No. 2023-097 for details.

8. 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 Stock 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 Stock 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 recipients under the 2021 Restricted Stock Incentive Plan eligible for unlocking of restricted shares, and the number of restricted shares that can be unlocked and traded in the market was 2,389,374. There were 1,092 incentive recipients under the 2022 Restricted Stock Incentive Plan eligible for unlocking of restricted shares, and the number of restricted shares that 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.

9. It is agreed upon approval at the 3rd meeting of the Sixth Board of Directors of the Company that, in view of the fact that 2 incentive recipients involved in the first grant of the restricted shares under the 2021 Restricted Stock Incentive Plan have served as supervisors, 8 incentive recipients have failed in their personal performance appraisals, 1 incentive recipient has left the Company due to the expiration of his/her labor contract which will not be renewed by the Company, 1 incentive recipient has left the Company due to the Company's downsizing, and 17 incentive recipients have left the Company on their own initiative for personal reasons; 2 incentive recipients involved in the first grant of the reserved part of the restricted shares under the 2021 Restricted Stock Incentive Plan have been dismissed due to incompetence, 9 incentive recipients have left the Company on their own initiative for personal reasons and 1 incentive recipient has left the Company due to the expiration of the agreement on reemployment after retirement; 5 incentive recipients involved in the second grant of the reserved part of the Restricted Stock Incentive Plan have terminated the labor relationship with the Company due to position transfer beyond their control; 2 incentive recipients involved in the first grant of the restricted shares under the 2022 Restricted Share Incentive Plan have served as supervisors, 10 incentive recipients have failed in their personal performance appraisals, 4 incentive recipients have been dismissed due to incompetence, 1 incentive recipient has left the Company due to the expiration of his/her labor contract which will not be renewed by the Company, 1 incentive recipient has left the Company due to the layoff of employees, 4 incentive recipients have terminated

the labor relationship with the Company due to position transfer beyond their control, 30 incentive recipients have left the Company on their own initiative for personal reasons, and 2 incentive recipients have left the Company due to their retirement; 3 incentive recipients involved in the grant of reserved part under the 2022 Incentive Plan have been dismissed due to incompetence, 2 incentive recipients have terminated the labor relationship with the Company due to position transfer beyond their control, and 24 incentive recipients have left the Company on their own initiative for personal reasons, all of whom have become ineligible to participate in the incentive plan as incentive recipients and no longer meet the provisions of the Company's shares incentive plan on incentive recipients, the Company shall repurchase and cancel a total of 759,849 restricted shares which are granted yet not unlocked. See the Company's Announcement No. 2023-135 for details.

10. The *Proposal on the First Grant of Restricted Shares to Incentive Recipients* was deliberated and approved at the 9th meeting of the Sixth Board of Directors. It is approved that 11,379,200 shares of restricted shares shall be granted to 1,524 incentive recipients at a grant price of RMB 25.38 per share. Registration of the first grant under this incentive plan was completed on September 26, 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. 2023-142 for details.

11. The cumulative number of shares converted from convertible bonds by Huayou from July 1, 2023 to September 30, 2023 was 509. See Announcements No. 2023-146.

12. The cumulative number of shares converted from convertible bonds by Huayou from October 1, 2023 to December 31, 2023 was 1,519. See Announcements No. 2024-002.

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

Applicable  Not applicable

During the reporting period, the Company granted 11,379,200 restricted shares to incentive recipients; 973,962 restricted shares were repurchased and canceled;

The cumulative number of converted shares of Huayou Convertible Bonds during the period from January 1, 2023 to December 31, 2023 was 3,054 shares;

The Company made initial offering of Global Depository Receipts (GDRs) and listing on the SIX Swiss Exchange, with a total of 50,000,000 GDRs issued, representing additional 100,000,000 A shares;

The total number of shares (paid-in capital) of the Company increased from 1,599,678,228 at the beginning of the period to 1,710,086,520 at the end of the period. If calculated on the basis of the total share capital of 1,599,678,228 shares before the change in share capital, the basic earnings per share and net assets per share for 2023 would be RMB2.12 and RMB27.96 respectively;

Based on the total share capital of 1,710,086,520 shares after the change in share capital, the weighted basic earnings per share and net assets per share for 2023 would be RMB2.06 and RMB26.16, respectively.

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

Applicable Not applicable

**(II) Change in restricted shares**

√Applicable □Not applicable

Unit: Share

Name of shareholder	Number of restricted shares at the beginning of the year	Number of restricted shares unlocked during the year	Number of restricted shares added during the year	Number of restricted shares at the end of the year	Reason for sales restriction	Date of unlocking
Incentive recipients of the first grant of the restricted shares in 2021	6,045,039	2,389,374	0	3,215,212	Restricted shares incentive plan	See the notes
Incentive recipients of the grant of the reserved part of the restricted shares in 2021	1,271,205	0	0	1,151,787	Restricted shares incentive plan	See the notes
Incentive recipients of the second grant of the reserved part of the restricted shares in 2021	198,120	56,940	0	109,564	Restricted shares incentive plan	See the notes
Incentive recipients of the first grant of the restricted shares in 2022	10,487,900	3,964,240	0	5,997,060	Restricted shares incentive plan	See the notes
Incentive recipients of the grant of the reserved part of the restricted shares in 2022	0	0	2,035,800	1,899,000	Restricted shares incentive plan	See the notes
Incentive recipients of the first grant of the restricted shares in 2023	0	0	11,379,200	11,379,200	Restricted shares incentive plan	See the notes
Total	18,002,264	6,410,554	13,415,000	23,751,823	/	/

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 recipients* (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 recipients* (Announcement No.: 2021-137) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://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 recipients* (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 recipients* (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 recipients* (Announcement No.: 2023-015) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on January 20, 2023.

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

## II. Issuance and listing of securities

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

Applicable Not applicable

Unit: Share Currency: RMB

Types of shares and their derivative securities	Date of issue	Issue price (or interest rate)	Number of issues	Listing date	Number approved for public trading	Termination date of trading
Ordinary share class						
Restricted shares	January 18, 2023	RMB 31.61/share	2,035,800	/	/	/
Global Depositary Receipts (GDR)	July 7, 2023	USD 11.65/GDR	50,000,000 GDRs (corresponding to 100,000,000 underlying A shares)	July 7, 2023	50,000,000 GDRs (corresponding to 100,000,000 underlying A shares)	/
Restricted shares	September 26, 2023	RMB 25.38/share	11,379,200	/	/	/

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

Applicable Not applicable

1. The Company granted a total of 2,035,800 shares to 441 incentive recipients under the grant of reserved portion of the 2022 Restricted Share Incentive Plan. Upon completion of this grant, the Company's total share capital increased to 1,599,678,273 shares. On January 18, 2023, 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.

2. The additional domestic underlying A shares corresponding to the GDRs were registered and placed in Shanghai Branch of China Securities Depository and Clearing Corporation Limited on July 4, 2023, and are held by Citibank, National Association, the Company's GDR depository. The issue of 50,000,000 GDRs (corresponding to 100,000,000 underlying A shares) was listed on the SIX Swiss Exchange on July 7, 2023. See the Company's Announcement No. 2023-097 for details.

3. The Company granted a total of 11,379,200 shares to 1,524 incentive recipients under the first grant of the 2023 Restricted Share Incentive Plan. Upon completion of this grant, the Company's total share capital increased to 1,710,084,965 shares. On September 26, 2023, Shanghai Branch of China Securities Depository and Clearing Corporation Limited issued the *Certificate of Registration of Securities Change*. See the Company's Announcement No. 2023-142 for details.

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

Applicable Not applicable

1. During the reporting period, there were matters affecting the total number of shares of the Company such as granting restricted shares to incentive recipients, issuance of GDRs, repurchase of restricted shares that did not meet the incentive conditions, and conversion of convertible bonds, and the total number of shares of the Company changed from 1,597,923,353 shares at the beginning of the period to 1,710,086,520 shares at the end of the period.

2. The total assets of the Company at the end of the period of 2022 amounted to RMB110,592,418,711.85, and the total liabilities amounted to RMB77,913,550,521.42, with an asset-liability ratio of 70.45%; and at the end of the reporting period, the total assets of the Company amounted to RMB125,520,277,340.78, and the total liabilities amounted to RMB80,786,921,353.39, with an asset-liability ratio of 64.36%.

## (III) Existing employee stocks

Applicable Not applicable

## III. Shareholders and actual controller

### (I) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	217,533
Total number of ordinary shareholders at the end of the previous month before the annual report disclosure date	225,687

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

Unit: Share

Shareholding status of top 10 shareholders (excl. shares lent out via refinancing business)						
Full name of shareholder	Increase / decrease of	Number of shares held	Proportion (%)	Number of shares	Pledge, mark or freezing	Nature of shareholder

	shares during the reporting period	at the end of the period		with trading restrictions held	Share status	Number of shares	
Huayou Holding Group Co., Ltd.	0	260,313,967	15.22	0	Pledge	182,119,995	Domestic non-state-owned legal person
Chen Xuehua	0	110,006,461	6.43	0	Pledge	76,770,000	Domestic natural person
Hangzhou Youyou Enterprise Management Partnership (Limited Partnership)	0	74,831,293	4.38	0	None	0	Other
Hong Kong Securities Clearing Co., Ltd.	-40,586,998	70,994,245	4.15	0	None	0	Other
China Construction Bank Corporation - Huaxia Energy Innovation Equity Securities Investment Fund	8,039,070	28,467,812	1.66	0	None	0	Unknown
Citibank, National Association	24,738,856	24,738,856	1.45	0	None	0	Overseas legal person
Industrial and Commercial Bank of China - SSE 50 Exchange-Traded Open-End Index Securities Investment Fund	7,842,339	16,664,661	0.97	0	None	0	Unknown
China Postal Savings Bank Co., Ltd. - Dongfang Growth Medium - and Small-Cap Hybrid Open-ended Securities Investment Fund	-356,591	11,430,136	0.67	0	None	0	Unknown
CITIC Securities Company Limited	2,960,645	10,603,412	0.62	0	None	0	State-owned legal person
Agricultural Bank of China - Guotai Intelligent Automobile Equity Securities Investment Fund	-26,500	10,602,329	0.62	0	None	0	Unknown
Shareholding of top 10 shareholders without trading restrictions							

Name of shareholder	Number of shares without trading restrictions held	Class and number of shares	
		Class	Number
Huayou Holding Group Co., Ltd.	260,313,967	RMB ordinary shares	260,313,967
Chen Xuehua	110,006,461	RMB ordinary shares	110,006,461
Hangzhou Youyou Enterprise Management Partnership (Limited Partnership)	74,831,293	RMB ordinary shares	74,831,293
Hong Kong Securities Clearing Co., Ltd.	70,994,245	RMB ordinary shares	70,994,245
China Construction Bank Corporation - Huaxia Energy Innovation Equity Securities Investment Fund	28,467,812	RMB ordinary shares	28,467,812
Citibank, National Association	24,738,856	RMB ordinary shares	24,738,856
Industrial and Commercial Bank of China - SSE 50 Exchange-Traded Open-End Index Securities Investment Fund	16,664,661	RMB ordinary shares	16,664,661
China Postal Savings Bank Co., Ltd. - Dongfang Growth Medium - and Small-Cap Hybrid Open-ended Securities Investment Fund	11,430,136	RMB ordinary shares	11,430,136
CITIC Securities Company Limited	10,603,412	RMB ordinary shares	10,603,412
Agricultural Bank of China - Guotai Intelligent Automobile Equity Securities Investment Fund	10,602,329	RMB ordinary shares	10,602,329
Notes on special securities account for repurchase among the top 10 shareholders	At the end of the reporting period, the Company's special securities account for repurchase held 18,443,739 shares of the Company, with a shareholding ratio of 1.08%.		
Notes on the related relationship or concerted action of the above shareholders	Among the shareholders mentioned above, Huayou Holdings and Chen Xuehua are persons acting in concert.		

Top 10 shareholders' lending of shares via refinancing business

√Applicable □Not applicable

Unit: Share

Top 10 shareholders' lending of shares via refinancing business			
Full name of	Shares held in	Shares lent out via	Shares lent out via

shareholder	common account and credit account at the beginning of the period		refinancing and not yet returned at the beginning of the period		Shares held in common account and credit account at the end of the period		refinancing and not yet returned at the end of the period	
	Total number of shares	Proportion (%)	Total number of shares	Proportion (%)	Total number of shares	Proportion (%)	Total number of shares	Proportion (%)
Industrial and Commercial Bank of China - SSE 50 Exchange-Traded Open-End Index Securities Investment Fund	8,822,322	0.55	2,124,500	0.13	16,664,661	0.97	141,300	0.01

Changes in the top 10 shareholders from the last period

√Applicable □Not applicable

Unit: Share

Changes in the top 10 shareholders from the last period					
Full name of shareholder	Additions/exits during the reporting period	Shares lent out via refinancing and not yet returned at the end of the period		Number of shares held in shareholders' common account and credit account + shares lent out via refinancing not yet returned at the end of the period	
		Total number of shares	Proportion (%)	Total number of shares	Proportion (%)
Citibank, National Association	Newly added	-	-	-	-
Industrial and Commercial Bank of China - SSE 50 Exchange-Traded Open-End Index Securities Investment Fund	Newly added	141,300	0.01%	16,805,961	0.98
CITIC Securities Company Limited	Newly added	-	-	-	-
Agricultural Bank of China Limited - Guotai Intelligent Automobile Equity Securities Investment Fund	Exit	-	-	-	-
Yu Airu	Exit	-	-	-	-
China Merchants Bank Co., Ltd - Xingquan Hetai Hybrid Securities Investment Fund	Exit	-	-	-	-

National Social Security Fund (NSSF) 102 Portfolio	Exit	-	-	-	-
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Number of shares held by the top 10 shareholders subject to trading restrictions and details of trading restrictions

√Applicable □Not applicable

Unit: Share

S/ N	Name of shareholder subject to trading restrictions	Number of shares with trading restrictions held	Trading of shares with trading restrictions		Trading restrictions
			Tradable date	Number of tradable shares newly added	
1	Chen Hongliang	397,000			Equity incentive sales restriction
2	Fang Qixue	256,000			Equity incentive sales restriction
3	Chen Yaozhong	178,000			Equity incentive sales restriction
4	Xu Wei	178,000			Equity incentive sales restriction
5	Zhang Binghai	159,200			Equity incentive sales restriction
6	Wu Mengtao	135,800			Equity incentive sales restriction
7	Zhou Qifa	112,400			Equity incentive sales restriction
8	Fang Yuan	112,400			Equity incentive sales restriction
9	ZHANG DAHUI	112,400			Equity incentive sales restriction
10	Li Tiancheng	102,000			Equity incentive sales restriction

Notes on the related relationship or concerted action of the above shareholders	It is unknown whether the above shareholders are related to each other or whether they are acting in concert.
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**(III) Top 10 shareholders of strategic investors or general legal persons as a result of placement of new shares**

Applicable Not applicable

**IV. Controlling shareholder and actual controller**

**(I) Information about controlling shareholder**

**1. Legal persons**

Applicable Not applicable

Name	Huayou Holding Group Co., Ltd.
Person in charge or legal representative	Chen Xuehua
Date of incorporation	December 19, 2006
Primary business	Investment in industry, asset management of controlling subsidiaries, M&A of companies
Equity in other domestic and overseas listed companies controlled and participated in during the reporting period	As of December 31, 2023, Huayou Holding holds 27,520,000 shares of Morimatsu International (02155.HK); 12,500,000 shares of REPT (00666.HK); 2,406,437 shares of COSMX (688772.SH); 4,199,579 shares of Sunwoda (300207.SZ); 54,700 shares of Easpring (300073.SZ).
Other information	None

**2. Natural persons**

Applicable Not applicable

**3. Special explanation for the absence of controlling shareholder of the Company**

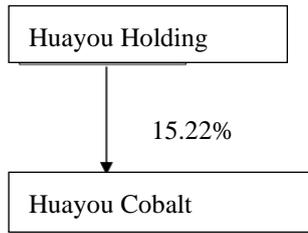
Applicable Not applicable

**4. Description of changes in controlling shareholders during the reporting period**

Applicable Not applicable

**5. Diagram of ownership and control relationship between the Company and its controlling shareholder**

Applicable Not applicable



**(II) Information about actual controller**

**1. Legal person**

Applicable Not applicable

**2. Natural person**

Applicable Not applicable

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

**3. There exists no special notes on actual controller of the Company**

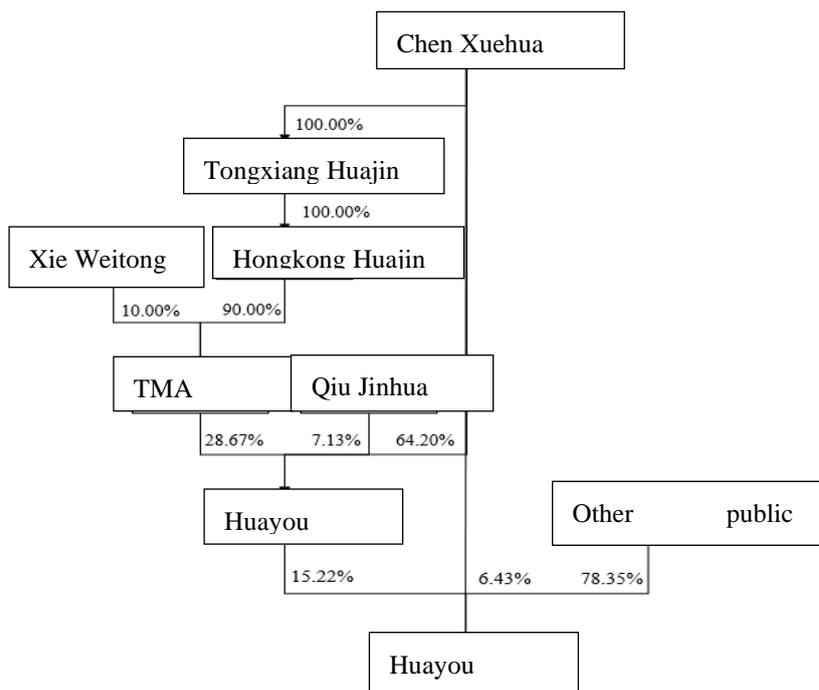
Applicable Not applicable

**4. Description of changes in control of changes of the Company during the reporting period**

Applicable Not applicable

**5. Diagram of ownership and control relationship between the Company and its actual controller**

Applicable Not applicable



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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Share repurchase plan	Plan for repurchase of the Company's shares by means of centralized bidding transactions
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Time of disclosure of share repurchase plan	September 1, 2023
Proposed number of shares to be repurchased and percentage in total share capital (%)	Based on the maximum repurchase amount of RMB 1,000 million (inclusive) and the maximum repurchase price of RMB 60.00/share (inclusive), it is expected that the number of shares to be repurchased will be approximately 16,666,666 shares, accounting for approximately 0.98% of the total share capital as of the disclosing date
Proposed repurchase amount	Not less than RMB 600 million (inclusive) and not more than RMB 1,000 million (inclusive)
Proposed repurchase period	Within 12 months from the date on which the share repurchase plan is deliberated and approved by the Board of Directors of the Company (August 31, 2023)
Purpose of repurchase	For conversion of convertible corporate bonds issued by the Company
Number of shares already repurchased (shares)	18,443,739
Proportion (%) of the number of shares already repurchased to the target shares covered by the Share Incentive Plan (if any)	Not applicable
Progress of the Company's reduction of repurchased shares by way of centralized bidding transactions	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.,	23 Huayou Cobalt SCP002 (Science and Technology Innovation Notes)	012382777.IB	2023/3/7/24	2023/7/26	2024/4/19	700,000.00	4.03	Repayment of principal and interest at two times upon maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No

Ltd. in 2023 (Science and Technology Innovation Notes)												
Ultra-short Term Financing Bonds (Phase III) of Zhejiang Huayou Cobalt Co., Ltd. in 2023 (Science and Technology Innovation Notes)	23 Huayou Cobalt SCP003 (Science and Technology Innovation Notes)	012384280. IB	2023/3/11/24	2023/11/27	2024/8/23	700,000	3.90	Repayment of principal and interest at two times upon maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No

Countermeasures to the risk of termination of trading

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Bond interest payment and encashment during the reporting period

Applicable Not applicable

Bond name	Interest payment and encashment
Ultra-short Term Financing Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2022 (Science and Technology Innovation	Normal interest payment and encashment upon maturity

Notes)	
Ultra-short Term Financing Bonds (Phase II) of Zhejiang Huayou Cobalt Co., Ltd. in 2022 (Science and Technology Innovation Notes)	Normal interest payment and encashment upon maturity
Ultra-short Term Financing Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2023 (Science and Technology Innovation Notes)	Normal interest payment and encashment upon maturity

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

Applicable Not applicable

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

Name of intermediary	Office address	Signing accountant	Contact person	Contact number
China CITIC Bank Co., Ltd	Building 1, No. 10 Guanghua Road, Chaoyang District, Beijing	-	Xie Jianming and Zhang Tianyi	010-66635902, 010-66635908
Ping An Bank Co., Ltd	No. 5047 Shennan East Road, Luohu District, Shenzhen	-	Zhang Xue	0755-81945281
Shanghai Bank Co., Ltd	No. 168 Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone	-	Dong Wenchao and Meng Yufei	021-68475804, 0571-87560379
Zhejiang Zhejing Law Firm	25/F, Block A, Xinya International, No. 1750 Jianghong Road, Binjiang District, Hangzhou City, Zhejiang Province	-	Xia Yuanhang	0571-85151338
Grandall Law Firm (Hangzhou)	Building 15 (Grandall Building), Block B, Baita Park,	-	Qian Xiaobo	0571-85775888

	Laofuxing Road, Shangcheng District, Hangzhou City			
China Lianhe Credit Rating Co., Ltd	17/F, PICC Building, No. 2 Jianguomenwai Street, Chaoyang District, Beijing (100022)	-	Zhang Dong and Zhou Ting	010-85679696

Change in the intermediaries listed above

Applicable Not applicable

Name of intermediary	Reason for change	Procedures completed	Impact on the rights and interests of bond investors
Zhejiang Zhejing Law Firm	The law firm was changed after the expiration of service agreement	The procedures for change have been completed according to the requirements of NAFMII and the Company.	No impact

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

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Bond name	Total amount of raised funds	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Consistent with the purpose, use plan, and other provisions of the prospectus or not
Ultra-short Term Financing Bonds (Phase II) of Zhejiang Huayou Cobalt Co.,	700,000,000	700,000,000	0	None	None	Yes

Ltd. in 2023 (Science and Technology Innovation Notes)						
Ultra-short Term Financing Bonds (Phase III) of Zhejiang Huayou Cobalt Co., Ltd. in 2023 (Science and Technology Innovation Notes)	700,000,000	700,000,000	0	None	None	Yes

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

Applicable Not applicable

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

Applicable Not applicable

Other information

Applicable Not applicable

#### **5. Adjustment of credit rating result**

Applicable Not applicable

Other information

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Key indicators	Year 2023	Year 2022	Increase/decrease compared with the same period last year (%)	Reason for the change
Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss	3,072,172,268.92	3,978,101,753.60		
Current ratio	1.01	0.93	8.41	
Quick ratio	0.68	0.60	14.49	
Asset-liability ratio (%)	64.36	70.45	-8.64	
EBITDA to total debt ratio	0.20	0.23	-16.01	
Interest coverage ratio	2.69	4.08	-34.00	
Cash interest coverage ratio	1.24	1.49	-16.92	
EBITDA interest coverage ratio	3.88	5.07	-23.59	
Loan repayment rate (%)	100.00	100.00		
Interest coverage ratio (%)	100.00	100.00		

## II. Convertible corporate bonds

Applicable Not applicable

**(I) Issuance of convertible bonds**

√Applicable □Not applicable

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

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

√Applicable □Not applicable

Name of convertible corporate bonds	Huayou Convertible Bonds	
Number of holders of convertible bond as at the end of the period	37052	
Guarantor of the Company’s convertible bonds	None	
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
Industrial and Commercial Bank of China Limited - Huitianfu Convertible Bonds Securities Investment Fund	210,946,000	2.78
Guosen Securities Co., Ltd	189,239,000	2.49
Bank of China Limited - E Fund Stable Yield Bond Securities Investment Fund	165,511,000	2.18
National Social Security Fund 414	130,000,000	1.71
Industrial Bank Co., Ltd. - Tianhong Yongli Bond Securities Investment Fund	126,315,000	1.66
Industrial and Commercial Bank of China Limited - Huitianfu Dual Benefit Bonds Securities Investment Fund	105,000,000	1.38
MERRILL LYNCH INTERNATIONAL	100,000,000	1.32
E Fund Stable Return Fixed Income Pension Product - Bank of Communications Co., Ltd	80,781,000	1.06

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

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of convertible corporate bonds	Before the change	Increase/decrease in the change			After the change
		Conversion into shares	Redemption	Resale	
Huayou Convertible Bonds	7,598,838,000	256,000		7,000	7,598,575,000

Cumulative amount of convertible corporate bonds converted into shares during the reporting period

Applicable Not applicable

Name of convertible corporate bonds	Huayou Convertible Bonds
Amount of convertible corporate bonds converted into shares during the reporting period (Yuan)	256,000
Number of shares converted from convertible corporate bonds during the reporting period	3,054
Cumulative number of shares converted from convertible corporate bonds	16,784
Proportion of the cumulative number of shares converted in the total number of issued shares of the Company before the conversion (%)	0.00105
Amount of convertible corporate bonds that are not converted into shares (Yuan)	7,598,575,000
Proportion of convertible corporate bonds that are not converted into shares in the total issued convertible bonds (%)	99.98125

### (IV) Previous adjustments in conversion prices

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of convertible corporate bonds				
Date of conversion price adjustment	Adjusted conversion price	Disclosure date	Disclosure media	Description of conversion price adjustment

January 12, 2023	84.26	January 11, 2023	www.sse.com.cn, Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	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 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 (2023-013)</i> .
January 30, 2023	84.19	January 20, 2023	www.sse.com.cn, Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	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" (2023-016)</i> .
March 28, 2023	84.20	March 25, 2023	www.sse.com.cn, Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	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 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" (2023-037)</i> .
June 1,	84.00	May 26,	www.sse.com.cn,	In view of the implementation of the

2023		2023	Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	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 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 (2023-074)</i> published by the Company.
July 7, 2023	81.53	July 6, 2023	www.sse.com.cn, Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	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 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.
September 19, 2023	81.55	September 16, 2023	www.sse.com.cn, Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	In view of the completion of the repurchase and cancellation of some restricted shares by the Company in September 2023, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 81.55 per share in accordance with 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 (2023-136)</i> .
October 10, 2023	81.18	September 29, 2023	www.sse.com.cn, Shanghai Securities News, China Securities	In view of the completion of the registration of the first grant of the restricted shares in 2023 by the Company in September 2023, the

			Journal, Securities Times, Securities Daily	conversion price of the Huayou Convertible Bonds was adjusted to RMB 81.18 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> (2023-143).
Latest conversion price as of the end of the reporting period		81.18		

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

Applicable Not applicable

1. Liabilities: As of December 31, 2023, the Company’s total liabilities were RMB 80,786,921,353.39, including current liabilities of RMB 48,866,954,781.43 and non-current liabilities of RMB 31,919,966,571.96.

2. Credit status: On June 19, 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.

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

Applicable Not applicable

a

## Section X Financial Report

### I. Auditor's Report

√ Applicable  Not Applicable

### Auditor's Report

PCCPAAR [2024] No. 2297

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

#### I. Audit Opinion

We have audited the financial statements of Zhejiang Huayou Cobalt Co., Ltd. (the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2023, the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

#### II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### III. Key Audit Matters

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

(I) Revenue recognition

1. Key audit matters

Please refer to item V 34 and VII 61 of this section for details.

The Company is mainly engaged in sales of cobalt products, copper products, nickel products, lithium products, ternary precursors, cathode materials and nickel intermediates. The operating revenue in 2023 amounted to 66,304.05 million yuan.

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

## 2. Responsive audit procedures

Our main audit procedures for revenue recognition are as follows:

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

## (II) Net realizable value of inventories

### 1. Key audit matters

Please refer to item V 16 and VII 10 of this section for details.

As of December 31, 2023, the book balance of inventories amounted to 16,136.09 million yuan, with provision for inventory write-down of 372.68 million yuan, and the carrying amount amounted to 15,763.40 million yuan.

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

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

## 2. Responsive audit procedures

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

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

## IV. Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pan-China Certified Public Accountants LLP

Hangzhou · China

Chinese Certified Public Accountant:  
(Engagement Partner)

Chinese Certified Public Accountant:

Date of Report: April 18, 2024



## II. Financial Statements

### Consolidated balance sheet

As at December 31, 2023

Prepared by: Zhejiang Huayou Cobalt Co., Ltd.

Monetary unit: Yuan Currency: RMB

Items	Note No.	December 31, 2023	December 31, 2022
<b>Current assets:</b>			
Cash and bank balances		15,259,921,078.81	15,435,775,480.67
Settlement funds			
Loans to other banks			
Held-for-trading financial assets		373,221,093.05	251,991,490.83
Derivative financial assets		1,395,343,385.26	608,711,611.68
Notes receivable			
Accounts receivable		7,977,267,961.62	8,036,948,469.35
Receivables financing		2,425,306,902.49	2,437,994,963.68
Advances paid		1,810,825,646.66	1,634,719,864.00
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables		392,878,676.92	580,628,313.49
Including: Interest receivable			
Dividend receivable			163,980,830.12
Financial assets under reverse repo			
Inventories		15,763,401,257.63	17,692,022,676.50
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		3,733,610,807.82	2,891,137,816.94
Total current assets		49,131,776,810.26	49,569,930,687.14
<b>Non-current assets:</b>			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables		504,371,588.93	486,294,854.29
Long-term equity investments		9,712,766,665.74	7,914,624,818.43
Other equity instrument investments		42,647,182.81	42,647,182.81
Other non-current financial assets		6,573,600.00	527,509,366.89
Investment property			
Fixed assets		46,339,084,007.03	26,217,069,544.01
Construction in progress		10,819,557,175.49	14,281,929,827.36
Productive biological assets			
Oil & gas assets			
Right-of-use assets		106,133,724.12	122,205,035.22
Intangible assets		3,914,395,969.88	4,066,801,265.80
Development expenditures			
Goodwill		456,351,378.26	458,415,919.67
Long-term prepayments		69,864,652.46	79,311,504.95
Deferred tax assets		565,173,434.65	830,685,916.41
Other non-current assets		3,851,581,151.15	5,994,992,788.87
Total non-current assets		76,388,500,530.52	61,022,488,024.71
Total assets		125,520,277,340.78	110,592,418,711.85
<b>Current liabilities:</b>			
Short-term borrowings		15,048,622,566.53	12,019,822,703.67

Items	Note No.	December 31, 2023	December 31, 2022
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			40,024,798.40
Derivative financial liabilities			
Notes payable		8,019,127,039.81	10,782,231,308.54
Accounts payable		12,002,517,679.00	14,610,891,201.30
Advances received			492,117,670.03
Contract liabilities		431,037,852.87	2,359,463,860.52
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposits for agency security transaction			
Deposits for agency security underwriting			
Employee benefits payable		648,208,600.82	685,740,642.95
Taxes and rates payable		429,374,847.76	542,406,489.43
Other payables		2,698,990,402.87	4,612,710,195.77
Including: Interest payable			
Dividend payable		18,789,426.30	
Handling fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year		8,155,852,008.93	5,757,928,311.87
Other current liabilities		1,433,223,782.84	1,546,983,360.95
Total current liabilities		48,866,954,781.43	53,450,320,543.43
<b>Non-current liabilities:</b>			
Insurance policy reserve			
Long-term borrowings		18,900,325,508.81	11,927,781,731.79
Bonds payable		6,631,718,848.37	6,323,799,832.42
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		54,979,200.70	57,070,601.81
Long-term payables		5,544,170,217.25	5,155,378,248.88
Long-term employee benefits payable			
Provisions		65,282,244.77	42,977,538.13
Deferred income		666,550,531.96	592,727,660.93
Deferred tax liabilities		56,940,020.10	363,494,364.03
Other non-current liabilities			
Total non-current liabilities		31,919,966,571.96	24,463,229,977.99
Total liabilities		80,786,921,353.39	77,913,550,521.42
<b>Equity:</b>			
Share capital		1,710,086,520.00	1,599,678,228.00
Other equity instruments		1,490,061,392.53	1,490,112,966.16
Including: Preferred shares			
Perpetual bonds			
Capital reserve		16,052,788,315.05	10,398,505,364.59
Less: Treasury shares		1,323,606,826.04	631,014,574.20
Other comprehensive income		1,042,018,898.84	776,405,562.87
Special reserve		46,543,747.64	27,349,451.51
Surplus reserve		387,225,558.29	328,198,360.77
General risk reserve			

Items	Note No.	December 31, 2023	December 31, 2022
Undistributed profit		14,872,683,731.09	11,900,465,606.35
Total equity attributable to the parent company		34,277,801,337.40	25,889,700,966.05
Non-controlling interest		10,455,554,649.99	6,789,167,224.38
Total equity		44,733,355,987.39	32,678,868,190.43
Total liabilities & equity		125,520,277,340.78	110,592,418,711.85

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

### Parent company balance sheet

As at December 31, 2023

Prepared by: Zhejiang Huayou Cobalt Co., Ltd.

Monetary unit: Yuan Currency: RMB

Items	Note No.	December 31, 2023	December 31, 2022
<b>Current assets:</b>			
Cash and bank balances		2,048,581,572.72	1,060,380,190.39
Held-for-trading financial assets		33,393,600.00	
Derivative financial assets			
Notes receivable		410,000,000.00	658,000,000.00
Accounts receivable		1,047,431,832.99	450,631,045.29
Receivables financing		57,738,036.89	37,909,033.79
Advances paid		2,675,526,201.88	2,477,701,869.00
Other receivables		6,651,220,710.54	6,009,732,975.91
Including: Interest receivable			
Dividend receivable		24,906,913.93	198,313,600.00
Inventories		193,768,014.70	578,996,170.53
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		26,930,541.86	24,027,205.49
Total current assets		13,144,590,511.58	11,297,378,490.40
<b>Non-current assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables		360,034,180.83	354,030,815.35
Long-term equity investments		28,431,034,281.59	23,758,296,478.80
Other equity instrument investments		36,894,737.00	36,894,737.00
Other non-current financial assets		6,573,600.00	6,573,600.00
Investment property			
Fixed assets		775,893,088.26	664,839,623.14
Construction in progress		18,398,675.88	27,039,469.17
Productive biological assets			
Oil & gas assets			
Right-of-use assets		41,881,389.70	31,365,085.85
Intangible assets		45,207,807.09	35,492,883.22
Development expenditures			
Goodwill			
Long-term prepayments		65,571,905.41	66,201,105.82
Deferred tax assets		80,909,758.29	38,547,121.31
Other non-current assets		6,696,500.82	88,198,937.75

Items	Note No.	December 31, 2023	December 31, 2022
Total non-current assets		29,869,095,924.87	25,107,479,857.41
Total assets		43,013,686,436.45	36,404,858,347.81
<b>Current liabilities:</b>			
Short-term borrowings		5,616,274,196.82	4,786,038,424.00
Held-for-trading financial liabilities			1,403,712.00
Derivative financial liabilities			
Notes payable		2,368,226.62	11,280,296.16
Accounts payable		500,355,911.84	833,373,787.00
Advances received			492,095,800.00
Contract liabilities		544,887,091.10	1,124,328,328.88
Employee benefits payable		112,976,144.18	123,503,427.43
Taxes and rates payable		10,429,522.03	18,438,294.21
Other payables		6,660,041,787.72	3,989,906,762.99
Including: Interest payable			
Dividend payable			
Liabilities held for sale			
Non-current liabilities due within one year		677,990,995.55	571,598,176.60
Other current liabilities		1,483,756,347.73	1,430,228,645.44
Total current liabilities		15,609,080,223.59	13,382,195,654.71
<b>Non-current liabilities:</b>			
Long-term borrowings		1,463,107,031.57	1,461,760,582.26
Bonds payable		6,631,718,848.37	6,323,799,832.42
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		22,674,732.64	21,315,968.37
Long-term payables		52,666,666.65	208,000,000.01
Long-term employee benefits payable			
Provisions			
Deferred income		8,098,551.57	8,870,967.61
Deferred tax liabilities			5,222,730.16
Other non-current liabilities			
Total non-current liabilities		8,178,265,830.80	8,028,970,080.83
Total liabilities		23,787,346,054.39	21,411,165,735.54
<b>Equity:</b>			
Share capital		1,710,086,520.00	1,599,678,228.00
Other equity instruments		1,490,061,392.53	1,490,112,966.16
Including: Preferred shares			
Perpetual bonds			
Capital reserve		14,890,073,903.77	10,345,832,528.98
Less: Treasury shares		1,323,606,826.04	631,014,574.20
Other comprehensive income		-39,933,297.26	-39,949,268.37
Special reserve			
Surplus reserve		387,225,558.29	328,198,360.77
Undistributed profit		2,112,433,130.77	1,900,834,370.93
Total equity		19,226,340,382.06	14,993,692,612.27
Total liabilities & equity		43,013,686,436.45	36,404,858,347.81

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

**Consolidated income statement**

For the year ended December 31, 2023

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2023	Year 2022
I. Total operating revenue		66,304,047,529.81	63,033,785,499.49
Including: Operating revenue		66,304,047,529.81	63,033,785,499.49
Interest income			
Premiums earned			
Revenue from handling fees and commissions			
II. Total operating cost		62,501,748,109.71	56,862,716,414.21
Including: Operating cost		56,948,773,263.76	51,313,704,226.23
Interest expenses			
Handling fees and commissions			
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges		367,789,918.20	475,540,906.77
Selling expenses		149,847,438.15	76,361,160.93
Administrative expenses		2,116,578,496.78	1,962,553,558.46
R&D expenses		1,440,592,932.96	1,708,614,242.61
Financial expenses		1,478,166,059.86	1,325,942,319.21
Including: Interest expenses		1,960,858,477.63	1,344,158,702.41
Interest income		336,643,368.43	117,648,467.64
Add: Other income		319,947,781.25	191,220,264.84
Investment income (or less: losses)		857,352,477.88	1,359,671,470.01
Including: Investment income from associates and joint ventures		1,004,567,340.10	1,639,775,853.19
Gains from derecognition of financial assets at amortized cost		-13,504,975.36	-17,624,568.57
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		218,765,480.50	-147,500,921.76
Credit impairment loss		-42,016,975.44	-209,807,487.97
Assets impairment loss		-370,559,650.46	-1,292,300,598.86
Gains on asset disposal (or less: losses)		29,425,810.49	2,413,571.80
III. Operating profit (or less: losses)		4,815,214,344.32	6,074,765,383.34
Add: Non-operating revenue		20,868,408.64	8,932,425.57
Less: Non-operating expenditures		62,067,656.16	52,502,652.88
IV. Profit before tax (or less: total loss)		4,774,015,096.80	6,031,195,156.03
Less: Income tax expenses		268,880,833.58	326,821,637.31
V. Net profit (or less: net loss)		4,505,134,263.22	5,704,373,518.72
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		4,505,134,263.22	5,704,373,518.72
2. Net profit from discontinued operations (or less: net loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of		3,350,891,340.06	3,907,615,568.23

Items	Note No.	Year 2023	Year 2022
parent company (or less: net loss)			
2. Net profit attributable to non-controlling shareholders (or less: net loss)		1,154,242,923.16	1,796,757,950.49
VI. Other comprehensive income after tax		314,924,856.82	1,327,020,424.67
(I) Items attributable to the owners of the parent company		265,613,335.97	1,198,282,706.43
1. Not to be reclassified subsequently to profit or loss			2,513,800.00
(1) Remeasurements of the net defined benefit plan			
(2) Items under equity method that will not be reclassified to profit or loss			
(3) Changes in fair value of other equity instrument investments			2,513,800.00
(4) Changes in fair value of own credit risk			
2. To be reclassified subsequently to profit or loss		265,613,335.97	1,195,768,906.43
(1) Items under equity method that may be reclassified to profit or loss		61,344,932.13	147,709,606.08
(2) Changes in fair value of other debt investments			
(3) Profit or loss from reclassification of financial assets into other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve			
(6) Translation reserve		204,268,403.84	1,048,059,300.35
(7) Others			
(II) Items attributable to non-controlling shareholders		49,311,520.85	128,737,718.24
VII. Total comprehensive income		4,820,059,120.04	7,031,393,943.39
(I) Items attributable to the owners of the parent company		3,616,504,676.03	5,105,898,274.66
(II) Items attributable to non-controlling shareholders		1,203,554,444.01	1,925,495,668.73
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)		2.05	2.48
(II) Diluted EPS (yuan per share)		2.05	2.48

For business combination under common control in the current period, the net profit generated by the combined party before the combination was 0.00 yuan, and the net profit generated by the combined party in the previous year was 0.00 yuan.

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

### Parent company income statement

For the year ended December 31, 2023

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2023	Year 2022
I. Operating revenue		4,488,650,074.79	4,775,026,473.57

Items	Note No.	Year 2023	Year 2022
Less: Operating cost		3,578,354,378.58	3,304,387,733.40
Taxes and surcharges		15,528,201.41	12,935,726.25
Selling expenses		10,668,229.20	9,380,765.24
Administrative expenses		356,056,298.19	774,409,229.37
R&D expenses		176,517,028.61	186,094,066.65
Financial expenses		879,767,878.98	582,747,981.36
Including: Interest expenses		729,796,705.78	599,621,228.08
Interest income		41,757,179.52	31,494,039.48
Add: Other income		40,077,642.72	20,356,617.76
Investment income (or less: losses)		1,010,655,603.99	313,686,749.45
Including: Investment income from associates and joint ventures		-75,206,317.01	-5,144,124.31
Gains from derecognition of financial assets at amortized cost			-364,000.00
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		34,797,312.00	-1,403,712.00
Credit impairment loss		2,189,868.76	4,399,124.95
Assets impairment loss			-53,078,576.59
Gains on asset disposal (or less: losses)		72,826.40	6,059,539.05
II. Operating profit (or less: losses)		559,551,313.69	195,090,713.92
Add: Non-operating revenue		1,427,591.89	1,470,783.44
Less: Non-operating expenditures		17,843,222.32	12,807,800.78
III. Profit before tax (or less: total loss)		543,135,683.26	183,753,696.58
Less: Income tax expenses		-47,136,291.90	-1,025,725.51
IV. Net profit (or less: net loss)		590,271,975.16	184,779,422.09
(I) Net profit from continuing operations (or less: net loss)		590,271,975.16	184,779,422.09
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax		15,971.11	50,731.63
(I) Not to be reclassified subsequently to profit or loss			
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of own credit risk			
(II) To be reclassified subsequently to profit or loss		15,971.11	50,731.63
1. Items under equity method that may be reclassified to profit or loss		27,422.55	
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve		-11,451.44	50,731.63
7. Others			

Items	Note No.	Year 2023	Year 2022
VI. Total comprehensive income		590,287,946.27	184,830,153.72
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

### Consolidated cash flow statement

For the year ended December 31, 2023

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2023	Year 2022
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sale of goods or rendering of services		63,268,381,174.31	59,250,550,743.04
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Cash receipts from interest, handling fees and commissions			
Net increase of loans from others			
Net increase of repurchase			
Net cash receipts from agency security transaction			
Receipts of tax refund		4,110,213,694.81	2,440,500,274.64
Other cash receipts related to operating activities		6,763,556,918.41	2,838,108,536.23
Subtotal of cash inflows from operating activities		74,142,151,787.53	64,529,159,553.91
Cash payments for goods purchased and services received		61,380,578,074.46	49,035,585,922.21
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payments for insurance indemnities of original insurance contracts			
Net increase of loans to others			
Cash payments for interest, handling fees and commissions			
Cash payments for policy bonus			
Cash paid to and on behalf of employees		4,075,438,502.74	2,834,160,956.23
Cash payments for taxes and rates		1,407,946,290.36	2,431,898,257.15
Other cash payments related to operating activities		3,792,300,826.64	7,313,708,042.94

Items	Note No.	Year 2023	Year 2022
Subtotal of cash outflows from operating activities		70,656,263,694.20	61,615,353,178.53
Net cash flows from operating activities		3,485,888,093.33	2,913,806,375.38
<b>II. Cash flows from investing activities:</b>			
Cash receipts from withdrawal of investments		990,000,000.00	1,345,286,800.00
Cash receipts from investment income		1,229,269,683.02	14,198,714.73
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		31,876,011.11	16,547,428.23
Net cash receipts from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities		2,010,861,028.54	704,849,558.71
Subtotal of cash inflows from investing activities		4,262,006,722.67	2,080,882,501.67
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		16,849,177,920.23	16,215,038,027.52
Cash payments for investments		2,429,364,091.31	5,291,281,780.13
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries & other business units		5,839,977.50	2,477,026,170.18
Other cash payments related to investing activities		1,528,494,405.29	2,453,474,013.04
Subtotal of cash outflows from investing activities		20,812,876,394.33	26,436,819,990.87
Net cash flows from investing activities		-16,550,869,671.66	-24,355,937,489.20
<b>III. Cash flows from financing activities:</b>			
Cash receipts from absorbing investments		8,718,065,823.34	1,582,691,238.50
Including: Cash received by subsidiaries from non-controlling shareholders as investments		4,276,746,842.13	1,169,311,889.50
Cash receipts from borrowings		37,234,171,109.58	30,290,869,269.93
Other cash receipts related to financing activities		6,371,137,897.23	11,777,863,550.41
Subtotal of cash inflows from financing activities		52,323,374,830.15	43,651,424,058.84
Cash payments for the repayment of borrowings		25,286,788,919.12	10,729,529,235.27
Cash payments for distribution of dividends or profits and for interest expenses		2,995,650,501.56	1,306,820,515.42
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		755,084,640.00	
Other cash payments related to financing activities		8,937,705,758.74	7,913,286,944.09
Subtotal of cash outflows from financing activities		37,220,145,179.42	19,949,636,694.78
Net cash flows from financing activities		15,103,229,650.73	23,701,787,364.06
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-91,116,917.77	211,593,968.60
<b>V. Net increase in cash and cash equivalents</b>		1,947,131,154.63	2,471,250,218.84

Items	Note No.	Year 2023	Year 2022
Add: Opening balance of cash and cash equivalents		8,579,643,614.59	6,108,393,395.75
<b>VI. Closing balance of cash and cash equivalents</b>		10,526,774,769.22	8,579,643,614.59

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

**Parent company cash flow statement**

For the year ended December 31, 2023

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2023	Year 2022
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sale of goods and rendering of services		3,249,146,845.63	5,498,202,255.38
Receipts of tax refund		60,150,182.41	19,051,865.29
Other cash receipts related to operating activities		77,153,220.97	84,931,014.76
Subtotal of cash inflows from operating activities		3,386,450,249.01	5,602,185,135.43
Cash payments for goods purchased and services received		4,048,307,820.32	5,696,334,942.23
Cash paid to and on behalf of employees		437,570,716.21	339,945,583.54
Cash payments for taxes and rates		120,741,579.03	257,687,704.02
Other cash payments related to operating activities		210,029,979.70	228,958,239.66
Subtotal of cash outflows from operating activities		4,816,650,095.26	6,522,926,469.45
Net cash flows from operating activities		-1,430,199,846.25	-920,741,334.02
<b>II. Cash flows from investing activities:</b>			
Cash receipts from withdrawal of investments			34,627,200.00
Cash receipts from investment income		1,048,826,716.99	12,244,956.26
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		21,323,416.11	50,278,992.05
Net cash receipts from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities		4,279,903,489.20	2,397,947,287.12
Subtotal of cash inflows from investing activities		5,350,053,622.30	2,495,098,435.43
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		132,783,769.51	152,154,569.44
Cash payments for investments		4,736,109,150.97	10,169,117,691.00
Net cash payments for the acquisition of subsidiaries & other business units			
Other cash payments related to investing activities		4,397,710,189.16	4,432,245,186.01
Subtotal of cash outflows from investing activities		9,266,603,109.64	14,753,517,446.45
Net cash flows from investing activities		-3,916,549,487.34	-12,258,419,011.02
<b>III. Cash flows from financing activities:</b>			
Cash receipts from absorbing investments		4,441,318,981.21	413,379,349.00
Cash receipts from borrowings		11,722,204,104.38	15,950,217,448.05
Other cash receipts related to financing activities		3,971,368,538.66	3,976,587,527.96
Subtotal of cash inflows from financing activities		20,134,891,624.25	20,340,184,325.01
Cash payments for the repayment of borrowings		10,677,137,345.63	4,556,966,024.97
Cash payments for distribution of dividends or profits and for interest expenses		719,862,371.09	572,663,261.18

Items	Note No.	Year 2023	Year 2022
Other cash payments related to financing activities		2,433,417,712.99	2,603,458,512.96
Subtotal of cash outflows from financing activities		13,830,417,429.71	7,733,087,799.11
Net cash flows from financing activities		6,304,474,194.54	12,607,096,525.90
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		64,672,202.61	-29,390,713.31
<b>V. Net increase in cash and cash equivalents</b>		1,022,397,063.56	-601,454,532.45
Add: Opening balance of cash and cash equivalents		968,796,419.00	1,570,250,951.45
<b>VI. Closing balance of cash and cash equivalents</b>		1,991,193,482.56	968,796,419.00

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

## Report

**Consolidated statement of changes in equity**

For the year ended December 31, 2023

Monetary unit: Yuan Currency: RMB

Items	Year 2023														
	Equity attributable to parent company											Non-controlling interest	Total equity		
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Others	Subtotal
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of prior year	1,599,678,228.00			1,490,112,966.16	10,398,505,364.59	631,014,574.20	776,405,562.87	27,349,451.51	328,198,360.77		11,900,465,606.35		25,889,700,966.05	6,789,167,224.38	32,678,868,190.43
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Others															
II. Balance at the beginning of current year	1,599,678,228.00			1,490,112,966.16	10,398,505,364.59	631,014,574.20	776,405,562.87	27,349,451.51	328,198,360.77		11,900,465,606.35		25,889,700,966.05	6,789,167,224.38	32,678,868,190.43
III. Current period increase (or less: decrease)	110,408,292.00			-51,573.63	5,654,282,950.46	692,592,251.84	265,613,335.97	19,194,296.13	59,027,197.52		2,972,218,124.74		8,388,100,371.35	3,666,387,425.61	12,054,487,796.96
(I) Total comprehensive income							265,613,335.97				3,350,891,340.06		3,616,504,676.03	1,203,554,444.01	4,820,059,120.04
(II) Capital contributed or withdrawn by owners	110,408,292.00			-51,573.63	5,638,792,511.82	696,489,469.04							5,052,659,761.15	3,153,424,004.48	8,206,083,765.63
1. Ordinary shares contributed by owners	111,379,200.00				4,310,410,081.32	288,804,096.00							4,132,985,185.32	4,276,746,842.13	8,409,732,027.45
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity					249,040,442.78								249,040,442.78		249,040,442.78
4. Others	-970,908.00			-51,573.63	1,079,341,987.72	407,685,373.04							670,634,133.05	-1,123,322,837.65	-452,688,704.60
(III) Profit distribution						-3,897,217.20			59,027,197.52		-378,673,215.32		-315,748,800.60	-776,446,626.30	-1,092,195,426.90
1. Appropriation of surplus reserve									59,027,197.52		-59,027,197.52				
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners						-3,897,217.20							-315,748,800.60	-776,446,626.30	-1,092,195,426.90
4. Others															
(IV) Internal carry-over within equity															
1. Transfer of capital reserve to capital															
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
(V) Special reserve								19,194,296.13					19,194,296.13		19,194,296.13
1. Current period appropriation								157,719,092.79					157,719,092.79		157,719,092.79
2. Current period use								-138,524,796.66					-138,524,796.66		-138,524,796.66
(VI) Others					15,490,438.64								15,490,438.64	85,855,603.42	101,346,042.06
IV. Balance at the end of current period	1,710,086,520.00			1,490,061,392.53	16,052,788,315.05	1,323,606,826.04	1,042,018,898.84	46,543,747.64	387,225,558.29		14,872,683,731.09		34,277,801,337.40	10,455,554,649.99	44,733,355,987.39

## Report

Items	Year 2022														
	Equity attributable to parent company													Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of prior year	1,221,228,483.00				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
Add: Cumulative changes of accounting policies											-11,846.34		-1,192,064.79	19,222.74	-1,172,842.05
Error correction of prior period															
Others															
II. Balance at the beginning of current year	1,221,228,483.00				10,218,296,584.42	339,232,639.00	-419,363,343.56	16,648,561.11	309,720,418.56		8,375,100,795.23		19,382,398,859.76	4,517,105,418.54	23,899,504,278.30
III. Current period increase (or less: decrease)	378,449,745.00		1,490,112,966.16	180,208,780.17	291,781,935.20	1,195,768,906.43	10,700,890.40	18,477,942.21			3,525,364,811.12		6,507,302,106.29	2,272,061,805.84	8,779,363,912.13
(I) Total comprehensive income							1,198,282,706.43				3,907,615,568.23		5,105,898,274.66	1,925,495,668.73	7,031,393,943.39
(II) Capital contributed or withdrawn by owners	12,070,010.00		1,490,112,966.16	547,542,262.02	294,197,235.20								1,755,528,002.98	338,706,529.66	2,094,234,532.64
1. Ordinary shares contributed by owners	12,691,500.00			400,687,849.00	413,379,349.00									1,169,311,889.50	1,169,311,889.50
2. Capital contributed by holders of other equity instruments			1,490,340,831.42										1,490,340,831.42		1,490,340,831.42
3. Amount of share-based payment included in equity				385,245,312.46									385,245,312.46		385,245,312.46
4. Others	-621,490.00		-227,865.26	-238,390,899.44	-119,182,113.80								-120,058,140.90	-830,605,359.84	-950,663,500.74
(III) Profit distribution						-2,415,300.00			18,477,942.21		-384,764,557.11		-363,871,314.90		-363,871,314.90
1. Appropriation of surplus reserve									18,477,942.21		-18,477,942.21				
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners						-2,415,300.00							-366,286,614.90	-363,871,314.90	-363,871,314.90
4. Others															
(IV) Internal carry-over within equity	366,379,735.00			-366,379,735.00			-2,513,800.00				2,513,800.00				
1. Transfer of capital reserve to capital	366,379,735.00			-366,379,735.00											
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings							-2,513,800.00				2,513,800.00				
6. Others															
(V) Special reserve								10,700,890.40					10,700,890.40		10,700,890.40
1. Current period appropriation								77,589,560.26					77,589,560.26		77,589,560.26
2. Current period use								-66,888,669.86					-66,888,669.86		-66,888,669.86
(VI) Others				-953,746.85									-953,746.85	7,859,607.45	6,905,860.60
IV. Balance at the end of current period	1,599,678,228.00		1,490,112,966.16	10,398,505,364.59	631,014,574.20	776,405,562.87	27,349,451.51	328,198,360.77		11,900,465,606.35		25,889,700,966.05	6,789,167,224.38	32,678,868,190.43	

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

## Report

**Parent company statement of changes in equity**

For the year ended December 31, 2023

Monetary unit: Yuan Currency: RMB

Items	Year 2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	1,599,678,228.00			1,490,112,966.16	10,345,832,528.98	631,014,574.20	-39,949,268.37		328,198,360.77	1,900,834,370.93	14,993,692,612.27
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	1,599,678,228.00			1,490,112,966.16	10,345,832,528.98	631,014,574.20	-39,949,268.37		328,198,360.77	1,900,834,370.93	14,993,692,612.27
III. Current period increase (or less: decrease)	110,408,292.00			-51,573.63	4,544,241,374.79	692,592,251.84	15,971.11		59,027,197.52	211,598,759.84	4,232,647,769.79
(I) Total comprehensive income							15,971.11			590,271,975.16	590,287,946.27
(II) Capital contributed or withdrawn by owners	110,408,292.00			-51,573.63	4,528,750,936.15	696,489,469.04					3,942,618,185.48
1. Ordinary shares contributed by owners	111,379,200.00				4,310,410,081.32	288,804,096.00					4,132,985,185.32
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payment included in equity					249,040,442.78						249,040,442.78
4. Others	-970,908.00			-51,573.63	-30,699,587.95	407,685,373.04					-439,407,442.62
(III) Profit distribution						-3,897,217.20			59,027,197.52	-378,673,215.32	-315,748,800.60
1. Appropriation of surplus reserve									59,027,197.52	-59,027,197.52	
2. Appropriation of profit to owners						-3,897,217.20				-319,646,017.80	-315,748,800.60
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation								14,966,497.80			14,966,497.80
2. Current period use								-14,966,497.80			-14,966,497.80
(VI) Others					15,490,438.64						15,490,438.64

## Report

IV. Balance at the end of current period	1,710,086,520.00			1,490,061,392.53	14,890,073,903.77	1,323,606,826.04	-39,933,297.26		387,225,558.29	2,112,433,130.77	19,226,340,382.06
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Items	Year 2022										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	1,221,228,483.00				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
Add: Cumulative changes of accounting policies									-11,846.34	-106,617.08	-118,463.42
Error correction of prior period											
Others											
II. Balance at the beginning of current year	1,221,228,483.00				9,954,138,998.99	339,232,639.00	-40,000,000.00	22,627.13	309,720,418.56	2,100,819,505.95	13,206,697,394.63
III. Current period increase (or less: decrease)	378,449,745.00			1,490,112,966.16	391,693,529.99	291,781,935.20	50,731.63	-22,627.13	18,477,942.21	-199,985,135.02	1,786,995,217.64
(I) Total comprehensive income							50,731.63			184,779,422.09	184,830,153.72
(II) Capital contributed or withdrawn by owners	12,070,010.00			1,490,112,966.16	759,027,011.84	294,197,235.20					1,967,012,752.80
1. Ordinary shares contributed by owners	12,691,500.00				400,687,849.00	413,379,349.00					
2. Capital contributed by holders of other equity instruments				1,490,340,831.42							1,490,340,831.42
3. Amount of share-based payment included in equity					385,245,312.46						385,245,312.46
4. Others	-621,490.00			-227,865.26	-26,906,149.62	-119,182,113.80					91,426,608.92
(III) Profit distribution						-2,415,300.00			18,477,942.21	-384,764,557.11	-363,871,314.90
1. Appropriation of surplus reserve									18,477,942.21	-18,477,942.21	
2. Appropriation of profit to owners						-2,415,300.00				-366,286,614.90	-363,871,314.90
3. Others											
(IV) Internal carry-over within equity	366,379,735.00				-366,379,735.00						
1. Transfer of capital reserve to capital	366,379,735.00				-366,379,735.00						
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve								-22,627.13			-22,627.13
1. Current period appropriation								11,372,831.64			11,372,831.64
2. Current period use								-11,395,458.77			-11,395,458.77
(VI) Others					-953,746.85						-953,746.85
IV. Balance at the end of current period	1,599,678,228.00			1,490,112,966.16	10,345,832,528.98	631,014,574.20	-39,949,268.37	0.00	328,198,360.77	1,900,834,370.93	14,993,692,612.27

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

### III. Company profile

#### 1. Overview

√ Applicable □ Not Applicable

Zhejiang Huayou Cobalt Co., Ltd. (the “Company”) was established by Great Mountain Enterprise Pte. Ltd. (the “Great Mountain Company”), Huayou Holding Group Co., Ltd. (the “Huayou Holding”), etc. under the approval from the Ministry of Commerce of the People’s Republic of China. The Company was registered at Zhejiang Administration for Industry and Commerce on April 14, 2008 and headquartered in Jiaxing City, Zhejiang Province. The Company currently holds a business license with unified social credit code of 913300007368873961, with registered capital of 1,710,086,520.00 yuan, total share of 1,710,086,520 shares (each with par value of one yuan), of which, 23,751,823 shares are restricted outstanding A shares, and 1,686,334,697 shares are unrestricted outstanding A shares. The Company’s shares were listed on the Shanghai Stock Exchange on January 29, 2015.

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

The financial statements were approved and authorized for issue by the 19<sup>th</sup> meeting of the sixth session of the Board of Directors dated April 18, 2024.

The Company has brought subsidiaries including the first-tier subsidiaries Zhejiang Like Cobalt Nickel Co., Ltd. (the “Like Cobalt”), Zhejiang Huayou Import & Export Co., Ltd. (the “Huayou Import & Export”), Quzhou Huayou Cobalt New Material Co., Ltd. (the “Huayou Quzhou”), Huayou (Hong Kong) Co., Limited (the “Huayou Hong Kong”), Orient International Minerals & Resource (Proprietary) Limited (the “OIM Company”), Congo Dongfang International Mining SAS (the “CDM Company”), La Miniere de Kasombo SAS (the “MIKAS Company”), Huayou International Mining (Hong Kong) Limited (the “Huayou Mining Hong Kong”), Huayou New Energy Technology (Quzhou) Co., Ltd. (the “New Energy Quzhou”), Zhejiang Huayou Recycling Technology Co., Ltd. (the “Huayou Recycling”), Zhejiang Huayou New Energy Technology Co., Ltd. (the “Huayou New Energy”), Zhejiang Youqing Trading Co., Ltd. (the “Youqing Trading”), Tongxiang Huashi Import & Export Co., Ltd. (the “Tongxiang Huashi”), Tongxiang Hua’ang Trading Co., Ltd. (the “Tongxiang Hua’ang”), Beijing Youhong Yongsheng Technology Co., Ltd. (the “Beijing Youhong”), Guangxi Huayou Engineering Project Management Co., Ltd. (the “Guangxi Huayou Engineering”), Huashan Import & Export (Tongxiang) Co., Ltd. (the “Tongxiang Huashan”), Beijing Huashan Yongsheng Technology Co., Ltd. (the “Beijing Huashan”), Huashan Import & Export (Wenzhou) Co., Ltd. (the “Wenzhou Huashan”), Huake Import & Export (Wenzhou) Co., Ltd. (the “Wenzhou Huake”), Guangxi B&M Science and Technology Co., Ltd. (the “Guangxi B&M”), Tianjin B&M Science and Technology Co., Ltd. (the “Tianjin B&M”), Huaxun Import & Export (Tongxiang) Co., Ltd. (the

“Tongxiang Huaxun”), Guangxi Huayou New Material Co., Ltd. (the “Guangxi Huayou New Material”), Guangxi Huayou New Energy Technology Co., Ltd. (the “Guangxi Huayou New Energy”), Huawang Import & Export (Tongxiang) Co., Ltd. (the “Tongxiang Huawang”), Hualing Import & Export (Tongxiang) Co., Ltd. (the “Tongxiang Hualing”), Guangxi Huayou Lithium Industry Co., Ltd. (the “Guangxi Lithium”), Huazheng Import & Export (Tongxiang) Co., Ltd. (the “Tongxiang Huazheng”), Huajian Import & Export (Wenzhou) Co., Ltd. (the “Wenzhou Huajian”), Shanghai Huayou Xinsheng Metal Co., Ltd. (the “Shanghai Xinsheng”), Guangxi Huayou Industrial Investment Co., Ltd. (the “Guangxi Huayou Industrial Investment”), Guangxi Huayou Enterprise Investment Management Co., Ltd. (the “Guangxi Huayou Enterprise Investment”), and Shanghai Huayou Jintian Enterprise Management Co., Ltd. (the “Huayou Jintian”), the second-tier subsidiaries Feza Mining SAS (the “Feza Mining”), Quzhou Huayou Resource Recycling Technology Co., Ltd. (the “Resource Recycling”), Huayou International Recycling Resources Co., Ltd. (the “Huayou International Recycling”), Huayou America, Inc. (the “Huayou America”), Huayou Resources Pte. Ltd. (the “Huayou Singapore”), Shanghai FC Metal Materials Co., Ltd. (the “Shanghai FC”), Heishui Huayou Recycling Technology Co., Ltd. (the “Heishui Recycling”), Huajin New Energy Materials (Quzhou) Co., Ltd. (the “Huajin Company”), Zhejiang Huayou-Posco ESM Co., Ltd. (the “Huayou-Posco”), Huaqing Nickel & Cobalt Co., Ltd. (the “Huaqing Nickel & Cobalt”), Huachuang International Investment Co., Ltd. (the “Huachuang International”), Huawei Nickel Resources Development Co., Ltd. (the “Huawei Nickel Resources”), Huake Nickel Co., Ltd. (the “Huake Nickel”), Huayou International Cobalt (Hong Kong) Co., Ltd. (the “Huayou International Cobalt”), Huayuan Copper Co., Ltd. (the “Huayuan Copper”), Jiangsu Huayou Energy Technology Co., Ltd. (the “Jiangsu Huayou”), Huatuo International Development Pte. Ltd. (the “Huatuo International”), Chengdu B&M Science and Technology Co., Ltd. (the “Chengdu B&M”), Zhejiang B&M Science and Technology Co., Ltd. (the “Zhejiang B&M”), Guangxi Huayou Import & Export Co., Ltd. (the “Guangxi Huayou Import & Export”), Huaneng Asia International Co., Limited (the “Huaneng Asia International”), Huacai (Hong Kong) Limited (the “Huacai Hong Kong”), Huayong International (Hong Kong) Limited (the “Huayong International”), Huatuo Cobalt Co., Ltd. (the “Huatuo Cobalt”), Guangxi Huayou Resource Regeneration Technology Co., Ltd. (the “Guangxi Regeneration”), Prospect Lithium Zimbabwe (Pvt) Ltd. (the “Prospect Lithium”), Quzhou Huayou Environmental Protection Technology Co., Ltd. (the “Quzhou Huayou Environmental Protection”), Huayou International Lithium (Hong Kong) Limited (the “Huayou International Lithium”), Huayou International Resources (Hong Kong) Limited (the “Huayou International Resources”), Huasheng Nickel (Hong Kong) Limited (the “Huasheng Hong Kong”), Huaxing Nickel (Hong Kong) Limited (the “Huaxing Hong Kong”), Huachang Trade (Hong Kong) Limited (the “Huachang Trade”), Huaqi (Hong Kong) Limited (the “Huaqi Hong Kong”), Huajin (Hong Kong) Limited (the “Huajin Hong Kong”), Huaming (Hong Kong) Limited (the “Huaming Hong Kong”), Huaqun (Hong Kong) Limited (the “Huaqun Hong Kong”), Huabin (Hong Kong) Limited (the “Huabin Hong Kong”), Huawu (Hong Kong) Limited (the “Huawu Hong Kong”), Huaqi (Singapore) Limited (the “Huaqi Singapore”), Huajun International Investment Co., Ltd. (the “Huajun International Investment”), Huayao International Investment Co., Ltd. (the “Huayao International Investment”), Huaze International Investment Co., Ltd. (the “Huaze

International Investment”), Zhejiang Huayou Lithium Recycling Technology Co., Ltd. (the “Huayou Lithium Recycling”), Zhejiang Huayou Green Energy Technology Co., Ltd. (the “Huayou Green Energy”), Guangzhou Huayi New Energy Technology Co., Ltd. (the “Guangzhou Huayi”), Astir Mining SAS (the “Astir Company”), Huayou International Investment Co., Ltd. (the “Huayou International Investment”), Huaren (Singapore) Pte. Ltd. (the “Huaren Singapore”), Huadi (Singapore) Limited (the “Huadi Singapore”), Huali International Investment Co., Ltd. (the “Huali International Investment”), Huashi International Investment Co., Ltd. (the “Huashi International Investment”), Huacheng International Investment Co., Ltd. (the “Huacheng International Investment”), Huaji (Singapore) Pte. Ltd. (the “Huaji Singapore”), Huayi International Investment Co., Ltd. (the “Huayi International Investment”), Huasong International Investment Co., Ltd. (the “Huasong International Investment”), Huazhang Singapore Pte. Ltd. (the “Huazhang Singapore”), Huatu Singapore Pte. Ltd. (the “Huatu Singapore”), Huabo Singapore Pte. Ltd. (the “Huabo Singapore”), Huate Singapore Pte. Ltd. (the “Huate Singapore”), Huayuan Investment Singapore Pte. Ltd. (the “Huayuan International Investment”), Huasen International Investment Pte. Ltd. (the “Huasen International Investment”), Huating Investment Singapore Pte. Ltd. (the “Huating Investment”), and Huamei International Investment Pte. Ltd. (the “Huamei International Investment”), the third-tier subsidiaries Huayou International Mining (Holdings) Co., Ltd. (the “Huayou International Holdings”), PT. Huayue Nickel Cobalt (the “Huayue Company”), PT. Huake Nickel Indonesia (the “Huake Indonesia”), PT. Huashan Nickel Cobalt (the “Huashan Indonesia”), Huayou Shixing (Beijing) New Energy Technology Co., Ltd. (the “Huayou Shixing”), PT. Huafei Nickel Cobalt (the “Huafei Indonesia”), Huasheng Nickel (Indonesia) Co., Ltd. (the “Huasheng Indonesia”), PT. Indonesia Pomalaa Industry Park (the “IPIP Company”), Huashun Resources (Private) Limited (the “Huashun Hong Kong”), Huachi (Hong Kong) Limited (the “Huachi Hong Kong”), Quzhou Huayou Resource Recycling Technology Co., Ltd. (the “Quzhou Resource Recycling”), PT. Huaxiang Refining Indonesia (the “Huaxiang Indonesia”), Sulawesi Manganese Recycling Co., Ltd. (the “Sulawesi Indonesia”), PT. Huali Nickel Indonesia (the “Huali Indonesia”), PT. Kolaka Nickel Indonesia (the “KNI Company”), PT Indonesia Dahuaxing Industry Park (the “Dahuaxing Industry Park”), PT Indonesia Giga Industry Park (the “Giga Industry Park”), and PT Indonesia Huali Industry Park (the “Huali Industry Park”), and the fourth-tier subsidiaries PT. IPIP Port Kolaka (the “Kolaka Port”), Bamo Technology Hungary Kft (the “Bamo Hungary”), PT. Kolaka Green Energy (the “Kolaka Green Energy”), and Bayvorl Mining (Private) Limited (the “Bayvorl Company”) into the consolidation scope. Please refer to item X of this section for details.

## **IV. Preparation basis of the financial statements**

### **1. Preparation basis**

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

### **2. Going concern**

√ Applicable □ Not Applicable

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

## V. Significant accounting policies and estimates

Notes to specific accounting policies and estimates:

Applicable  Not Applicable

Important note: The Company has set up accounting policies and estimates on transactions or events such as impairment of financial instruments, depreciation of fixed assets, depreciation of right-of-use assets, amortization of intangible assets, revenue recognition, etc., based on the Company's actual production and operation features.

### 1. Statement of compliance

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

### 2. Accounting period

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

### 3. Operating cycle

Applicable  Not Applicable

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

### 4. Functional currency

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

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

Applicable  Not Applicable

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

Disclosed items involving materiality judgements	Determination method and basis for selection of materiality
Significant accounts receivable with provision for bad debts made on an individual basis	Accounts receivable with single amount in excess of 0.5% of total assets are identified as significant accounts receivable.
Significant provisions for bad debts of accounts receivable collected or reversed	Accounts receivable with single amount in excess of 0.5% of total assets are identified as significant

Disclosed items involving materiality judgements	Determination method and basis for selection of materiality
	accounts receivable.
Significant accounts receivable written off	Accounts receivable with single amount in excess of 0.5% of total assets are identified as significant accounts receivable.
Significant advances paid with age over one year	Advances paid with single amount in excess of 0.5% of total assets are identified as significant advances paid.
Significant other receivables with provision for bad debts made on an individual basis	Other receivables with single amount in excess of 0.5% of total assets are identified as significant other receivables.
Significant provisions for bad debts of other receivables collected or reversed	Other receivables with single amount in excess of 0.5% of total assets are identified as significant other receivables.
Significant other receivables written off	Other receivables with single amount in excess of 0.5% of total assets are identified as significant other receivables.
Significant construction in progress	Construction in progress with single amount in excess of 0.5% of total assets are identified as significant construction in progress.
Significant accounts payable with age over one year	Accounts payable with single amount in excess of 0.5% of total assets are identified as significant accounts payable.
Significant contract liabilities with age over one year	Contract liabilities with single amount in excess of 0.5% of total assets are identified as significant contract liabilities.
Significant other payables with age over one year	Other payables with single amount in excess of 0.5% of total assets are identified as significant other payables.
Significant cash flows from investing activities	Cash flows from investing activities with single amount in excess of 10% of total assets are identified as significant cash flows from investing activities.
Significant foreign operating entities	Foreign operating entities with total assets or total revenue in excess of 10% of the group's total assets or total revenue are identified as significant foreign operating entities.
Significant subsidiaries, not wholly-owned subsidiaries	Subsidiaries (operating entities) with total assets or total revenue in excess of 10% of the group's total assets or total revenue are identified as significant subsidiaries or significant not wholly-owned subsidiaries.
Significant joint ventures, associates	Joint ventures and associates with the carrying amount of single long-term equity investment in excess of 5% of the total assets or with amount of investment income under equity method in excess of 5% of the profit before tax are identified as significant joint ventures or associates.

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

Applicable  Not Applicable

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

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the

combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

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

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

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

Applicable  Not Applicable

### 1. Judgement of control

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

### 2. Compilation method of consolidated financial statements

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

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

Applicable  Not Applicable

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

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

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

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

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

## 10. Foreign currency translation

Applicable  Not Applicable

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

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

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

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

## 11. Financial instruments

Applicable  Not Applicable

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

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

Financial liabilities are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

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

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

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial

assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, they are measured at the transaction price in accordance with “CASBE 14 – Revenues”.

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

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

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

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

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

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

4) Financial assets at fair value through profit or loss

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

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

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

income should be transferred out into retained earnings when the financial liabilities are derecognized.

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

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

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

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

4) Financial liabilities at amortized cost

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

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

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

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

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

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively:

(1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference

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

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

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

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

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

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company's own data, etc.

#### 5. Impairment of financial instruments

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

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

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

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

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

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

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

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

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

## 6. Offsetting financial assets and financial liabilities

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

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

## 12. Notes receivable

Applicable  Not Applicable

## 13. Accounts receivable

Applicable  Not Applicable

### Determination method and accounting treatment of expected credit loss of accounts receivable

Applicable  Not Applicable

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

Applicable  Not Applicable

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

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

Applicable  Not Applicable

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

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

Applicable  Not Applicable

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

#### 14. Receivables financing

Applicable  Not Applicable

##### Determination method and accounting treatment of expected credit loss of receivables financing

Applicable  Not Applicable

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

Applicable  Not Applicable

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

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

Applicable  Not Applicable

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

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

Applicable  Not Applicable

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

#### 15. Other receivables

Applicable  Not Applicable

##### Determination method and accounting treatment of expected credit loss of other receivables

Applicable  Not Applicable

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

√ Applicable □ Not Applicable

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

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

√ Applicable □ Not Applicable

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

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

√ Applicable □ Not Applicable

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

**16. Inventories**

√ Applicable □ Not Applicable

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

√ Applicable □ Not Applicable

**1. Classification of inventories**

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

2. Accounting method for dispatched inventories

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

3. Inventory system

Perpetual inventory method is adopted.

4. Amortization method of low-value consumables and packages

(1) Low-value consumables

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

(2) Packages

Packages are amortized with one-off method.

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

Applicable  Not Applicable

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

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

Applicable  Not Applicable

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

Applicable  Not Applicable

**17. Contract assets**

Applicable  Not Applicable

**Recognition method and criteria of contract assets**

Applicable  Not Applicable

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

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

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

**Determination method and accounting treatment of expected credit loss of contract assets**

Applicable  Not Applicable

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

Applicable  Not Applicable

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

Applicable  Not Applicable

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

Applicable  Not Applicable

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

Applicable  Not Applicable

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

Applicable  Not Applicable

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

Applicable  Not Applicable

**19. Long-term equity investments**

Applicable  Not Applicable

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

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

**2. Determination of investment cost**

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

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

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

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

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

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

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity

securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”.

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

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

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

#### (1) Judgement principles of “bundled transaction”

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

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

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

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

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

##### 2) Consolidated financial statements

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

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or

combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

(3) Accounting treatment of bundled transaction

1) Stand-alone financial statements

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

2) Consolidated financial statements

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

**20. Investment property**

Not Applicable

**21. Fixed assets**

**(1) Recognition principles**

Applicable  Not Applicable

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

**(2) Depreciation method**

Applicable  Not Applicable

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

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
	method			

## 22. Construction in progress

Applicable  Not Applicable

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

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

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

## 23. Borrowing costs

Applicable  Not Applicable

### 1. Recognition principle of borrowing costs capitalization

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

### 2. Borrowing costs capitalization period

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

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

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or

production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

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

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

### 24. Biological assets

Applicable  Not Applicable

### 25. Oil & gas assets

Applicable  Not Applicable

### 26. Intangible assets

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

Applicable  Not Applicable

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

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

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

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

Applicable  Not Applicable

1. Permitted scope of R&D costs

##### (1) Personnel costs

Personnel costs include wages and salaries, basic endowment insurance premiums, basic medical insurance premiums, unemployment insurance premiums, occupational injuries premiums, maternity

premiums and housing provident funds for the Company's R&D personnel, as well as labor costs for external R&D personnel.

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

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

#### (2) Direct input costs

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

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

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

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

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

#### (4) Amortization of intangible assets

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

#### (5) Other expenses

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

2. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of

completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Applicable  Not Applicable

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

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

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

Applicable  Not Applicable

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

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

Applicable  Not Applicable

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

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

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

### 30. Employee benefits

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

Applicable  Not Applicable

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

#### (2) Post-employment benefits

Applicable  Not Applicable

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

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

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

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

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

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

#### (3) Termination benefits

Applicable  Not Applicable

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates:

(1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an

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

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

Applicable  Not Applicable

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

#### **31. Provisions**

Applicable  Not Applicable

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

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

Applicable  Not Applicable

##### 1. Types of share-based payment

Share-based payment consists of equity-settled share-based payment and cash-settled share-based payment.

##### 2. Accounting treatment for settlements, modifications and cancellations of share-based payment plans

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

For equity-settled share-based payment transaction with employees, if the equity instruments granted vest immediately, the fair value of those equity instruments is measured at grant date and recognized as transaction cost or expense, with a corresponding adjustment in capital reserve; if the equity instruments granted do not vest until the counterparty completes a specified period of service or fulfills certain performance conditions, at the balance sheet date within the vesting period, the fair value of those equity instruments measured at grant date based on the best estimate of the number of equity instruments expected to vest is recognized as transaction cost or expense, with a corresponding adjustment in capital reserve.

For equity-settled share-based payment transaction with parties other than employees, if the fair value of the services received can be measured reliably, the fair value is measured at the date the Company receives the service; if the fair value of the services received cannot be measured reliably, but that of equity instruments can be measured reliably, the fair value of the equity instruments granted measured at the date the Company receives the service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

(2) Cash-settled share-based payment

For cash-settled share-based payment transactions with employees, if share appreciation rights vest immediately, the fair value of the liability incurred as the acquisition of services is measured at grant date and recognized as transaction cost or expense, with a corresponding increase in liabilities; if share appreciation rights do not vest until the employees have completed a specified period of service or fulfills certain performance conditions, the liability is measured, at each balance sheet date until settled, at the fair value of the share appreciation rights measured at grant date based on the best estimate of the number of share appreciation right expected to vest.

(3) Modifications and cancellations of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company includes the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the Company includes the fair value of the additional equity instruments granted, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the Company modifies the vesting conditions in a manner that is beneficial to the employee, the Company takes the modified vesting conditions into account.

If the modification reduces the fair value of the equity instruments granted, the Company does not take into account that decrease in fair value and continue to measure the amount recognized for services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction is accounted for as a cancellation of that portion of the grant; if the Company modifies the vesting conditions in a manner that is not beneficial to the employee, the Company does not take the modified vesting conditions into account.

If the Company cancels or settles a grant of equity instruments during the vesting period (other than that cancelled when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

**33. Other financial instruments such as preferred shares and perpetual bonds**

Applicable  Not Applicable

## 34. Revenue

### (1) Accounting policies for recognition and measurement of revenue disclosed by business nature

Applicable  Not Applicable

#### 1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

#### 2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the

transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

### 3. Revenue recognition method

The Company is mainly engaged in sales of cobalt products, copper products, nickel products, lithium products, ternary precursors, cathode materials, nickel intermediates, etc., which are performance obligations satisfied at a point in time.

Revenue from domestic sales is recognized when the Company has delivered goods to the designated address as agreed by contract and such delivered goods have been verified for acceptance by customers, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

Revenue from overseas sales is recognized when the Company has declared goods to the customs based on contractual agreements and has obtained a bill of lading, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

### **(2) Different recognition method and measurement method of revenue from similar businesses under different business models**

Applicable  Not Applicable

### **35. Contract costs**

Applicable  Not Applicable

### **36. Government grants**

Applicable  Not Applicable

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidized interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidized interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidized interest shall offset relevant borrowing cost.

**37. Deferred tax assets/Deferred tax liabilities**

Applicable  Not Applicable

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.
2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence indicating that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.
3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.
4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.
5. Deferred tax assets and deferred tax liabilities shall offset each other and be presented on a net basis when the following conditions are all met: (1) the Company has the legal right to settle off current tax assets against current tax liabilities; (2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either: 1) the same taxable entity; or 2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### 38. Leases

Applicable  Not Applicable

#### **Judgement basis and accounting treatment of short-term leases and leases of low-value assets with simplified approach when the Company as lessee**

Applicable  Not Applicable

##### 1. The Company as lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, lease payments are recognized as cost or

profit or loss with straight-line method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.

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

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liabilities; 2) any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use asset using the straight-line method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

#### (2) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: 1) actual fixed payments; 2) amounts expected to be payable under residual value guarantees; 3) an index or a rate used to determine lease payments; 4) assessment result or exercise of purchase option, extension option or termination option, the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

### **Classification criteria and accounting treatment of leases when the Company as lessor**

Applicable  Not Applicable

#### 2. The Company as lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is

classified as an operating lease.

(1) Operating lease

Lease receipts are recognized as lease income with straight-line method over the lease term. Initial direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

(2) Finance lease

At the commencement date, the Company recognizes the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognizes assets held under the finance lease. The Company calculates and recognizes interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

3. Sale and leaseback

(1) The Company as the lessee

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company measures the right-of-use asset arising from the leaseback at the proportion of the original carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

Otherwise, the Company continues the recognition of the transferred assets, and recognizes a financial liability equal to the amount of transfer income in accordance with the “CASBE 22 – Financial Instruments: Recognition and Measurement” at the same time.

(2) The Company as the lessor

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company accounts for the purchase of assets in accordance with other applicable standards, and accounts for the lease of assets in accordance with the “CASBE 21 – Leases”.

Otherwise, the Company does not recognize the transferred asset, but recognizes a financial asset equal to the amount of transfer income in accordance with the “CASBE 22 – Financial Instruments: Recognition and Measurement”.

### 39. Other significant accounting policies and estimates

√ Applicable □ Not Applicable

#### 1. Basis of the adoption of hedge accounting and its accounting treatment

(1) Hedge includes fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

(2) A hedging relationship qualifies for hedge accounting if all of the following conditions are met: 1) the hedging relationship consists only of eligible hedging instruments and eligible hedged instruments; 2) at the inception of the hedge there is formal designation of hedging instruments and hedged item, and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge; 3) the hedging relationship meets the hedging effectiveness requirements.

The Company recognizes that the hedging relationship meets effectiveness requirements if the all of the followings are simultaneously satisfied: 1) there is an economic relationship between the hedged item and the hedging instruments; 2) the effect of credit risk does not dominate the value changes that result from that economic relationship between the hedged item and the hedging instruments; and 3) the hedge ratio of the hedging relationship is the same as the ratio of the quantity of the hedged item that the Company actually hedges and the number of hedging instruments that the Company actually uses to hedge that quantity of hedged item, but does not reflect an imbalance between the weightings of the hedged item and the hedging instrument.

The Company shall assess whether a hedging relationship meets the hedge effectiveness requirements at inception and on an ongoing basis. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedging relationship shall be rebalanced.

#### (3) Hedge accounting

##### 1) Fair value hedge

a. Gain or loss on the hedging instrument shall be recognized in profit or loss (or other comprehensive income, if the hedging instrument hedges a non-trading equity instrument (or a component thereof) at fair value through other comprehensive income).

b. The gain or loss on hedged item arising from risk exposure should be recognized in profit or loss, and meanwhile, the carrying amount of the hedged item which is not measured at fair value should be adjusted. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income in accordance with article XVIII in "CASBE 22 – Financial Instruments: Recognition and Measurement", the gain or loss arising from the risk exposure on the hedged item shall be recognized in profit or loss, with carrying amount unadjusted for it has already been measured at fair value; if the hedged item is a non-trading equity instrument (or a component thereof) for which the Company has elected to present changes at fair value through other comprehensive income, the gain or loss arising from the risk exposure on the hedged item shall be

recognized in profit or loss, with carrying amount unadjusted for it has already been measured at fair value.

When a hedged item is an unrecognized firm commitment (or a component thereof), the cumulative change in fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss. When a firm commitment is performed to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability is adjusted to include the cumulative change in fair value of the hedged item that was previously recognized.

For a hedged item that is a financial instrument (or a component thereof) measured at amortized cost, any adjustment on the carrying amount of the hedged item shall be amortized to profit or loss based on a recalculated effective interest rate at the date that amortization begins. In the case of a financial asset (or a component thereof) that is a hedged item and that is measured at fair value through other comprehensive income in accordance with article XVIII in “CASBE 22 – Financial Instruments: Recognition and Measurement”, amortization applies in the same manner but to the amount that represents the cumulative gain or loss previously recognized, which shall be subsequently recognized in profit or loss, instead of by adjusting the carrying amount.

## 2) Cash flow hedges

a. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income as cash flow hedge reserve, while the ineffective portion shall be recognized in profit or loss. The cash flow hedge reserve shall be recognized at the lower of the following (in absolute amounts): (i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and (ii) the cumulative change in present value of the expected future cash flows of the hedged item from inception of the hedge.

b. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall transfer out the amount of cash flow hedge reserve previously recognized in other comprehensive income, and include it in the initial cost of the asset or the liability.

c. For other cash flow hedges, the amount of cash flow hedge reserve previously recognized in other comprehensive income shall be transferred out into profit or loss in the same period the hedged forecast sale affects profit or loss.

## 3) Hedges of a net investment in a foreign operation

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, and reclassified from other comprehensive income to profit or loss on the disposal of the foreign operation; and the ineffective portion is recognized in profit or loss.

## 2. Accounting treatment related to share repurchase

When the Company repurchases its shares for the purpose of reducing its registered capital or rewarding its employees, if the purchased shares are to be kept as treasury shares, the treasury shares are recorded at the cash distributed to existing shareholders for repurchase; if the purchased shares are to be retired, the difference between the total book value of shares retired and the cash distributed to existing shareholders for repurchase is to reduce capital reserve, or retained earnings when the capital reserve is not enough to reduce. If the Company repurchases vested equity instruments in equity-settled share-based payment transactions with employees, cost of treasury shares granted to employees and capital reserve (other capital reserve) accumulated within the vesting period are to be written off on the payment made to employees, with a corresponding adjustment in capital reserve (share premium).

### 3. Work safety fund

The Company appropriates work safety fund in accordance with the “Circular on Management Measures on the Appropriation and Use of Work Safety Fund” (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Management. Standard work safety fund is included in the cost or profit or loss, meanwhile accounted for under “special reserve”. When work safety fund is used as an expense, it is to offset special reserve directly. When work safety fund is qualified to be included in the cost of fixed assets, it is accounted for under “construction in progress” and transferred to fixed assets when related safety projects reach the designed useful conditions; meanwhile, the cost included in fixed assets is to offset “special reserve”, and accumulated depreciation shall be recognized at the same amount. Such fixed assets shall not be depreciated in future periods.

### 4. Segment reporting

Operating segments are determined based on the structure of the Company’s internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and
3. for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

## 40. Significant changes in accounting policies and estimates

### (1) Significant changes in accounting policies

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Contents and reasons for the changes	Financial statement items significantly affected	Amounts affected
Changes in accounting policies	Deferred tax liabilities	3,609,804.76

arising from changes in CASBEs	Surplus reserve	-244.57
	Undistributed profit	-3,456,920.81
	Non-controlling interest	-152,639.38
	Income tax expenses	2,436,962.71
	Net profit attributable to non-controlling shareholders	-171,862.12

#### Other remarks

The Company has adopted the regulations about accounting for deferred tax related to assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply in the “Interpretation of China Accounting Standards for Business Enterprises No. 16” issued by the Ministry of Finance since January 1, 2023, and makes adjustments on such single transactions occurring between the beginning of the earliest comparative period and the first adoption date accordingly. For taxable and deductible temporary differences associated with lease liabilities and right-of-use assets, provisions associated with decommissioning obligations and corresponding assets arising from such single transactions and presented at the beginning of the earliest comparative period, the cumulative effect of initially applying such regulations and “CASBE 18 – Enterprise Income Tax” shall be adjusted into retained earnings or other related items at the beginning of the earliest comparative period presented.

#### (2) Significant changes in accounting estimates

Applicable  Not Applicable

#### (3) The adjustments on the financial statements of the beginning of the earliest period in which the Company adopts the revised standards or interpretations since 2023

Applicable  Not Applicable

#### 41. Others

Applicable  Not Applicable

## VI. Taxes

### 1. Main taxes and tax rates

Details

Applicable  Not Applicable

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	Main rates include 16%, 15%, 13%, 11%, 6%; export goods of domestic production enterprises enjoy the preferential policy of “exemption, credit and refund”, and the tax refund rate is 0% and 13%, while export goods of domestic foreign trade

Taxes	Tax bases	Tax rates
		enterprises enjoy the preferential policy of “exemption, refund”, and the tax refund rate is from 0% to 13%
Consumption tax		
Business tax		
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%
Enterprise income tax	Taxable income	Please refer to the following different enterprise income tax rates applicable to different taxpayers
Mineral tax	Taxable revenue	3.5%, 10%
Resources tax	Taxable revenue	7%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting a certain percentage of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of lease income.	1.2%, 12%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%

Different enterprise income tax rates applicable to different taxpayers:

Applicable  Not Applicable

Taxpayers	Income tax rate
The Company, New Energy Quzhou, Tianjin B&M, Chengdu B&M, Jiangsu Huayou, Guangxi B&M, Guangxi Huayou Engineering, Guangxi Lithium, Guangxi Huayou New Material	15%
Beijing Huashan, Beijing Youhong	20%
Taxpayers other than the above-mentioned	25%
Overseas entities	Subject to the tax rate in the place of registration

## 2. Tax preferential policies

Applicable  Not Applicable

### 1. VAT

Pursuant to the “Announcement on the VAT Extra Deduction Policy for Advanced Manufacturing Enterprises” (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 43) and “Circular of General Office of the Ministry of Industry and Information Technology on the Formulation of the List of Advanced Manufacturing Enterprises Enjoying the VAT Extra Deduction Policy in 2023” (Gong Xin Ting Cai Han [2023] No. 267), from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are entitled to enjoy a 5% extra deduction of creditable input VAT for the current period from their VAT payable. The Company, New Energy Quzhou, Jiangsu Huayou and Tianjin B&M, as advanced manufacturing enterprises, are entitled to enjoy such preferential policy in the current period.

## 2. Enterprise income tax

### (1) Domestic entities

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of State Taxation Administration (STA) on December 8, 2023, the Company is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, the Company is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of STA on December 16, 2021, New Energy Quzhou is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, New Energy Quzhou is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau and Tianjin Municipal Tax Service of STA on December 8, 2023, Tianjin B&M is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, Tianjin B&M is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Science and Technology Department of Jiangsu Province, Jiangsu Provincial Department of Finance and Jiangsu Provincial Tax Service of STA on December 12, 2022, Jiangsu Huayou is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, Jiangsu Huayou is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “Announcement on Continuing the Enterprise Income Tax Policy for the Western Development” (Announcement of the Ministry of Finance [2020] No. 23), Chengdu B&M, Guangxi B&M, Guangxi Lithium, Guangxi Huayou New Material and Guangxi Huayou Engineering are entitled to enjoy the preferential enterprise income tax policy as enterprises engaged in the encouraged industries in the western region and subject to a reduced rate of 15% in the current period.

Pursuant to the “Announcement on Preferential Income Tax Policies for Further Support for Small Enterprises with Meager Profit and Individually-owned Businesses” (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 12), from January 1, 2023 to December 31, 2027, enterprise income tax of small enterprises with meager profits is levied at 20% based on 25% of taxable income. The Company’s subsidiaries Beijing Huashan and Beijing Youhong are qualified as small enterprises with meager profits and are entitled to enjoy the income tax preferential policies mentioned above in the current period.

Pursuant to the “Notice of the People’s Government of Guangxi Zhuang Autonomous Region on Several Policies for Promoting the High-level Opening and High-Quality Development of the Guangxi Beibu Gulf Economic Zone in the New Era” (Gui Zheng Fa [2020] No. 42), the subsidiaries Guangxi B&M, Guangxi Lithium, Guangxi Huayou New Material and Guangxi Huayou Engineering, as new enterprises registered and established in the economic zone, are accredited as high-tech enterprises or enterprises entitled to enjoy the preferential enterprise income tax policy for the western development. They are exempted from enterprise income tax shared by local governments for 5 years since the first year in which the revenue from main operations is generated. The subsidiaries Guangxi Lithium and Guangxi Huayou New Material are exempted for the first year, while the subsidiaries Guangxi B&M and Guangxi Huayou Engineering are exempted for the second year.

(2) Overseas entities

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to Huayue Company”, Huayue Company is exempted from enterprise income tax as well as tax withheld by third parties on certain income from Huayue Company for 15 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to Huake Indonesia”, Huake Indonesia is exempted from enterprise income tax as well as tax withheld by third parties on certain income from Huake Indonesia for 10 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to Huafei Indonesia”, Huafei Indonesia is exempted from enterprise income tax as well as tax withheld by third parties on certain income from Huafei Indonesia for 20 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

**3. Others**

Applicable  Not Applicable

**VII. Notes to items of consolidated financial statements**

**1. Cash and bank balances**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand	11,891,845.98	25,777,978.79
Cash in bank	9,427,796,624.02	8,030,335,929.04
Other cash and bank balances	5,820,232,608.81	7,379,661,572.84
Deposited in finance company		

Items	Closing balance	Opening balance
Total	15,259,921,078.81	15,435,775,480.67
Including: Deposited overseas	4,130,223,257.04	2,819,262,572.40

Other remarks

Closing balance of other cash and bank balances included deposits for bank acceptance of 3,156,266,863.66 yuan, deposits for letters of credit of 452,578,910.35 yuan, deposits for letters of guarantee of 6,052,500.00 yuan, deposits for borrowings of 1,097,663,952.77 yuan, deposited investments of 1,023,058,755.22 yuan, deposits for environmental impact assessment of 9,508,508.46 yuan, deposited funds for share repurchase of 63,638,599.36 yuan, balances frozen due to lawsuits of 10,522,599.11 yuan and others of 941,919.88 yuan.

## 2. Held-for-trading financial assets

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance	Reasons and basis for designation
Financial assets at fair value through profit or loss	373,221,093.05	251,991,490.83	
Including:			
Short-term financial products	307,093,242.90	202,612,876.71	
Derivative financial assets	66,127,850.15	49,378,614.12	
Financial assets designated as at fair value through profit or loss			
Including:			
Total	373,221,093.05	251,991,490.83	

Other remarks:

Applicable  Not Applicable

## 3. Derivative financial assets

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Hedged futures contracts	1,395,343,385.26	608,711,611.68
Total	1,395,343,385.26	608,711,611.68

Other remarks:

Hedged futures contracts refer to investment cost of 709,161,400.97 yuan and gains on changes in fair value of 686,181,984.29 yuan of futures contracts held by the Company.

## 4. Notes receivable

### (1) Details on categories

Applicable  Not Applicable

**(2) Pledged notes at the balance sheet date**

Applicable  Not Applicable

**(3) Endorsed or discounted but undue notes at the balance sheet date**

Applicable  Not Applicable

**(4) Details on categories of provision accrual methods**

Applicable  Not Applicable

Notes receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Notes receivable with provision for bad debts made on a collective basis:

Applicable  Not Applicable

Provision for bad debts made using three-stage model

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of notes receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Notes receivable actually written off in the current period**

Applicable  Not Applicable

Significant notes receivable written off:

Applicable  Not Applicable

Remarks on notes receivable written off:

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

## 5. Accounts receivable

### (1) Age analysis

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Ages	Closing book balance	Opening book balance
Within 1 year		
Including:		
Within 1 year	8,295,001,926.95	8,453,890,322.09
Subtotal	8,295,001,926.95	8,453,890,322.09
1-2 years	117,515,843.63	7,652,233.38
2-3 years	6,006,912.24	1,302,003.32
Over 3 years	16,493,601.46	19,923,360.35
3-4 years		
4-5 years		
Over 5 years		
Total	8,435,018,284.28	8,482,767,919.14

### (2) Details on categories of provision accrual methods

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)		Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	402,048.00		402,048.00	100.00		5,628,944.86	0.07	5,628,944.86	100.00	
Including:										
Receivables of individually insignificant amount but with provision made on an individual basis	402,048.00		402,048.00	100.00		5,628,944.86	0.07	5,628,944.86	100.00	
Receivables with provision made on a collective basis	8,434,616,236.28	100.00	457,348,274.66	5.42	7,977,267,961.62	8,477,138,974.28	99.93	440,190,504.93	5.19	8,036,948,469.35
Including:										
Portfolio grouped with ages	8,434,616,236.28	100.00	457,348,274.66	5.42	7,977,267,961.62	8,477,138,974.28	99.93	440,190,504.93	5.19	8,036,948,469.35
Total	8,435,018,284.28	100.00	457,750,322.66	5.43	7,977,267,961.62	8,482,767,919.14	100.00	445,819,449.79	5.26	8,036,948,469.35

Provision made on an individual basis:

Applicable  Not Applicable

No significant accounts receivable with provision made on an individual basis.

Accounts receivable with provision made on a collective basis:

Applicable  Not Applicable

Portfolio grouped with ages

Monetary unit: Yuan Currency: RMB

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	8,295,001,926.95	414,750,096.35	5.00
1-2 years	117,515,843.63	23,503,168.73	20.00
2-3 years	6,006,912.24	3,003,456.12	50.00
Over 3 years	16,091,553.46	16,091,553.46	100.00
Total	8,434,616,236.28	457,348,274.66	5.42

Remarks on provision for bad debts made on a collective basis:

Applicable  Not Applicable

Provision for bad debts made using three-stage model:

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts:

None.

Remarks on significant changes in book balance of accounts receivable with changes in loss allowances:

Applicable  Not Applicable

### (3) Changes in provision for bad debts

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision for bad debts made on an individual basis	5,628,944.86		1,525,213.78	3,701,683.08		402,048.00
Receivables with provision for bad debts made on a collective basis	440,190,504.93	18,188,408.40		1,030,638.67		457,348,274.66
Total	445,819,449.79	18,188,408.40	1,525,213.78	4,732,321.75		457,750,322.66

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

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

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Amount written off
Accounts receivable actually written off	5,755,035.53
Recovery of accounts receivable written off in the prior periods	-1,022,713.78

Significant accounts receivable written off:

Applicable  Not Applicable

Remarks on accounts receivable written off:

Applicable  Not Applicable

**(5) Details of the top 5 debtors with largest balances**

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

Closing balance of top 5 debtors totaled 3,070,066,305.65 yuan, accounting for 36.40% of the total closing balance of accounts receivable, and provision for bad debts made thereon totaled 153,637,781.08 yuan.

**6. Contract assets**

**(1) Details**

Applicable  Not Applicable

**(2) Reasons for significant changes in carrying amount of contract assets in the reporting period**

Applicable  Not Applicable

**(3) Details on categories of provision accrual methods**

Applicable  Not Applicable

Contract assets with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Remarks on contract assets with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Contract assets with provision for bad debts made on a collective basis:

Applicable  Not Applicable

Provision for bad debts made using three-stage model

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of contract assets with changes in loss allowances:

Applicable  Not Applicable

**(4) Details on provision for bad debts of contract assets in the current period**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(5) Details on contract assets actually written off in the current period**

Applicable  Not Applicable

Significant contract assets written off:

Applicable  Not Applicable

Remarks on contract assets written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**7. Receivables financing**

**(1) Details on categories**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance	2,425,306,902.49	2,437,994,963.68
Total	2,425,306,902.49	2,437,994,963.68

**(2) Pledged receivables financing at the balance sheet date**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance of pledged receivables financing
Bank acceptance	598,161,801.28
Subtotal	598,161,801.28

**(3) Endorsed or discounted but undue receivables financing at the balance sheet date**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	8,105,730,271.15	
Subtotal	8,105,730,271.15	

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of high credit level, there is very little possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the China Commercial Instrument Law.

**(4) Details on categories of provision accrual methods**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)		Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on an individual basis										
Including:										
Receivables with provision for bad debts made on a collective basis	2,425,306,902.49	100			2,425,306,902.49	2,437,994,963.68	100			2,437,994,963.68
Including:										
Bank acceptance	2,425,306,902.49	100			2,425,306,902.49	2,437,994,963.68	100			2,437,994,963.68
Total	2,425,306,902.49	100			2,425,306,902.49	2,437,994,963.68	100			2,437,994,963.68

Receivables financing with provision for bad debts made on an individual basis:

 Applicable  Not Applicable

Remarks on receivables financing with provision for bad debts made on an individual basis:

 Applicable  Not Applicable

Receivables financing with provision for bad debts made on a collective basis:

 Applicable  Not Applicable

Provision for bad debts made using three-stage model

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of receivable financing with changes in loss allowances:

Applicable  Not Applicable

**(5) Details on provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Details on receivables financing actually written off in the current period**

Applicable  Not Applicable

Significant receivables financing written off:

Applicable  Not Applicable

Remarks on receivables financing written off:

Applicable  Not Applicable

**(7) Current period movements and changes in fair value of receivable financing:**

Applicable  Not Applicable

**(8) Other remarks:**

Applicable  Not Applicable

**8. Advances paid**

**(1) Age analysis**

Applicable  Not Applicable

Monetary unit: Yuan    Currency: RMB

Ages	Closing balance	Opening balance
------	-----------------	-----------------

	Amount	% to total	Amount	% to total
Within 1 year	1,637,868,263.19	90.46	1,506,407,435.76	92.15
1-2 years	109,961,668.29	6.07	122,511,677.38	7.49
2-3 years	58,756,880.74	3.24	3,100,030.75	0.19
Over 3 years	4,238,834.44	0.23	2,700,720.11	0.17
Total	1,810,825,646.66	100.00	1,634,719,864.00	100.00

Reasons for unsettlement on advances paid with age over one year and significant amount:

No material closing balance with age over one year.

## (2) Details of the top 5 debtors with largest balances

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

Closing balance of top 5 debtors totaled 602,276,272.10 yuan, accounting for 32.73% of the total closing balance of advances paid.

## 9. Other receivables

### Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividend receivable		163,980,830.12
Other receivables	392,878,676.92	416,647,483.37
Total	392,878,676.92	580,628,313.49

Other remarks:

Applicable  Not Applicable

### Interest receivable

#### (1) Details on categories

Applicable  Not Applicable

#### (2) Significant overdue interest

Applicable  Not Applicable

#### (3) Details on categories of provision accrual methods

Applicable  Not Applicable

Interest receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

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Remarks on interest receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Interest receivable with provision for bad debts made on a collective basis:

Applicable  Not Applicable

**(4) Provision for bad debts made using three-stage model**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of interest receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Details on provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Details on interest receivable actually written off in the current period**

Applicable  Not Applicable

Significant interest receivable written off

Applicable  Not Applicable

Remarks on interest receivable written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**Dividend receivable**

**(1) Dividend receivable**

Applicable  Not Applicable

Items	Closing balance	Opening balance
Leyou Company		163,980,830.12
Total		163,980,830.12

**(2) Significant dividend receivable with age over one year**

Applicable  Not Applicable

**(3) Details on categories of provision accrual methods**

Applicable  Not Applicable

Dividend receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Remarks on dividend receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Dividend receivable with provision for bad debts made on a collective basis:

Applicable  Not Applicable

**(4) Provision for bad debts made using three-stage model**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of dividend receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Details on provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Details on dividend receivable actually written off in the current period**

Applicable  Not Applicable

Significant dividend receivable written off

Applicable  Not Applicable

Remarks on dividend receivable written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

### Other receivables

#### (1) Age analysis

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Ages	Closing book balance	Opening book balance
Within 1 year		
Including:		
Within 1 year	278,544,130.15	340,262,728.22
Subtotal	278,544,130.15	340,262,728.22
1-2 years	128,649,339.42	88,698,071.35
2-3 years	40,203,445.04	35,933,353.26
Over 3 years	31,217,418.11	9,140,682.21
3-4 years		
4-5 years		
Over 5 years		
Total	478,614,332.72	474,034,835.04

#### (2) Other receivables categorized by nature

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Nature of receivables	Closing book balance	Opening book balance
Security deposits	305,129,790.00	285,075,139.30
Export tax refund	143,984,010.32	152,131,678.48
Petty cash	10,306,244.91	9,310,639.23
Temporary borrowings	15,249,602.59	15,425,952.02
Others	3,944,684.90	12,091,426.01
Total	478,614,332.72	474,034,835.04

#### (3) Provision for bad debts

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Stage 1	Stage 2	Stage 3	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Balances at January 1, 2023	9,406,552.49	16,956,157.75	31,024,641.43	57,387,351.67
Balances at January 1,				

Items	Stage 1	Stage 2	Stage 3	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
2023 in the current period				
--Transferred to stage 2	-6,432,466.97	6,432,466.97		
--Transferred to stage 3		-7,257,232.49	7,257,232.49	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	3,753,920.47	9,601,842.93	14,998,017.42	28,353,780.82
Provision recovered in the current period				
Provision reversed in the current period		3,367.28	2,109.41	5,476.69
Provision written off in the current period				
Other changes				
Balances at December 31, 2023	6,728,005.99	25,729,867.88	53,277,781.93	85,735,655.80

Classification basis of stages and proportion of provision for bad debts

Stage 1 is where credit risk of other receivables with ages within one year and portfolio grouped with government funds receivable has not increased significantly since initial recognition.

Stage 2 is where credit risk of other receivables with ages of 1-2 years has increased significantly since initial recognition, but such receivables are not considered credit-impaired.

Stage 3 is where other receivables with ages over 2 years are considered credit-impaired since initial recognition.

Remarks on significant changes in book balance of other receivables with changes in loss allowances:

Applicable  Not Applicable

Determination basis for provision for bad debts made in the current period and whether credit risk has increased significantly:

Applicable  Not Applicable

#### (4) Provision for bad debts

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision made on an individual basis	3,917,282.59					3,917,282.59
Receivables	470,117,552.45	4,579,497.68				474,697,050.13

with provision made on a collective basis						
Total	474,034,835.04	4,579,497.68				478,614,332.72

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks

None.

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

Applicable  Not Applicable

Significant other receivables written off in the current period:

Applicable  Not Applicable

Remarks on other receivables written off:

Applicable  Not Applicable

**(6) Details of the top 5 debtors with largest balances**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Debtors	Closing book balance	Proportion to the total balance of other receivables (%)	Nature of receivables	Ages	Provision for bad debts at the balance sheet date
Export tax refund receivable	143,984,010.32	30.08	Export tax refund	Within 1 year	
Cinda Financial Leasing Co., Ltd.	102,600,000.00	21.44	Security deposits	Within 1 year: 24,000,000.00 yuan; 1-2 years: 51,000,000.00 yuan; 2-3 years: 27,600,000.00 yuan	25,200,000.00
Everbright Financial Leasing Co., Ltd.	52,500,000.00	10.97	Security deposits	Within 1 year: 20,000,000.00 yuan; 1-2 years: 32,500,000.00 yuan	7,500,000.00
Anglo American Marketing Limited	16,705,671.27	3.49	Security deposits	Within 1 year	835,283.56
SINO IC Leasing Co., Ltd.	12,600,000.00	2.63	Security deposits	Within 1 year: 6,000,000.00 yuan; 1-2 years: 6,600,000.00 yuan	1,620,000.00
Total	328,389,681.59	68.61			35,155,283.56

**(7) Balances presented under other receivables due to the centralized fund management**

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

## 10. Inventories

### (1) Details on categories

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory write-down/impairment of costs to fulfill a contract	Carrying amount	Book balance	Provision for inventory write-down/impairment of costs to fulfill a contract	Carrying amount
Raw materials	10,100,507,961.25	78,802,703.35	10,021,705,257.90	9,474,980,852.67	208,141,643.64	9,266,839,209.03
Work in process	1,828,374,057.48	53,859,439.89	1,774,514,617.59	3,393,242,911.46	42,687,233.53	3,350,555,677.93
Goods on hand	3,464,350,646.64	206,883,517.27	3,257,467,129.37	4,828,740,835.73	321,960,882.29	4,506,779,953.44
Revolving materials						
Consumptive biological assets						
Costs to fulfill a contract						
Materials on consignment for further processing	742,852,851.31	33,138,598.54	709,714,252.77	571,492,339.50	3,644,503.40	567,847,836.10
Total	16,136,085,516.68	372,684,259.05	15,763,401,257.63	18,268,456,939.36	576,434,262.86	17,692,022,676.50

Closing balance includes recognized losses on changes in fair value of hedged inventories of 996,501,675.32 yuan. Please refer to item XII 2 of this section for details.

### (2) Provision for inventory write-down/impairment of costs to fulfill a contract

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	208,141,643.64	75,872,538.97		205,211,479.26		78,802,703.35
Work in process	42,687,233.53	53,859,439.89		42,687,233.53		53,859,439.89
Goods on hand	321,960,882.29	205,624,531.65		320,701,896.67		206,883,517.27
Revolving materials						
Consumptive biological assets						
Costs to fulfill a contract						
Materials on consignment for further processing	3,644,503.40	33,138,598.54		3,644,503.40		33,138,598.54
Total	576,434,262.86	368,495,109.05		572,245,112.86		372,684,259.05

Reasons for the reversal or write-off of provision for inventory write-down

Applicable  Not Applicable

At the balance sheet date, inventories are measured at the lower of cost and net realizable value, with provisions for inventory write-down made on the excess of its cost over the net realizable value on an

individual basis. Net realizable value of goods on hand are measured based on estimated selling price less estimated selling expenses and relevant taxes and surcharges; net realizable value of raw materials, work in process and materials on consignment for further processing are measured based on estimated selling price of relevant finished goods less cost to be incurred upon completion, estimated selling expenses, and relevant taxes and surcharges. Current decreases all refer to provision for inventory write-down made in the preceding period but written off in the current period due to sale or use of relevant inventories.

Provision for inventory write-down made on a collective basis

Applicable  Not Applicable

Determination basis of portfolios

Applicable  Not Applicable

**(3) Capitalized amount of borrowing costs and its measurement criteria and basis**

Applicable  Not Applicable

**(4) Remarks on the amortization of costs to fulfill a contract**

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

**11. Assets held for sale**

Applicable  Not Applicable

**12. Non-current assets due within one year**

Applicable  Not Applicable

**Debt investments due within one year**

Applicable  Not Applicable

**Other debt investments due within one year**

Applicable  Not Applicable

Other remarks on non-current assets due within one year

None.

**13. Other current assets**

Applicable  Not Applicable

Items	Closing balance	Opening balance
Costs to obtain a contract		
Costs of returning goods		
Input VAT to be credited or refunded	3,610,782,741.58	2,721,895,467.94
Prepaid enterprise income tax	76,800,970.30	169,242,349.00
Prepaid resources tax	46,027,095.94	
Total	3,733,610,807.82	2,891,137,816.94

Other remarks

None.

#### 14. Debt investments

##### (1) Details

Applicable  Not Applicable

Changes in provision for impairment of debt investments in the current period

Applicable  Not Applicable

##### (2) Significant debt investments at the balance sheet date

Applicable  Not Applicable

##### (3) Provision for impairment

Applicable  Not Applicable

Classification basis of stages and proportion of provision for impairment:

Applicable  Not Applicable

Remarks on significant changes in book balance of debt investments with changes in loss allowances:

Applicable  Not Applicable

Determination basis for provision for impairment made in the current period and whether credit risk has increased significantly

Applicable  Not Applicable

##### (4) Debt investments actually written off in the current period

Applicable  Not Applicable

Significant debt investments written off in the current period

Applicable  Not Applicable

Remarks on debt investments written off:

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

## **15. Other debt investments**

### **(1) Details**

Applicable  Not Applicable

Changes in provision for impairment of other debt investments in the current period

Applicable  Not Applicable

### **(2) Significant other debt investments at the balance sheet date**

Applicable  Not Applicable

### **(3) Provision for impairment**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for impairment:

None.

Remarks on significant changes in book balance of other debt investments with changes in loss allowances:

Applicable  Not Applicable

Determination basis for provision for impairment made in the current period and whether credit risk has increased significantly

Applicable  Not Applicable

### **(4) Other debt investments actually written off in the current period**

Applicable  Not Applicable

Significant other debt investments written off in the current period

Applicable  Not Applicable

Remarks on other debt investments written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

## 16. Long-term receivables

### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	
Finance lease payment							
Including: Unrealized finance income							
Goods sold by installments							
Services rendered by installments							
La Societe Immobiliere du Congo	1,249,919.48		1,249,919.48	1,229,077.79		1,229,077.79	N/A
La Sino-Congolaise Des Mines S. A. (the "SGM")	41,662,566.21		41,662,566.21	40,967,866.58		40,967,866.58	N/A
Gecamines	2,083,199.14		2,083,199.14	2,048,462.98		2,048,462.98	N/A
La Province du Lualaba	16,027,649.49		16,027,649.49	15,760,397.55		15,760,397.55	N/A
Indonesia Weda Bay Industrial Park Co., Ltd. (the "IWIP Company")	196,757,406.00		196,757,406.00	193,476,588.00		193,476,588.00	N/A
Veinstone Investment Limited (the "Veinstone")	115,929,633.60		115,929,633.60	113,996,572.80		113,996,572.80	N/A
PT. Prima Puncak Mulia (the "PPM Company")	130,661,215.01		130,661,215.01	118,815,888.59		118,815,888.59	N/A
Total	504,371,588.93		504,371,588.93	486,294,854.29		486,294,854.29	

#### 1) Gecamines, La Societe Immobiliere du Congo, SGM

Pursuant to the "Agreement on Establishment of Joint Venture" entered into among the Company, Gecamines, La Societe Immobiliere du Congo, China Railway Group (Hong Kong) Limited, China Railway Resources Development Co., Ltd., Sinohydro Corporation Limited, Sinohydro Harbour Co., Ltd. and China Metallurgical Group Corporation in September 2008 and the "Confirmation of Equity Adjustment" entered into among the Company, China Railway (Hong Kong) Engineering Limited and Sinohydro Resources Limited on October 23, 2013, the Company respectively rendered borrowings of USD 294,125.00 (equivalent to 2,083,199.14 yuan according to the exchange rate as at December 31, 2023) and USD 176,475.00 (equivalent to 1,249,919.48 yuan as at December 31, 2023) to Gecamines and La Societe Immobiliere du Congo for their contributions to SGM, and rendered borrowings of USD 5,882,300.00 (equivalent to 41,662,566.21 yuan according to the exchange rate as at December 31, 2023) to SGM. Gecamines and La Societe Immobiliere du Congo would repay the borrowings with dividends distributed by SGM, and SGM would repay the borrowings with its earnings from operations free of interest.

2) La Province du Lualaba

Pursuant to the “Pre-financing Agreement on Restoration Engineering of Luena Road” and the “Concession Contract” entered into between the subsidiary CDM Company and La Province du Lualaba respectively in September 2017 and March 2018, the subsidiary CDM Company rendered borrowings of USD 4.00 million to La Province du Lualaba for road restoration. La Province du Lualaba would repay the borrowings with taxes on proceedings from right-of-way of the road section. As of December 31, 2023, the subsidiary CDM Company has paid USD 2,262,929.32 (equivalent to 16,027,649.49 yuan according to the exchange rate as at December 31, 2023).

3) IWIP Company

Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huachuang International and the associate IWIP Company based on the resolution of the fifth meeting of the sixth session of the Board of Directors in 2023, Huachuang International, as shareholder of IWIP Company, rendered shareholder borrowings of USD 27,780,000.00 (equivalent to 196,757,406.00 yuan according to the exchange rate as at December 31, 2023) to IWIP Company. Such shareholder borrowings were rendered together with other shareholders based on holding proportions.

4) Veinstone

Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huayou Mining Hong Kong and the associate Veinstone based on the resolution of the fifth meeting of the sixth session of the Board of Directors in 2023, Huayou Mining Hong Kong, as shareholder of Veinstone, rendered shareholder borrowings of USD 16,368,000.00 (equivalent to 115,929,633.60 yuan according to the exchange rate as at December 31, 2023) to Veinstone. Such shareholder borrowings were rendered together with other shareholders based on holding proportions.

5) PPM Company

Pursuant to the “PPM Loan Agreement” entered into between the subsidiary Huayong International and PPM Company, the shareholder of PT. Merdeka Battery Materials (formerly known as “Hampanan Logistik Nusantara”, the “MBM Company”), based on the resolution of the 36<sup>th</sup> meeting of the fifth session of the Board of Directors, Huayong International rendered borrowings of USD 18,447,938.64 (equivalent to 130,661,215.01 yuan according to the exchange rate as at December 31, 2023) to PPM Company to support PPM Company’s subscription of equity of MBM Company. PPM Company would repay the borrowings with dividend distributed by MBM Company and gains on realization of shares of MBM Company if it is successfully listed.

As there was no obvious evidence indicating impairment of the above long-term receivables, no provision for impairment was made thereon.

**(2) Details on categories of provision accrual methods**

Applicable  Not Applicable

Long-term receivables with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Remarks on long-term receivables with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Long-term receivables with provision for bad debts made on a collective basis:

Applicable  Not Applicable

**(3) Provision for bad debts made using three-stage model**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of long-term receivables with changes in loss allowances:

Applicable  Not Applicable

Determination basis for provision for bad debts made in the current period and whether credit risk has increased significantly

Applicable  Not Applicable

**(4) Details on provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(5) Details on long-term receivables actually written off in the current period**

Applicable  Not Applicable

Significant long-term receivables written off

Applicable  Not Applicable

Remarks on long-term receivables written off:

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

**17. Long-term equity investments**
**(1) Details**

√ Applicable □ Not Applicable

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment	
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others			
<b>I. Joint ventures</b>												
PT. Alam Hijau Environmental Services (the "Alam Hijau")	5,754,684.53			166,175.75	209,880.30						6,130,740.58	
<b>Subtotal</b>	<b>5,754,684.53</b>			<b>166,175.75</b>	<b>209,880.30</b>						<b>6,130,740.58</b>	
<b>II. Associates</b>												
Newstride Technology Limited (the "Newstride Technology")	1,631,947,604.19			773,303,946.83	51,442,874.77		752,748,480.00				1,703,945,945.79	
Quzhou Minfu Woneng New Energy Vehicle Technology Co., Ltd. (the "Minfu Woneng")												1,161,307.33
AVZ Minerals Limited (the "AVZ Company")	61,498,188.69			-4,175,442.65	1,442,202.49						58,764,948.53	
Zhejiang Puhua New Energy Materials Co., Ltd. (the "Puhua Company")	444,006,736.43	109,478,309.00		29,033,911.72							582,518,957.15	
Leyou Company	1,791,301,622.91			415,524,770.31			242,385,951.97				1,964,440,441.25	
Ruiyou Investment Company Limited (the "Ruiyou Company")	10,000,143.45			-5,200.27	1,342.04						9,996,285.22	
Veinstone	181,090,710.58			30,725,761.72	3,564,493.71						215,380,966.01	

## Report

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
IWIP Company	295,819,375.50			21,843,059.94	5,734,487.71					323,396,923.15	
PT. Hua Pioneer Indonesia (the "Indonesia Huatuo")											3,479,194.09
Quzhou Anyou Equity Investment Partnership (LP) (the "Quzhou Anyou")	594,118,061.75			-6,829,234.81						587,288,826.94	
POSCO-HY Clean Metal Co., Ltd. (the "PHC Company")	217,626,738.31			-179,005,436.56	-1,072,911.63					37,548,390.12	
Hunan Yacheng New Energy Co., Ltd. (the "Hunan Yacheng")	130,099,919.36			-23,322,934.20		15,490,438.64	3,682,892.36			118,584,531.44	
Guangxi Times Li-ion New Energy Materials Investment Management Center (LP) (the "Guangxi Times Li-ion Investment Management Center")	708,754,753.47			-5,818,898.44						702,935,855.03	
Guangxi Times Li-ion New Materials Industry Development Fund Partnership (LP) (the "Guangxi Times Li-ion Industry Fund")	657,990,658.42	10,000,000.00		-10,345,786.44						657,644,871.98	
Quzhou Xinhua Equity Investment Partnership (LP) (the "Quzhou Xinhua")	1,182,835,095.28			-13,693,550.43						1,169,141,544.85	
Zhejiang Power	1,800,000.00	3,319,000.00		719,263.13						5,838,263.13	

## Report

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Investment Huayou Intelligent Energy Co., Ltd. (the "Zhejiang Power Investment")											
Tongxiang Lithium Times Equity Investment Partnership (LP) (the "Tongxiang Lithium Times")	-19,474.44	120,000,000.00		-466,998.00						119,513,527.56	
Ningbo Ruihua International Trade Co., Ltd. (the "Ningbo Ruihua")		60,000,000.00		2,875,176.08						62,875,176.08	
Zhejiang Haigang Pingyou Port Co., Ltd. (the "Haigang Pingyou")		88,665,000.00								88,665,000.00	
LG-HY BCM Co., Ltd. (the "LG-HY BCM")		690,662,522.14		-17,556,105.38	27,422.55					673,133,839.31	
Quzhou Hangyang Huayou Gas Co., Ltd. (the "Quzhou Hangyang")		71,050,000.00		-767,248.52						70,282,751.48	
Changchun Zongxu Huayou Energy Technology Co., Ltd. (the "Zongxu Huayou")		2,000,000.00		-135,496.33						1,864,503.67	
Jintang B&M Technology Co., Ltd. (the "Jintang B&M")		90,000,000.00	90,000,000.00								
Askari Mteals Limited (the "Askari")		11,463,210.00		-1,718,237.13	-145,765.80					9,599,207.07	

## Report

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Company")											
PT. IWIP Green Industry		4,580,141.94		-33,290.38	140,905.99					4,687,757.55	
MBM Company		520,935,766.89		17,651,644.96						538,587,411.85	
Subtotal	7,908,870,133.90	1,782,153,949.97	90,000,000.00	1,027,803,675.15	61,135,051.83	15,490,438.64	998,817,324.33			9,706,635,925.16	4,640,501.42
Total	7,914,624,818.43	1,782,153,949.97	90,000,000.00	1,027,969,850.90	61,344,932.13	15,490,438.64	998,817,324.33			9,712,766,665.74	4,640,501.42

**(2) Impairment test of long-term equity investments**
 Applicable  Not Applicable

Other remarks

None.

## 18. Other equity instrument investments

### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase/Decrease					Closing balance	Dividend income recognized in the current period	Accumulated gains included into other comprehensive income	Accumulated losses included into other comprehensive income	Reasons for being designated as at fair value through other comprehensive income
		Investments increased	Investments decreased	Gains included into other comprehensive income	Losses included into other comprehensive income	Others					
Inner Mongolia Sinuo New Material Technology Co., Ltd. (the "Inner Mongolia Sinuo")	36,894,737.00						36,894,737.00				
Hanaq Argentina S.A. (the "Hanaq Company")	4,002,445.81						4,002,445.81				
Shenzhen Phoenicia Technology Co., Ltd. (the "Shenzhen Phoenicia")	1,750,000.00						1,750,000.00				
<b>Total</b>	<b>42,647,182.81</b>						<b>42,647,182.81</b>				

### (2) Remarks on other equity instrument investment derecognized in the current period

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

Considering that the above investments are non-trading equity instrument investments, the Company designated them as equity instrument investments at fair value through other comprehensive income.

## 19. Other non-current financial assets

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	6,573,600.00	527,509,366.89
Including: Equity instrument investments	6,573,600.00	527,509,366.89
<b>Total</b>	<b>6,573,600.00</b>	<b>527,509,366.89</b>

Other remarks:

Applicable  Not Applicable

Investees	Opening balance	Increase	Decrease	Closing balance
SGM	6,573,600.00			6,573,600.00
MBM Company	520,935,766.89		520,935,766.89	
<b>Subtotal</b>	<b>527,509,366.89</b>		<b>520,935,766.89</b>	<b>6,573,600.00</b>

Pursuant to the "Agreement on Convertible Bonds" entered into between the subsidiary Huayong International and MBM Company in 2022, the subsidiary Huayong International subscribed convertible bonds corresponding to 10.00% of equity of MBM Company at a price of IDR 1.07

trillion. In 2023, the Company converted convertible bonds of MBM Company into shares and presented it under long-term equity investments due to significant influence over MBM Company.

## 20. Investment property

Method for measuring investment property

Not Applicable

### (1) Impairment test of investment property measured at cost model

Applicable  Not Applicable

## 21. Fixed assets

### Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	46,339,084,007.03	26,217,069,544.01
Disposal of fixed assets		
Total	46,339,084,007.03	26,217,069,544.01

Other remarks:

Applicable  Not Applicable

## Fixed assets

### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Buildings and structures	Machinery	Transport facilities	Other equipment	Total
<b>I. Cost</b>					
1. Opening 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	6,323,809,937.77	16,122,405,969.69	446,669,952.19	225,799,587.75	23,118,685,447.40
(1) Acquisition	65,959,848.29	251,093,568.60	432,109,036.43	91,416,883.69	840,579,337.01
(2) Transferred in from construction in progress	6,150,959,605.20	15,593,669,481.17		133,073,400.30	21,877,702,486.67
(3) Business combination					
(4) Translation reserve	106,890,484.28	277,642,919.92	14,560,915.76	1,309,303.76	400,403,623.72
3. Decrease	88,630,843.13	169,115,334.98	20,178,986.04	34,158,249.31	312,083,413.46
(1) Disposal/Scrapping	88,630,843.13	169,115,334.98	20,178,986.04	34,158,249.31	312,083,413.46
4. Closing balance	15,654,119,730.89	36,915,316,132.14	1,189,014,817.36	831,705,084.70	54,590,155,765.09
<b>II. Accumulated depreciation</b>					
1. Opening 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	559,937,627.51	2,135,615,520.08	117,408,779.96	111,899,163.74	2,924,861,091.29
(1) Accrual	545,758,553.97	2,097,607,977.94	114,374,692.74	111,580,480.44	2,869,321,705.09
(2) Translation reserve	14,179,073.54	38,007,542.14	3,034,087.22	318,683.30	55,539,386.20
3. Decrease	75,035,975.11	137,391,038.29	16,465,863.24	11,380,643.73	240,273,520.37
(1) Disposal/Scrapping	75,035,975.11	137,391,038.29	16,465,863.24	11,380,643.73	240,273,520.37
4. Closing balance	1,772,729,808.45	5,836,527,328.00	272,355,968.17	344,113,898.83	8,225,727,003.45
<b>III. Provision for impairment</b>					

Items	Buildings and structures	Machinery	Transport facilities	Other equipment	Total
1. Opening balance	5,401,261.92	18,565,100.04		1,378,392.65	25,344,754.61
2. Increase					
(1) Accrual					
3. Decrease					
(1) Disposal/Scrapping					
4. Closing balance	5,401,261.92	18,565,100.04		1,378,392.65	25,344,754.61
IV. Carrying amount					
1. Closing balance	13,875,988,660.52	31,060,223,704.10	916,658,849.19	486,212,793.22	46,339,084,007.03
2. Opening balance	8,125,711,218.28	17,105,157,551.18	591,110,799.76	395,089,974.79	26,217,069,544.01

## (2) Fixed assets temporarily idle

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Remarks
Buildings and structures	10,884,879.71	4,884,673.01	5,401,261.92	598,944.78	
Machinery	53,228,379.73	33,228,733.06	17,655,137.14	2,344,509.53	
Other equipment	1,657,779.41	237,390.70	1,242,119.33	178,269.38	
Subtotal	65,771,038.85	38,350,796.77	24,298,518.39	3,121,723.69	

## (3) Fixed assets leased out under operating leases

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing carrying amount
Buildings and structures	608,808.80
Other equipment	5,656,918.00
Subtotal	6,265,726.80

As the fixed assets leased out under operating leases were only part of the Company's buildings and structures for temporary lease, they were not accounted for as investment property.

## (4) Fixed assets with certificate of titles being unsettled

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Carrying amount	Reasons for unsettlement
Buildings and structures of Huayou Quzhou, Guangxi B&M, New Energy Quzhou, Guangxi Lithium, etc.	3,373,299,974.40	In processing
Subtotal	3,373,299,974.40	

## (5) Impairment tests of fixed assets

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**Disposal of fixed assets**
 Applicable  Not Applicable

**22. Construction in progress**
**Details**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	10,438,025,172.14	13,979,069,175.94
Construction materials	381,532,003.35	302,860,651.42
Total	10,819,557,175.49	14,281,929,827.36

Other remarks:

 Applicable  Not Applicable

**Construction in progress**
**(1) Details**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction project of Huayou Technology Innovation Center	166,026,140.65		166,026,140.65	149,940,716.33		149,940,716.33
High-purity ternary power battery grade nickel sulfate project with an annual output of 30,000 tons (metal content)				47,462,104.45		47,462,104.45
Ternary precursor material project for high-grade nickel power battery with an annual output of 50,000 tons				186,281,892.04		186,281,892.04
Ternary cathode material precursor project for high-performance power battery with an annual output of 50,000 tons				404,521,976.55		404,521,976.55
Nickel cobalt hydroxide project with an annual output of 60,000 tons (nickel content)				161,760,780.98		161,760,780.98
New energy precursor material project for lithium battery with an annual output of 30,000 tons	402,790,641.58		402,790,641.58	346,877,601.80		346,877,601.80
Construction of Huayou Headquarters Research Institute				3,107,655.71		3,107,655.71
High-purity nickel sulfate project with an annual output of 50,000 tons (metal) (Phase I)	194,263,801.35		194,263,801.35	369,804,277.93		369,804,277.93

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
High-purity nickel construction project with an annual output of 50,000 tons (metal)	34,404,690.00		34,404,690.00	71,980,897.11		71,980,897.11
Supporting mineral processing and pulp pipeline transportation project				671,963,139.21		671,963,139.21
Integration project of ternary cathode materials with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons for high-grade nickel power battery	3,869,462,299.84		3,869,462,299.84	2,441,012,072.20		2,441,012,072.20
The new generation of high specific capacity 3C cathode material project with an annual output of 50,000 tons	285,699,184.48		285,699,184.48	494,291,226.52		494,291,226.52
Nickel cobalt hydroxide project with an annual output of 120,000 tons (nickel content)	1,578,930,401.58		1,578,930,401.58	6,971,754,708.66		6,971,754,708.66
Arcadia lithium mining and processing plant in Zimbabwe with an annual processing capacity of 4.50 million tons	22,143,701.25		22,143,701.25	675,020,301.35		675,020,301.35
New high-performance power battery ternary precursor project with an annual output of 50,000 tons	600,367,873.71		600,367,873.71	194,110,729.34		194,110,729.34
Battery grade lithium salt project with an annual output of 50,000 tons	1,195,186,065.35		1,195,186,065.35	135,100,809.54		135,100,809.54
Other piecemeal projects	2,088,750,372.35		2,088,750,372.35	654,078,286.22		654,078,286.22
Total	10,438,025,172.14		10,438,025,172.14	13,979,069,175.94		13,979,069,175.94

**(2) Changes in significant projects**

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Projects	Budgets	Opening balance	Increase	Transferred to fixed assets	Other decreases	Closing balance	Accumulated input to budget (%)	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Including: Amount of borrowing cost capitalization in the current period	Annual capitalization rate (%)	Fund source
High-purity nickel sulfate project with an annual output of 50,000 tons (metal) (Phase I)	1,599,824,200.00	369,804,277.93	1,090,526,973.08	1,266,067,449.66		194,263,801.35	91.28	95	14,343,911.71	13,286,214.60	3.9	Financial institution loans and other sources
High-purity nickel construction project with an annual output of 50,000 tons (metal)	1,117,237,800.00	71,980,897.11	756,079,971.44	793,656,178.55		34,404,690.00	74.12	90	3,960,911.17	3,238,101.41	4.26	Financial institution loans and other sources
Supporting mineral processing and pulp pipeline transportation project	1,456,297,860.00	671,963,139.21	824,847,529.57	1,496,810,668.78			104.34	100	110,292,720.12	88,466,550.81	7.59	Financial institution loans and other sources
Integration project of ternary cathode materials with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons for high-grade nickel power battery	5,617,770,000.00	2,441,012,072.20	2,425,350,495.13	996,900,267.49		3,869,462,299.84	86.62	90	335,744,688.87	214,723,375.66	3.53	Raised funds, financial institution loans and other sources
The new generation of high specific capacity 3C cathode material project with an annual output of 50,000 tons	2,832,920,000.00	494,291,226.52	199,685,927.16	408,277,969.20		285,699,184.48	100.63	95	587,799,282.01	319,999,889.22	4.73	Raised funds, financial institution loans and other sources
Nickel cobalt hydroxide project with an annual output of 120,000 tons (nickel content)	13,808,524,376.00	6,971,754,708.66	6,672,098,741.63	12,064,923,048.71		1,578,930,401.58	26.85	23	18,194,153.43	13,318,608.82	2.61	Financial institution loans and other sources
Arcadia lithium mining and processing plant in Zimbabwe with an annual processing capacity of 4.50 million tons	1,725,703,910.00	675,020,301.35	894,145,886.43	1,547,022,486.53		22,143,701.25	92.22	90				Other sources
New high-performance power battery ternary precursor project with an annual output of 50,000 tons	1,227,980,000.00	194,110,729.34	551,523,228.34	145,266,083.97		600,367,873.71	60.72	90	26,583,847.00	24,703,156.16	4.1	Financial institution loans and other sources
Battery grade lithium salt project with an annual output of 50,000 tons	1,916,751,200.00	135,100,809.54	1,715,980,312.35	655,895,056.54		1,195,186,065.35	96.57	95	36,676,623.64	36,450,609.23	4.36	Raised funds, financial institution loans and other sources
<b>Total</b>	<b>31,303,009,346.00</b>	<b>12,025,038,161.86</b>	<b>15,130,239,065.13</b>	<b>19,374,819,209.43</b>		<b>7,780,458,017.56</b>			<b>1,133,596,137.95</b>	<b>714,186,505.91</b>	<b>/</b>	<b>/</b>

Current increase included the effect of translation of foreign currency financial statements of overseas subsidiaries of 85,802,351.82 yuan.

**(3) Provisions for impairment of construction in progress**
 Applicable  Not Applicable

**(4) Impairment test of construction in progress**
 Applicable  Not Applicable

Other remarks:

 Applicable  Not Applicable

**Construction materials**
**(1) Details**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Projects	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Equipment and construction materials	381,532,003.35		381,532,003.35	302,860,651.42		302,860,651.42
Total	381,532,003.35		381,532,003.35	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) Impairment test on productive biological assets measured at cost**
 Applicable  Not Applicable

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

Other remarks:

 Applicable  Not Applicable

**24. Oil and gas assets**
**(1) Details**
 Applicable  Not Applicable

**(2) Impairment test**
 Applicable  Not Applicable

Other remarks:

None.

## 25. Right-of-use assets

### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Buildings and structures	Transport facilities	Total
<b>I. Cost</b>			
1. Opening balance	167,133,798.49	18,265,807.02	185,399,605.51
2. Increase	57,844,539.54		57,844,539.54
(1) Leased in	57,725,588.31		57,725,588.31
(2) Translation reserve	118,951.23		118,951.23
3. Decrease	40,109,538.19		40,109,538.19
(1) Disposal	40,109,538.19		40,109,538.19
4. Closing balance	184,868,799.84	18,265,807.02	203,134,606.86
<b>II. Accumulated depreciation</b>			
1. Opening balance	54,061,666.78	9,132,903.51	63,194,570.29
2. Increase	57,693,244.75	5,961,756.46	63,655,001.21
(1) Accrual	57,679,827.50	5,961,756.46	63,641,583.96
(2) Translation reserve	13,417.25		13,417.25
3. Decrease	29,848,688.76		29,848,688.76
(1) Disposal	29,848,688.76		29,848,688.76
4. Closing balance	81,906,222.77	15,094,659.97	97,000,882.74
<b>III. Provision for impairment</b>			
1. Opening balance			
2. Increase			
(1) Accrual			
3. Decrease			
(1) Disposal			
4. Closing balance			
<b>IV. Carrying amount</b>			
1. Closing balance	102,962,577.07	3,171,147.05	106,133,724.12
2. Opening balance	113,072,131.71	9,132,903.51	122,205,035.22

### (2) Impairment test

Applicable  Not Applicable

Other remarks:

None.

## 26. Intangible assets

### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Land use right	Patent right	Non-patented technology	Software	Mining right	Pollution discharge right	Total
<b>I. Cost</b>							
1. Opening balance	854,387,250.78	267,375,199.35		68,971,832.14	3,350,260,067.97	24,771,342.82	4,565,765,693.00

Items	Land use right	Patent right	Non-patented technology	Software	Mining right	Pollution discharge right	Total
2. Increase	191,021,711.92			16,899,909.21	54,456,060.65	3,363,490.00	265,741,171.77
(1) Acquisition	181,906,204.62			16,804,983.56		3,363,490.00	202,074,678.18
(2) Internal research and development							
(3) Business combination							
(4) Translation reserve	9,115,507.30			94,925.65	54,456,060.65		63,666,493.60
3. Decrease				1,805,409.42			1,805,409.42
(1) Disposal				1,805,409.42			1,805,409.42
4. Closing balance	1,045,408,962.70	267,375,199.35		84,066,331.93	3,404,716,128.62	28,134,832.82	4,829,701,455.42
<b>II. Accumulated amortization</b>							
1. Opening balance	90,343,893.29	43,219,328.37		21,781,336.19	329,647,443.87	13,972,425.54	498,964,427.25
2. Increase	22,778,090.35	26,769,543.73		7,390,527.71	355,918,056.45	4,880,293.05	417,736,511.29
(1) Accrual	22,154,304.80	26,769,543.73		7,360,951.58	352,481,154.24	4,880,293.05	413,646,247.40
(2) Translation reserve	623,785.55			29,576.13	3,436,902.21		4,090,263.89
3. Decrease				1,395,453.01			1,395,453.01
(1) Disposal				1,395,453.01			1,395,453.01
4. Closing balance	113,121,983.64	69,988,872.10		27,776,410.89	685,565,500.32	18,852,718.59	915,305,485.54
<b>III. Provision for impairment</b>							
1. Opening balance							
2. Increase							
(1) Accrual							
3. Decrease							
(1) Disposal							
4. Closing balance							
<b>IV. Carrying amount</b>							
1. Closing balance	932,286,979.06	197,386,327.25		56,289,921.04	2,719,150,628.30	9,282,114.23	3,914,395,969.88
2. Opening balance	764,043,357.49	224,155,870.98		47,190,495.95	3,020,612,624.10	10,798,917.28	4,066,801,265.80

At the balance sheet date, intangible assets formed through internal research and development account for 0% of total closing balance of intangible assets.

### (2) Land use right with certificate of titles being unsettled

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Carrying amount	Reasons for unsettlement
Land use right of Huayue Company, Huafei Indonesia, etc.	167,250,797.41	In processing
Subtotal	167,250,797.41	

### (3) Impairment test

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

## 27. Goodwill

### (1) Cost

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combination		Disposal		
Huahai New Energy	95,136,198.86					95,136,198.86

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combination		Disposal		
Tianjin B&M	366,245,456.38					366,245,456.38
Total	461,381,655.24					461,381,655.24

## (2) Provision for impairment

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Disposal	Others	Disposal	Others	
Tianjin B&M	2,965,735.57	2,064,541.41				5,030,276.98
Total	2,965,735.57	2,064,541.41				5,030,276.98

Goodwill of Tianjin B&M included: 1) the core goodwill of 336,004,594.11 yuan; and 2) the goodwill of 30,240,862.27 yuan arising from the recognition of deferred tax liabilities. For the latter, provision for impairment loss of goodwill was made based on corresponding holding proportion along with the reversal of deferred tax liabilities.

## (3) Related information of asset group or asset group portfolios which include goodwill

Applicable  Not Applicable

Name of entities	Composition of asset group or asset group portfolios and its basis	Operating segment and its basis	Whether consistent with previous years
Huahai New Energy asset group	Its products have an active market and can generate independent cash flows, therefore, such asset group can be determined as an independent asset group.	Its products are ternary precursors.	Yes
Tianjin B&M asset group	Its products have an active market and can generate independent cash flows, therefore, such asset group can be determined as an independent asset group.	Its products are cathode materials.	Yes

Changes in asset group or asset group portfolios

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

## (4) Specific method for determining recoverable amount

**Recoverable amount determined based on the fair value less costs of disposal**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Carrying amount	Recoverable amount	Impairment amount	Determination basis for fair value and costs of disposal	Key parameters	Determination basis of key parameters
Huahai New Energy asset	2,060,751,812.65	2,313,370,000.00		5 years	Based on its historical experience	11.60%; determination basis: the

Items	Carrying amount	Recoverable amount	Impairment amount	Determination basis for fair value and costs of disposal	Key parameters	Determination basis of key parameters
group					and forecast of market development.	weighted average cost of capital calculation model
Tianjin B&M asset group	4,515,518,879.85	4,731,947,314.74		5 years	Based on its historical experience and forecast of market development.	12.10%; determination basis: the weighted average cost of capital calculation model
Total	6,576,270,692.50	7,045,317,314.74				/

Recoverable amount determined based on the present value of estimated future cash flows

Applicable  Not Applicable

Reasons for obvious inconsistencies between the aforementioned information and the information used in impairment tests in previous years or external information

Applicable  Not Applicable

Reasons for obvious inconsistencies between the information used in the Company's impairment tests in previous years and the actual situation of those years

Applicable  Not Applicable

#### (5) Performance commitments and corresponding goodwill impairment

Performance commitments exist when goodwill is formed, and the performance commitment period covers the reporting period or the previous period of the reporting period

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

#### 28. Long-term prepayments

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Amortization	Other decreases	Closing balance
Renovation cost of fixed assets	15,028,111.58	10,185,350.04	10,009,589.50		15,203,872.12
Insurance premiums	1,213,262.21		1,213,262.21		
Aircraft usage fees	63,070,131.16		8,409,350.82		54,660,780.34
Total	79,311,504.95	10,185,350.04	19,632,202.53		69,864,652.46

Other remarks:

Current increase of 118,355.29 yuan was due to the translation of foreign currency financial statements of overseas subsidiaries.

## 29. Deferred tax assets and deferred tax liabilities

### (1) Deferred tax assets before offset

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	704,927,681.06	129,950,605.97	937,156,608.98	183,840,564.82
Unrealized profit from internal transactions				
Deductible losses				
Uncovered losses	2,409,217,294.66	458,249,854.31	883,309,333.15	162,234,731.96
Deferred income	572,542,493.20	130,217,669.69	519,759,486.05	121,485,237.69
Unrealized profit from inventories	621,878,852.69	122,261,617.89	1,701,052,808.50	330,094,177.10
Gains or losses on changes in fair value			33,679,150.31	4,690,307.75
Expenses related to share-based payment	15,855,223.57	2,378,283.54	188,939,313.96	28,340,897.09
Lease liabilities	80,937,147.80	17,132,298.60	99,543,993.02	21,662,973.84
Total	4,405,358,692.98	860,190,330.00	4,363,440,693.97	852,348,890.25

### (2) Deferred tax liabilities before offset

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Assets appraisal appreciation due to business combination not under common control				
Changes in fair value of other debt investments				
Changes in fair value of other equity instruments				
Temporary difference of long-term assets	355,214,913.12	53,278,046.49	425,474,971.83	55,518,755.37
Depreciation of fixed assets	1,378,056,154.59	264,511,883.61	1,554,086,764.88	304,365,803.90
Gains or losses on changes in fair value	75,039,736.32	15,164,766.89		
Right-of-use assets	88,103,270.67	19,002,218.46	114,323,402.65	25,272,778.60
Total	1,896,414,074.70	351,956,915.45	2,093,885,139.36	385,157,337.87

**(3) Deferred tax assets or liabilities presented by net amount after offset**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance of deferred tax assets offset by deferred tax liabilities	Closing balance of deferred tax assets/liabilities after offset	Opening balance of deferred tax assets offset by deferred tax liabilities	Opening balance of deferred tax assets/liabilities after offset
Deferred tax assets	295,016,895.35	565,173,434.65	21,662,973.84	830,685,916.41
Deferred tax liabilities	295,016,895.35	56,940,020.10	21,662,973.84	363,494,364.03

**(4) Details of unrecognized deferred tax assets**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary difference		
Deductible losses	135,671,768.31	62,898,710.44
Temporary difference of long-term assets	1,051,370,412.51	799,977,741.08
Provision for impairment of assets	248,109,138.43	199,895,832.46
Total	1,435,151,319.25	1,062,772,283.98

**(5) Maturity years of deductible losses of unrecognized deferred tax assets**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Maturity years	Closing balance	Opening balance	Remarks
Year 2023		8,388,096.09	
Year 2024	12,160,398.17	12,160,398.17	
Year 2025	2,637,727.78	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	81,955,101.88		
Total	135,671,768.31	62,898,710.44	

Other remarks:

 Applicable  Not Applicable

**30. Other non-current assets**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Costs to obtain a contract						
Costs to fulfill a contract						
Costs of returning goods						
Contract assets						
Prepayments for acquisition of land and engineering equipment	2,112,732,897.10		2,112,732,897.10	4,933,960,087.63		4,933,960,087.63

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prepayments for equity investments	1,738,848,254.05		1,738,848,254.05	1,061,032,701.24		1,061,032,701.24
Total	3,851,581,151.15		3,851,581,151.15	5,994,992,788.87		5,994,992,788.87

Other remarks:

It mainly includes: (1) USD 200.40 million as advances paid for the subsidiary Huayou Mining Hong Kong's acquisition of equity of Chongjing Holding Limited; (2) USD 25.00 million as advances paid for the subsidiary Huayou Mining Hong Kong's acquisition of equity of Dathomir International Corp.; and (3) USD 20.00 million as advances paid for the subsidiary Huacai Hong Kong's acquisition of equity of PT. Wana Kencana Mineral. The above-mentioned equities were temporarily presented under other non-current assets as the equity transfer was not yet completed.

### 31. Assets with title or use right restrictions

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance				Opening balance			
	Book balance	Carrying amount	Type of restrictions	Reasons for restrictions	Book balance	Carrying amount	Type of restrictions	Reasons for restrictions
Cash and bank balances	4,733,146,309.59	4,733,146,309.59	Others	It refers to other cash and bank balances of 4,733,146,309.59 yuan, which included deposits for bank acceptance of 3,156,266,863.66 yuan, deposits for letters of credit of 452,578,910.35 yuan, deposits for letters of guarantee of 6,052,500.00 yuan, deposits for borrowings of 1,097,663,952.77 yuan, deposits for environmental impact assessment of 9,508,508.46 yuan, balances frozen due to lawsuits of 10,522,599.11 yuan and other deposits of 552,975.24 yuan.	6,856,131,866.08	6,856,131,866.08	Pledged	It refers other cash and bank balances of 6,856,131,866.08 yuan, which included deposits for bank acceptance of 5,143,202,945.20 yuan, deposits for letters of credit of 671,072,012.66 yuan, deposits for letters of guarantee of 12,603,250.00 yuan, deposits for borrowings of 865,659,311.06 yuan, deposits for forward foreign exchange settlement of 111,232,263.43 yuan, deposits for environmental impact assessment of 39,879,493.01 yuan and other deposits of 12,482,590.72 yuan.
Notes receivable								
Inventories	1,843,990,852.54	1,843,990,852.54	Others	Pledged for bank financing and futures trading; underlying inventories involved in repo transactions	1,717,046,494.27	1,717,046,494.27	Others	Pledged for financial institution financing; underlying inventories involved in repo transactions
Fixed assets	18,945,524,162.58	15,526,597,174.51	Others	Mortgaged for bank financing; underlying fixed assets involved in sale and leaseback	14,816,254,910.33	12,888,440,521.18	Others	Mortgaged for bank financing; underlying fixed assets involved in sale and leaseback
Intangible assets	299,757,043.81	260,369,484.50	Mortgaged	Mortgaged for bank financing	363,428,084.59	327,322,387.75	Mortgaged	Mortgaged for bank financing
Accounts receivable	599,998,080.86	569,998,176.82	Pledged	Pledged for bank financing				
Construction in progress	328,101,585.57	328,101,585.57	Others	Mortgaged for bank financing; underlying construction in progress involved in sale and leaseback	2,901,249,101.66	2,901,249,101.66	Others	Mortgaged for bank financing; underlying construction in progress involved in sale and leaseback
Held-for-trading financial assets	202,078,356.16	202,078,356.16	Pledged	Pledged for bank financing	202,612,876.71	202,612,876.71	Pledged	Pledged for bank financing
Receivables financing	598,161,801.28	598,161,801.28	Pledged	Pledged for bank financing	1,058,742,915.84	1,058,742,915.84	Pledged	Pledged for bank financing
Other non-current assets					126,006,000.00	126,006,000.00	Others	Payments for fixed assets involved in sale and leaseback
Total	27,550,758,192.39	24,062,443,740.97	/	/	28,041,472,249.48	26,077,552,163.49	/	/

Other remarks:

#### 1) Huayue Company

Pursuant to the account pledge agreement entered into between the subsidiary Huayue Company and Bank of China (Hong Kong) Limited Jakarta Branch, Huayue Company pledged part of its accounts opened with such bank as security for the Loan Agreement of USD 760,000,000. Huayue Company made external payments in accordance with the payment priority stipulated in the loan agreement, and the closing balance of the above pledged accounts was 10,315,848.08 yuan.

## 2) Huafei Indonesia

Pursuant to the account pledge agreement entered into between Huafei Indonesia and PT. Bank ICBC Indonesia, Huafei Indonesia pledged part of its accounts opened with such bank as security for the Loan Agreement of RMB 8,400,000,000. Closing balance of the above pledged accounts was 11,284,276.20 yuan.

In addition, the loan agreement also stipulates that Huafei Indonesia shall complete the land mortgage matter within sixty (60) business days after receiving the land certificate; prior to the expiration date of one year after the financing closing date, the “Machinery Trust Guarantee”, “Inventory Trust Guarantee” and the “Accounts Receivable Trust Guarantee” shall be duly signed by all parties and filed with the relevant trust registry in Indonesia.

## 3) Others

At the balance sheet date, the Company pledged 36.86% of equity of Tianjin B&M, 40.00% of equity of CDM Company, 80.68% of equity of Huayou Quzhou, 100.00% of equity of Huayuan Copper, 51.00% of equity of Huafei Indonesia, 57.00% of equity of Huayue Company and 45.00% of equity of Prospect Lithium for the Company’s financing.

## 32. Short-term borrowings

### (1) Details on categories

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged borrowings	4,425,773,413.00	4,128,113,282.24
Mortgaged borrowings		
Guaranteed borrowings	7,244,938,033.34	6,159,903,975.17
Credit borrowings	2,389,905,345.95	1,659,470,318.56
Guaranteed and pledged borrowings		50,000,000.00
Guaranteed and mortgaged borrowings	964,000,000.00	
Interest on short-term borrowings	24,005,774.24	22,335,127.70
Total	15,048,622,566.53	12,019,822,703.67

Other remarks:

None.

### (2) Overdue short-term borrowings

Applicable  Not Applicable

Significant overdue 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

Items	Opening balance	Closing balance	Reasons and basis for designation
Held-for-trading financial liabilities	40,024,798.40		
Including:			
Derivative financial liabilities	40,024,798.40		
Financial liabilities designated as at fair value through profit or loss			
Including:			
Total	40,024,798.40		

Other remarks:

Applicable  Not Applicable

#### 34. Derivative financial liabilities

Applicable  Not Applicable

#### 35. Notes payable

##### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Trade acceptance	1,455,095,561.76	1,471,187,597.59
Bank acceptance	6,564,031,478.05	9,311,043,710.95
Total	8,019,127,039.81	10,782,231,308.54

No overdue and outstanding notes payable at the balance sheet date.

Reasons on overdue and outstanding notes payable at the balance sheet date: None.

#### 36. Accounts payable

##### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payments for goods	8,791,087,413.90	11,189,429,163.91
Payments for engineering and equipment	3,157,768,992.98	3,373,461,269.89
Others	53,661,272.12	48,000,767.50
Total	12,002,517,679.00	14,610,891,201.30

##### (2) Significant accounts payable with age over one year or overdue

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

### 37. Advances received

#### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Equity funds received in advance		492,095,800.00
Others		21,870.03
Total		492,117,670.03

#### (2) Significant advances received with age over one year

Applicable  Not Applicable

#### (3) Amount and reasons for significant changes in carrying amount during the reporting period

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

### 38. Contract liabilities

#### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payments for goods	364,675,682.87	2,359,463,860.52
Service fees	66,362,170.00	
Total	431,037,852.87	2,359,463,860.52

#### (2) Significant contract liabilities with age over one year

Applicable  Not Applicable

#### (3) Reasons for significant changes in carrying amount

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

### 39. Employee benefits payable

#### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance
I. Short-term	675,907,216.87	4,327,846,083.51	4,378,997,224.64	624,756,075.74

Items	Opening balance	Increase	Decrease	Closing balance
employee benefits				
II. Post-employment benefits - defined contribution plan	9,833,426.08	181,141,411.35	174,210,727.35	16,764,110.08
III. Termination benefits		49,824,480.64	43,136,065.64	6,688,415.00
IV. Other benefits due within one year				
Total	685,740,642.95	4,558,811,975.50	4,596,344,017.63	648,208,600.82

## (2) Details of short-term employee benefits

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance
I. Wage, bonus, allowance and subsidy	663,935,432.91	3,743,445,387.20	3,800,713,740.81	606,667,079.30
II. Employee welfare fund		321,249,299.88	321,249,299.88	
III. Social insurance premium	6,209,676.09	154,472,770.45	150,680,354.35	10,002,092.19
Including: Medicare premium	5,729,473.67	146,101,589.47	142,675,384.33	9,155,678.81
Occupational injuries premium	480,202.42	8,371,180.98	8,004,970.02	846,413.38
Maternity premium				
IV. Housing provident fund	4,821,932.75	77,880,763.23	76,618,494.68	6,084,201.30
V. Trade union fund and employee education fund	940,175.12	30,797,862.75	29,735,334.92	2,002,702.95
VI. Short-term paid leave				
VII. Short-term profit-sharing plan				
Total	675,907,216.87	4,327,846,083.51	4,378,997,224.64	624,756,075.74

## (3) Details of defined contribution plan

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance premium	9,524,255.81	174,800,891.52	168,271,135.32	16,054,012.01
2. Unemployment insurance premium	309,170.27	6,340,519.83	5,939,592.03	710,098.07
3. Company annuity payment				
Total	9,833,426.08	181,141,411.35	174,210,727.35	16,764,110.08

Other remarks:

Applicable  Not Applicable

#### 40. Taxes and rates payable

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
VAT	151,671,585.07	90,551,767.13
Consumption tax		
Business tax		
Enterprise income tax	138,758,219.50	264,952,268.88
Individual income tax withheld for tax authorities	18,753,693.59	10,082,737.56
Urban maintenance and construction tax	127,176.13	805,813.17
Housing property tax	13,020,860.44	7,024,583.39
Land use tax	1,550,281.90	1,909,353.15
Education surcharge	113,077.59	345,728.74
Local education surcharge	73,232.16	230,485.80
Mineral tax	77,753,801.56	125,291,332.19
Others	27,552,919.82	41,212,419.42
Total	429,374,847.76	542,406,489.43

Other remarks:

None.

#### 41. Other payables

##### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable		
Dividend payable	18,789,426.30	
Other payables	2,680,200,976.57	4,612,710,195.77
Total	2,698,990,402.87	4,612,710,195.77

Other remarks:

Applicable  Not Applicable

1) No material closing balance with age over one year.

2) Other remarks

a. Call loans and interests mainly include balances due to Glaucon International Pte. Ltd., Tsingshan Holding Group Co., Ltd., Newstride Technology, Zhejiang Yongxu Mining Group Co., Ltd, etc.

b. Please refer to item VII 55 and 60 of this section for details on repurchase obligation of restricted shares.

c. Funds from repo transactions mainly include financing from Quzhou Kesheng International Trading Co., Ltd., etc.

##### (2) Interest payable

Details on categories

Applicable  Not Applicable

Significant interest payable overdue

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

### (3) Dividend payable

Details on categories

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Dividend on ordinary shares		
Dividend on preferred shares/perpetual bonds classified as equity instruments		
Dividend on preferred shares/perpetual bonds - XXX		
Dividend on preferred shares/perpetual bonds - XXX		
Dividend payable - XXX		
Dividend payable - XXX		
Dividend payable of Youqing Trading	14,274,059.31	
Dividend payable of Tongxiang Hua'ang	4,515,366.99	
Total	18,789,426.30	

Other remarks, including reasons for unsettlement of material balance with age over one years:

None.

### (4) Other payables

Other receivables categorized by nature

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Call loans and interests	1,575,429,301.35	2,595,440,936.93
Repurchase obligation of restricted shares	685,525,425.40	631,014,574.20
Security deposits	33,331,981.57	54,620,266.65
Funds from repo transactions	363,132,333.52	1,315,602,669.87
Others	22,781,934.73	16,031,748.12
Total	2,680,200,976.57	4,612,710,195.77

Significant other payables with age over one year or overdue

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

#### 42. Liabilities held for sale

Applicable  Not Applicable

#### 43. Non-current liabilities due within one year

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term borrowings due within one year	5,959,126,854.79	3,985,827,625.43
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year	44,394,275.88	50,080,626.56
Sale and leaseback payments due within one year	2,152,330,878.26	1,722,020,059.88
Total	8,155,852,008.93	5,757,928,311.87

Other remarks:

None.

#### 44. Other current liabilities

Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Short-term bonds payable	1,413,233,847.44	1,311,482,728.68
Payables for returned goods		
Output VAT to be recognized	19,989,935.40	235,500,632.27
Total	1,433,223,782.84	1,546,983,360.95

Increase or decrease of short-term bonds payable

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Bonds	Par value	Coupon rate (%)	Issuing date	Maturity	Amount outstanding	Opening balance	Current period issuance	Par value interest	Premium/Discount amortization	Current period repayment	Closing balance	Whether default
22 Huayou Cobalt SCP001 (Science and Technology Notes)	100.00	3.87	8/16/2022	267 days	600,000,000.00	608,047,500.00		8,278,089.04	-660,000.00	616,985,589.04		No
22 Huayou Cobalt SCP002 (Science and Technology Notes)	100.00	3.91	10/27/2022	270 days	700,000,000.00	703,435,228.68		15,608,606.93	-1,202,465.76	720,246,301.37		No
23 Huayou Cobalt SCP001 (Science and Technology Notes)	100.00	4.68	3/20/2023	268 days	700,000,000.00		700,000,000.00	23,988,196.72		723,988,196.72		No
23 Huayou Cobalt SCP002 (Science and Technology Notes)	100.00	4.03	7/24/2023	268 days	700,000,000.00		700,000,000.00	12,178,087.43	562,527.78		711,615,559.65	No
23 Huayou Cobalt SCP003 (Science and Technology Notes)	100.00	3.90	11/24/2023	270 days	700,000,000.00		700,000,000.00	2,536,065.57	917,777.78		701,618,287.79	No
Subtotal	/				3,400,000,000.00	1,311,482,728.68	2,100,000,000.00	62,589,045.69	-382,160.20	2,061,220,087.13	1,413,233,847.44	

Other remarks:

Applicable  Not Applicable

## 45. Long-term borrowings

### (1) Details on categories

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged borrowings		
Mortgaged borrowings		
Guaranteed borrowings	3,598,696,188.22	2,500,159,093.33
Credit borrowings		125,000,000.00
Guaranteed, pledged and mortgaged borrowings	3,816,158,760.00	5,293,096,000.00
Guaranteed and mortgaged borrowings	2,784,781,866.96	1,177,650,298.29
Guaranteed and pledged borrowings	8,663,723,125.05	2,788,820,678.14
Interest on long-term borrowings	36,965,568.58	43,055,662.03
Total	18,900,325,508.81	11,927,781,731.79

### Details on categories

None.

Other remarks:

Applicable  Not Applicable

## 46. Bonds payable

### (1) Bonds payable

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Convertible Corporate Bonds - Huayou Convertible Bonds	6,631,718,848.37	6,323,799,832.42
Total	6,631,718,848.37	6,323,799,832.42

### (2) Details (not including other financial instruments such as preferred shares/perpetual bonds classified as financial liabilities)

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Bonds	Par value	Coupon rate (%)	Issuing date	Maturity	Amount outstanding	Opening balance	Current period issuance	Par value interest	Premium/Discount amortization	Current period repayment	Closing balance	Whether defaulted
Huayou Convertible Bonds	100.00		2/24/2022	6 years	7,600,000,000.00	6,323,799,832.42		28,104,887.43	-295,236,957.52	15,422,829.00	6,631,718,848.37	No
Total	/	/	/	/	7,600,000,000.00	6,323,799,832.42		28,104,887.43	-295,236,957.52	15,422,829.00	6,631,718,848.37	

### (3) Remarks on convertible bonds

Applicable  Not Applicable

The coupon rate of Huayou Convertible Bonds is 0.20% in the first year, 0.40% in the second year, 0.60% in the third year, 1.50% in the fourth year, 1.80% in the fifth year, and 2.00% in the sixth year.

Current period repayment refers to the payment for first-year interest of 15,197,612.00 yuan, the payment for conversion into shares of 219,163.89 yuan, and the payment for bond resale of 6,053.11 yuan.

Accounting treatment and judgment basis for conversion of bonds into shares

Applicable  Not Applicable

Other remarks:

1) Basic information of convertible corporate bonds

Pursuant to the “Approval of Zhejiang Huayou Cobalt Co., Ltd.’s Public Offering of Convertible Corporate Bonds” (Zheng Jian Xu Ke [2022] No. 209) by the China Securities Regulatory Commission, the Company publicly issued 76.00 million convertible corporate bonds on February 24, 2022 at par value of 100 yuan per share, totaling 7.60 billion yuan, with a term of 6 years.

Pursuant to the regulations in “CASBE 37 – Presentation of Financial Instruments”, for convertible bonds that are non-derivative financial instruments containing both financial liability component and equity instrument component, financial liabilities and equity instruments shall be measured separately at initial recognition. Therefore, the fair value of the financial liability component was recognized as bonds payable at 6,063,498,791.20 yuan after deducting allocated issuance expenses, and the fair value of equity instrument component was recognized as other equity instruments at 1,490,340,831.42 yuan after deducting allocated issuance expenses.

2) Conversion of convertible corporate bonds

In the current period, a total of 2,560 Huayou Convertible Bonds have been converted into 3,054 A shares of the Company (each with par value of 1 yuan). Accordingly, the difference of 266,310.84 yuan, which equals to the sum of the balance of bonds payable of 216,628.72 yuan, interest payable of 535.17 yuan and other equity instruments of 50,200.95 yuan less the increased share capital of 3,054 yuan, is included in capital reserve (share premium).

3) Resale of convertible corporate bonds

Pursuant to the third extraordinary shareholders’ meeting of 2023 and the second bondholders’ meeting of Huayou Convertible Bonds of 2023, the Company changed the use of partial funds raised from Huayou Convertible Bonds. Meanwhile, pursuant to the “Prospectus for the Public Issuance of Convertible Bonds by Zhejiang Huayou Cobalt Co., Ltd.”, the additional resale clause of Huayou Convertible Bonds has come into effect.

In the current period, a total of 70 Huayou Convertible Bonds have been resold at a price of 7,018.90 yuan. Accordingly, for the balance of bonds payable of 6,034.21 yuan, interest payable of 18.90 yuan and other equity instruments of 1,372.68 yuan, the equity component of 444.41 yuan after deducting the allocated resold amount was included in capital reserve (share premium), and the liability component of 37.52 yuan after deducting the allocated resold amount was included into profit or loss.

**(4) Other financial instruments classified as financial liabilities**

Basic information of other financial instruments such as preferred shares or perpetual bonds outstanding at the balance sheet date

Applicable  Not Applicable

Current period movements of financial instruments such as preferred shares or perpetual bonds outstanding at the balance sheet date

Applicable  Not Applicable

Remarks on other financial instruments classified as financial liabilities

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

#### 47. Lease liabilities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Unpaid lease payments	57,943,671.84	60,294,665.46
Less: Unrecognized financing expenses	2,964,471.14	3,224,063.65
Total	54,979,200.70	57,070,601.81

Other remarks:

None.

#### 48. Long-term payables

##### Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	5,544,170,217.25	5,155,378,248.88
Special payables		
Total	5,544,170,217.25	5,155,378,248.88

Other remarks:

Applicable  Not Applicable

#### Long-term payables

##### (1) Long-term payables categorized by nature

Applicable  Not Applicable

Items	Closing balance	Opening balance
Funds from sale and leaseback	2,025,641,142.06	2,503,237,492.47
Long-term call loans and interests thereon	3,518,529,075.19	2,652,140,756.41

Other remarks:

1) Funds from sale and leaseback refer to funds from financial institutions such as Cinda Financial Leasing Co., Ltd., Industrial Bank Financial Leasing Co., Ltd., Everbright Financial Leasing Co., Ltd. through the sale and leaseback of fixed assets (of which, 2,152,330,878.26 yuan should be repaid in 2024 and has been transferred to non-current liabilities due within one year).

2) Long-term call loans and interests thereon mainly include balances due to Kaifei Investment (Hong Kong) Limited, W-Source Holding Limited, Tsing Creation International Holding, Long Sincere Holding Limited, Wintime Industrial Holding Limited, Eve Asia Co., Limited, China-Latin American Production Capacity Cooperation Investment Fund Co., Ltd. (the “China-LAC Fund”), etc.

### Special payables

#### (1) Special payables categorized by nature

Applicable  Not Applicable

#### 49. Long-term employee benefits payable

Applicable  Not Applicable

#### 50. Provisions

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Closing balance	Reasons for balance
Guarantee provided for other entities			
Pending lawsuits			
Products quality guarantee			
Restructuring obligations			
Onerous contract to be implemented			
Payables for returned goods			
Others			
Environment restoration expenses	42,977,538.13	65,282,244.77	It is the environmental restoration costs accrued by the subsidiaries MIKAS Company, CDM Company and Prospect Lithium according to the Mining Code of the Democratic Republic of the Congo.
Total	42,977,538.13	65,282,244.77	

Other remarks on significant assumption on material provisions and estimates:

None.

#### 51. Deferred income

Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Government grants	592,727,660.93	124,695,300.00	50,872,428.97	666,550,531.96	Granted by the government free of charge.
Total	592,727,660.93	124,695,300.00	50,872,428.97	666,550,531.96	

Other remarks:

Applicable  Not Applicable

Current increase mainly includes the receipt of project subsidies, technological innovation fiscal subsidies, special subsidies for technological transformation and other government grants related to assets, etc. totaling 124,072,420.43 yuan, and other government grants related to income of 622,879.57 yuan.

## 52. Other non-current liabilities

Applicable  Not Applicable

## 53. Share capital

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bonus shares	Conversion of reserve to shares	Others	Subtotal	
Total shares	1,599,678,228.00	100,000,000.00			10,408,292.00	110,408,292.00	1,710,086,520.00

Other remarks:

In the current period, share capital was increased by 110,408,292.00 yuan. Please refer to section item VII 55 of this section for details.

## 54. Other equity instruments

### (1) Basic information of other financial instruments such as preferred shares or perpetual bonds outstanding as of the balance sheet date

Applicable  Not Applicable

### (2) Current period movements of financial instruments such as preferred shares or perpetual bonds outstanding at the balance sheet date

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance		Increase		Decrease		Closing balance	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
Huayou Convertible Bonds	75,988,380	1,490,112,966.16			2,630	51,573.63	75,985,750	1,490,061,392.53
Total	75,988,380	1,490,112,966.16			2,630	51,573.63	75,985,750	1,490,061,392.53

Current period movements and reasons for the movements, and basis for relevant accounting treatments:

Applicable  Not Applicable

Please refer to item VII 46 of this section for details on reasons and basis for current movements of other equity instruments.

Other remarks:

Applicable  Not Applicable

## 55. Capital reserve

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance
Share premium	9,611,903,190.91	5,753,055,411.30	32,134,306.06	15,332,824,296.15
Other capital reserve	786,602,173.68	264,530,881.42	331,169,036.20	719,964,018.90
Total	10,398,505,364.59	6,017,586,292.72	363,303,342.26	16,052,788,315.05

Other remarks on current period movements and reasons for the movements, etc.:

(2) Other remarks:

1) Movements of share premium

Current increase of 5,753,055,411.30 yuan was due to the following events:

a. Pursuant to resolutions of the 43<sup>rd</sup> meeting of the fifth session of the Board of Directors and the fifth extraordinary shareholders' meeting of 2022, under the document of approval of "Reply on Approval for the Initial Public Offering of Global Depositary Receipts and Listing on the SIX Swiss Exchange AG of Zhejiang Huayou Cobalt Co., Ltd." numbered Zheng Jian Xu Ke [2023] 708 issued by the China Securities Regulatory Commission and approved by Prospectus Office of the SIX Exchange Regulation AG, the Company was permitted to issue no more than 100,000,000 underlying A shares, therefore, no more than 50,000,000 GDRs could be issued based on the determined conversion ratio. According to the issuance plan and subscription status, the Company issued 50,000,000 GDRs to qualified international investors and other eligible investors, corresponding to 100,000,000 underlying A shares at an issuance price of USD 11.65 per GDR, with total raised funds of USD 582,500,000.00 (equivalent to 4,197,145,500.00 yuan), and the net raised funds was equivalent to 4,132,985,185.32 yuan after deducting issuance expenses of 64,160,314.68 yuan (VAT exclusive), with 100,000,000.00 yuan included in share capital and 4,032,985,185.32 yuan included in capital reserve (share premium). Such issuance of GDRs had been verified by Pan-China Certified Public Accountants LLP, and a Capital Verification Report numbered PCCPACVR [2023] 353 was issued thereon.

b. Pursuant to the restricted share incentive plan approved by the ninth meeting of the sixth session of the Board of Directors and the second extraordinary shareholders' meeting of 2023, taking August 29, 2023 as the grant date, 11,379,200.00 restricted shares were granted to 1,524 incentive targets at a grant price of 25.38 yuan per share, with 11,379,200.00 yuan included in share capital and 277,424,896.00 yuan included in capital reserve (share premium). Such issuance of restricted shares had been verified by Pan-China Certified Public Accountants LLP, and a Capital Verification Report numbered PCCPACVR [2023] 514 was issued thereon. Meanwhile, pursuant to the "Interpretation of China Accounting Standards for Business

Enterprises No. 7”, treasury shares were increased by 288,804,096.00 yuan and other payables were increased by 288,804,096.00 yuan based on the number of restricted shares issued and the corresponding repurchase obligations.

c. Pursuant to the resolution of the 49<sup>th</sup> meeting of the fifth session of the Board of Directors under the authorization of the first extraordinary shareholders’ meeting of 2021, as the unlocking conditions for the first unlocking period of the reserved restricted shares granted for the second time under the restricted share incentive plan of 2021 were met, 31 incentive targets were eligible to unlock 56,940 shares. As a result, expenses related to share-based payment of 2,265,774.00 yuan recognized were transferred from capital reserve (other capital reserve) to capital reserve (share premium), with treasury shares decreased by 2,530,326.00 yuan and other payables decreased by 2,530,326.00 yuan accordingly.

d. Pursuant to the resolution of the third meeting of the sixth session of the Board of Directors under the authorization of the first extraordinary shareholders’ meeting of 2021, as the unlocking conditions for the second unlocking period of restricted shares initially granted under the restricted share incentive plan of 2021 were met, 625 incentive targets were eligible to unlock 2,389,374 shares. As a result, expenses related to share-based payment of 93,387,763.80 yuan recognized were transferred from capital reserve (other capital reserve) to capital reserve (share premium), with treasury shares decreased by 68,722,072.20 yuan and other payables decreased by 68,722,072.20 yuan accordingly.

e. Pursuant to the resolution of the third meeting of the sixth session of the Board of Directors under the authorization of the second extraordinary shareholders’ meeting of 2022, as the unlocking conditions for the first unlocking period of restricted shares initially granted under the restricted share incentive plan of 2022 were met, 1,092 incentive targets were eligible to unlock 3,964,240 shares. As a result, expenses related to share-based payment of 235,515,498.40 yuan recognized were transferred from capital reserve (other capital reserve) to capital reserve (share premium), with treasury shares decreased by 127,450,316.00 yuan and other payables decreased by 127,450,316.00 yuan accordingly.

f. In the current period, share capital was increased by 3,054.00 yuan and capital reserve (share premium) was increased by 266,310.84 yuan due to conversion of convertible bonds into share capital. Meanwhile, capital reserve (share premium) was increased by 444.41 yuan due to resale of convertible bonds. Please refer to item VII 46 of this section for details.

g. As the subsidiary Huayou Quzhou brought in new investors, resulting in a change of the Company’s holding proportion, share premium was increased by 431,352,366.28 yuan based on the difference on the proportionate share of net assets before and after the capital increase.

h. As non-controlling shareholders of the subsidiary Jiangsu Huayou subscribed at premium, share premium was increased by 3,675,000.00 yuan based on the Company’s holding proportion.

i. As the subsidiary KNI Company brought in new investors, resulting in a change of the Company’s holding proportion, share premium was increased by 468,738.02 yuan based on the difference on the proportionate share of net assets before and after the capital increase.

j. As the subsidiary Huafei Indonesia increased capital at premium, share premium was increased by 675,713,434.23 yuan based on the Company's holding proportion.

Current decrease of 32,134,306.06 yuan was due to the following events:

a. Pursuant to the resolution of the 49<sup>th</sup> meeting of the fifth session of the Board of the Directors under the authorization of the first extraordinary shareholders' meeting of 2021 and the second extraordinary shareholders' meeting of 2022, the Company repurchased and cancelled 214,113 shares granted to 31 incentive targets but not unlocked, with share capital decreased by 214,113.00 yuan and capital reserve (share premium) decreased by 6,841,883.70 yuan. Meanwhile, treasury shares were decreased by 7,019,693.70 yuan and other payables were decreased by 7,019,693.70 yuan accordingly. Such capital decrease had been verified by Pan-China Certified Public Accountants LLP, and a Capital Verification Report numbered PCCPACVR [2023] 235 was issued thereon.

b. Pursuant to the resolution of the third meeting of the sixth session of the Board of the Directors under the authorization of the first extraordinary shareholders' meeting of 2021 and the second extraordinary shareholders' meeting of 2022, the Company repurchased and cancelled 759,849 shares granted to 97 incentive targets but not unlocked, with share capital decreased by 759,849.00 yuan and capital reserve (share premium) decreased by 24,124,459.50 yuan. Meanwhile, treasury shares were decreased by 24,673,619.70 yuan and other payables were decreased by 24,673,619.70 yuan accordingly. Such capital decrease had been verified by Pan-China Certified Public Accountants LLP, and a Capital Verification Report numbered PCCPACVR [2023] 437 was issued thereon.

c. The Company acquired non-controlling interest of the subsidiary Jiangsu Huayou, with capital reserve (share premium) decreased by 1,167,962.86 yuan based on the difference between the consideration paid and the proportionate share of net assets.

## 2) Movements of other capital reserve

Current increase of 264,530,881.42 yuan was due to the following events:

a. According to the Company's equity incentive plan, expenses related to share-based payment for restricted shares of 2023 were recognized at 249,040,442.78 yuan, which were included in the capital reserve (other capital reserve).

b. Capital reserve (other capital reserve) was increased by 15,490,438.64 yuan based on the proportionate share in other changes in equity not included into other comprehensive income of associates (other than net gains and losses) held by the Company.

Current decrease of 331,169,036.20 yuan was due to the following events:

a. As the reserved restricted shares granted for the second time under the restricted share incentive plan of 2021 were unlocked, expenses related to share-based payment of 2,265,774.00 yuan recognized were transferred from capital reserve (other capital reserve) into capital reserve (share premium).

b. As the restricted shares initially granted under the restricted share incentive plan of 2021 were unlocked, expenses related to share-based payment of 93,387,763.80 yuan recognized were transferred from capital reserve (other capital reserve) to capital reserve (share premium).

c. As the restricted shares initially granted under the restricted share incentive plan of 2022 were unlocked, expenses related to share-based payment of 235,515,498.40 yuan recognized were transferred from capital reserve (other capital reserve) to capital reserve (share premium).

## 56. Treasury shares

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance
Restricted shares	631,014,574.20	288,804,096.00	234,293,244.80	685,525,425.40
Repurchased shares		638,081,400.64		638,081,400.64
Total	631,014,574.20	926,885,496.64	234,293,244.80	1,323,606,826.04

Other remarks on current period movements and reasons for the movements, etc.:

1) In the current period, restricted shares were increased by 54,510,851.20 yuan. Please refer to item VII 55 and 60 of this section for details.

2) In the current period, repurchased shares were increased by 638,081,400.64 yuan due to the Company's repurchase of its own shares through centralized bidding pursuant to the resolution of the 10<sup>th</sup> meeting of the sixth session of the Board of Directors. As of the balance sheet date, the Company had accumulatively repurchased 18,443,739 shares, with treasury shares increased by 638,081,400.64 yuan.

## 57. Other comprehensive income (OCI)

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: OCI previously recognized but transferred to retained earnings in the current period	Less: Income tax expenses	Attributable to parent company after tax	Attributable to non-controlling shareholders after tax	
I. Items not to be reclassified subsequently to profit or loss	-49,068,581.76							-49,068,581.76
Including: Remeasurements of the defined benefit plan								
OCI not to be transferred to profit or loss under equity method								
Changes in fair value of other equity instrument investments	-49,068,581.76							-49,068,581.76
Changes in fair value of the Company's own credit risk								
II. Items to be reclassified subsequently to profit or loss	825,474,144.63	314,924,856.82				265,613,335.97	49,311,520.85	1,091,087,480.60
Including: OCI to be transferred to profit or loss under equity method	51,984,326.23	61,344,932.13				61,344,932.13		113,329,258.36
Changes in fair value of other debt investments								
OCI arising from financial assets reclassification								
Provision for credit impairment loss of other debt investments								

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: OCI previously recognized but transferred to retained earnings in the current period	Less: Income tax expenses	Attributable to parent company after tax	Attributable to non-controlling shareholders after tax	
Cash flow hedging reserves								
Translation reserves	773,489,818.40	253,579,924.69				204,268,403.84	49,311,520.85	977,758,222.24
Total	776,405,562.87	314,924,856.82				265,613,335.97	49,311,520.85	1,042,018,898.84

Other remarks on reconciliation of the effective portion of gains and losses on cash flow hedging into the initially recognized amount of the hedged items, etc.:

None.

### 58. Special reserve

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance
Work safety fund		144,969,434.59	138,524,796.66	6,444,637.93
Mine development fund	27,349,451.51	12,749,658.20		40,099,109.71
Total	27,349,451.51	157,719,092.79	138,524,796.66	46,543,747.64

Other remarks on current period movements and reasons for the movements, etc.:

Work safety fund was appropriated and used by the Company and its subsidiaries including Huayou Quzhou and New Energy Quzhou according to the document numbered Cai Zi [2022] 136 jointly issued by the Ministry of Finance and the Ministry of Emergency Management. Mine development fund was appropriated by the subsidiaries CDM Company and MIKAS Company according to the Mining Code of the Democratic Republic of the Congo.

### 59. Surplus reserve

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	328,198,360.77	59,027,197.52		387,225,558.29
Discretionary surplus reserve				
Reserve fund				
Enterprise development fund				
Others				
Total	328,198,360.77	59,027,197.52		387,225,558.29

Remarks on current period movements and reasons for the movements, etc.:

Current increase was due to the appropriation of statutory surplus reserve at 10% of net profit generated by the parent company in 2023.

## 60. Undistributed profit

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Balance before adjustment at the end of preceding period	11,900,465,606.35	8,376,281,013.68
Increase due to adjustment (or less: decrease)		-1,180,218.45
Opening balance after adjustment	11,900,465,606.35	8,375,100,795.23
Add: Net profit attributable to owners of the parent company	3,350,891,340.06	3,907,615,568.23
Less: Appropriation of statutory surplus reserve	59,027,197.52	18,477,942.21
Appropriation of discretionary surplus reserve		
Appropriation of general risk reserve		
Dividend payable on ordinary shares	319,646,017.80	366,286,614.90
Dividend on ordinary share converted to share capital		
Derecognition of other equity instrument investments		2,513,800.00
Closing balance	14,872,683,731.09	11,900,465,606.35

Details of adjustments on opening balance of undistributed profit:

1. Pursuant to related requirements stipulated in the CASBEs, adjustments of -1,180,218.45 yuan are made on opening balance of undistributed profit in preceding period on a retroactive basis.
2. Adjustments of 0.00 yuan are made on opening balance of undistributed profit due to changes in accounting policies.
3. Adjustments of 0.00 yuan are made on opening balance of undistributed profit due to corrections of significant errors.
4. Adjustments of 0.00 yuan are made on opening balance of undistributed profit due to changes in consolidation scope arising from business combination under common control.
5. Adjustments of 0.00 yuan are made on opening balance of undistributed profit due to other changes.

Pursuant to the profit distribution plan of 2022 approved by the shareholders' meeting of 2022, the Company distributed cash dividends of 2.00 yuan (tax inclusive) per 10 shares to all shareholders based on the total share capital of 1,599,465,048 shares. Due to the distribution of dividend on restricted shares, treasury shares were decreased by 3,897,217.20 yuan, and other payables were decreased by 3,897,217.20 yuan. Later, the Company repurchased and cancelled the restricted shares, with cash dividend of 246,991.80 yuan reversed. As a result, the Company shall pay dividend on ordinary shares of 319,646,017.80 yuan.

## 61. Operating revenue and operating cost

### (1) Details

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	64,911,651,537.31	55,916,315,875.70	61,676,007,943.04	50,253,913,561.91

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Other operations	1,392,395,992.50	1,032,457,388.06	1,357,777,556.45	1,059,790,664.32
Total	66,304,047,529.81	56,948,773,263.76	63,033,785,499.49	51,313,704,226.23

The difference with the total operating revenue refers to the lease income in revenue from other operations.

## (2) Breakdown of operating revenue and operating cost

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories of contracts	Segment 1		Total	
	Revenue	Cost	Revenue	Cost
By goods				
Cobalt products	4,185,183,444.73	3,820,208,139.90	4,185,183,444.73	3,820,208,139.90
Copper products	4,889,827,507.19	3,490,943,384.68	4,889,827,507.19	3,490,943,384.68
Nickel products	8,921,018,614.17	7,262,147,841.09	8,921,018,614.17	7,262,147,841.09
Lithium products	1,306,192,176.70	1,137,877,913.04	1,306,192,176.70	1,137,877,913.04
Ternary precursors	10,076,016,729.89	8,236,370,381.62	10,076,016,729.89	8,236,370,381.62
Cathode materials	18,916,406,739.53	17,441,555,437.91	18,916,406,739.53	17,441,555,437.91
Nickel intermediates	5,144,530,695.71	3,564,987,683.59	5,144,530,695.71	3,564,987,683.59
Trade and others	12,855,965,724.96	11,989,723,639.14	12,855,965,724.96	11,989,723,639.14
Subtotal	66,295,141,632.88	56,943,814,420.97	66,295,141,632.88	56,943,814,420.97
By operating regions				
Domestic	28,933,373,508.56	24,950,553,965.92	28,933,373,508.56	24,950,553,965.92
Overseas	37,361,768,124.32	31,993,260,455.05	37,361,768,124.32	31,993,260,455.05
Subtotal	66,295,141,632.88	56,943,814,420.97	66,295,141,632.88	56,943,814,420.97
Types of markets or customers				
Types of contracts				
By time of transferring goods				
Recognized at a point in time	66,295,141,632.88	56,943,814,420.97	66,295,141,632.88	56,943,814,420.97
Subtotal	66,295,141,632.88	56,943,814,420.97	66,295,141,632.88	56,943,814,420.97
By maturity of contracts				
By sales distribution channels				
Total				

Contract liabilities with opening balance of 518,011,353.44 yuan were carried over to revenue in the current period.

Other remarks

Applicable  Not Applicable

## (3) Remarks on performance obligation

Applicable  Not Applicable

## (4) Remarks on transaction price allocated to the remaining performance obligations

Applicable  Not Applicable

## (5) Significant changes in contracts or significant adjustments on transaction price

Applicable  Not Applicable

Other remarks:

None.

## 62. Taxes and surcharges

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Consumption tax		
Business tax		
Urban maintenance and construction tax	9,611,183.60	30,940,735.81
Education surcharge	4,197,058.44	13,265,836.15
Resources tax	52,922,089.57	
Housing property tax	26,411,222.05	17,499,609.15
Land use tax	7,931,920.14	6,851,473.50
Vehicle and vessel use tax		
Stamp duty	48,966,203.19	44,060,731.81
Local education surcharge	2,798,039.03	8,850,969.08
Mineral tax	210,666,632.64	350,508,042.47
Others	4,285,569.54	3,563,508.80
Total	367,789,918.20	475,540,906.77

Other remarks:

None.

## 63. Selling expenses

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Employee benefits	81,935,320.82	50,555,546.00
Business traveling expenses	17,010,893.30	5,246,595.96
Service fees	12,834,953.19	2,209,671.54
Sample charges	11,922,084.04	7,743,314.61
Entertainment expenses	14,908,024.58	5,610,648.92
Others	11,236,162.22	4,995,383.90
Total	149,847,438.15	76,361,160.93

Other remarks:

None.

## 64. Administrative expenses

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Employee benefits	979,749,284.12	878,319,046.16
Office expenses	184,931,627.67	150,566,644.40
Service fees	291,593,514.21	218,160,493.61
Business entertainment expenses	22,143,782.79	20,263,709.80

Items	Current period cumulative	Preceding period comparative
Depreciation and amortization	228,321,578.49	162,526,205.72
Insurance premiums	52,091,488.03	35,245,383.31
Aircraft usage fees	31,597,804.39	25,615,667.20
Share-based payments	249,040,442.78	385,245,312.46
Others	77,108,974.30	86,611,095.80
Total	2,116,578,496.78	1,962,553,558.46

Other remarks:

None.

### 65. R&D expenses

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Employee benefits	530,554,253.47	403,581,169.39
Materials consumption	606,568,248.57	1,098,007,811.09
Depreciation and amortization	190,623,887.91	78,961,772.79
Others	112,846,543.01	128,063,489.34
Total	1,440,592,932.96	1,708,614,242.61

Other remarks:

None.

### 66. Financial expenses

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Interest expenses	1,960,858,477.63	1,344,158,702.41
Interest income	-336,643,368.43	-117,648,467.64
Gains or losses on foreign exchange	-270,838,401.07	-26,386,374.70
Handling fees and others	124,789,351.73	125,818,459.14
Total	1,478,166,059.86	1,325,942,319.21

Other remarks:

None.

### 67. Other income

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Government grants related to assets	46,600,403.87	34,101,485.52
Government grants related to income	200,903,660.04	156,001,968.86
Refund of handling fees for withholding individual income tax	2,210,544.41	1,116,810.46

Items	Current period cumulative	Preceding period comparative
VAT extra deductions	70,233,172.93	
Total	319,947,781.25	191,220,264.84

Other remarks:

It included fiscal incentives, business policy subsidies and other government grants totaling 200,903,660.04 yuan.

#### 68. Investment income

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	1,004,567,340.10	1,639,775,853.19
Investment income from disposal of long-term equity investments	3,191,849.90	-7,445,388.77
Investment income from held-for-trading financial assets		
Dividend income from other equity instrument investments		
Interest income from debt investments		
Interest income from other debt investments		13,744,035.66
Investment income from disposal of held-for-trading financial assets	-112,752,232.28	-54,670,204.95
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Income from debt restructuring		
Losses on discounting of receivables financing	-104,472,458.88	-126,054,122.99
Gains or losses on hedging	80,322,954.40	-88,054,133.56
Losses on derecognition of accounts receivable	-13,504,975.36	-17,624,568.57
Total	857,352,477.88	1,359,671,470.01

Other remarks:

None.

#### 69. Gains on net exposure to hedging risk

Applicable  Not Applicable

#### 70. Gains on changes in fair value

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Held-for-trading financial assets	67,930,797.36	-11,897,363.83
Including: Gains on changes in fair value of derivative financial instruments	68,450,431.17	-14,270,651.50
Gains on changes in fair value of financial products	-519,633.81	2,373,287.67
Held-for-trading financial liabilities	4,401,455.87	-40,024,798.40
Including: Gains on changes in fair value of derivative financial instruments	4,401,455.87	-40,024,798.40
Investment property measured at fair value		
Gains or losses on hedging	146,433,227.27	-95,578,759.53
Total	218,765,480.50	-147,500,921.76

Other remarks:

None.

#### 71. Credit impairment loss

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Bad debts of notes receivable		
Bad debts of accounts receivable	-42,016,975.44	-209,807,487.97
Bad debts of other receivables		
Impairment loss of debt investments		
Impairment loss of other debt investments		
Bad debts of long-term receivables		
Impairment loss of financial guarantees		
Total	-42,016,975.44	-209,807,487.97

Other remarks:

None.

#### 72. Assets impairment loss

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
I. Impairment loss of contract assets		
II. Inventory write-down loss and impairment loss of costs to fulfill a contract	-368,495,109.05	-1,290,236,057.45
III. Impairment loss of long-term equity investments		
IV. Impairment loss of investment property		
V. Impairment loss of fixed assets		
VI. Impairment loss of construction materials		
VII. Impairment loss of construction in		

Items	Current period cumulative	Preceding period comparative
progress		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Impairment loss of goodwill	-2,064,541.41	-2,064,541.41
XII. Others		
Total	-370,559,650.46	-1,292,300,598.86

Other remarks:

None.

### 73. Gains on asset disposal

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Gains on disposal of fixed assets	27,102,035.53	2,413,571.80
Gains on disposal of intangible assets	2,323,774.96	
Total	29,425,810.49	2,413,571.80

Other remarks:

None.

### 74. Non-operating revenue

Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains on disposal of non-current assets	7,900.65	639,963.04	7,900.65
Including: Gains on disposal of fixed assets	7,900.65	639,963.04	7,900.65
Gains on disposal of intangible assets			
Gains on exchange of non-cash assets			
Receipts of donations			
Government grants			
Indemnity income	19,290,529.16	7,030,758.43	19,290,529.16
Others	1,569,978.83	1,261,704.10	1,569,978.83
Total	20,868,408.64	8,932,425.57	20,868,408.64

Other remarks:

Applicable  Not Applicable

## 75. Non-operating expenditures

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Losses on disposal of non-current assets	35,321,931.23	32,427,540.13	35,321,931.23
Including: Losses on disposal of fixed assets	34,911,974.82	32,427,540.13	34,911,974.82
Losses on disposal of intangible assets	409,956.41		409,956.41
Losses on exchange of non-cash assets			
Donation expenditures	22,570,408.39	14,970,469.76	22,570,408.39
Others	4,175,316.54	5,104,642.99	4,175,316.54
Total	62,067,656.16	52,502,652.88	62,067,656.16

Other remarks:

None.

## 76. Income tax expenses

### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	306,872,294.72	576,437,919.18
Deferred income tax expenses	-37,991,461.14	-249,616,281.87
Total	268,880,833.58	326,821,637.31

### (2) Reconciliation of accounting profit to income tax expenses

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative
Profit before tax	4,774,015,096.80
Income tax expenses based on statutory/applicable tax rate	716,102,264.52
Effect of different tax rate applicable to subsidiaries	119,691,983.58
Effect of prior income tax reconciliation	
Effect of non-taxable income	-504,488,301.16
Effect of non-deductible costs, expenses and losses	-87,408,437.79
Effect of utilization of deductible losses not previously recognized as deferred tax assets	
Effect of deducible temporary differences or deductible losses not recognized as deferred tax assets in the current period	24,983,324.43
Income tax expenses	268,880,833.58

Other remarks:

Applicable  Not Applicable

## 77. Other comprehensive income

Applicable  Not Applicable

Please refer to item VII 57 of this section for details.

## 78. Notes to items of the cash flow statement

### (1) Cash receipts related to operating activities

Other cash receipts related to operating activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Withdrawal of cash and bank balances not considered as cash and cash equivalents	4,234,276,706.62	2,414,366,420.25
Receipts of government grants related to operating activities	328,115,572.47	268,932,092.39
Interest income	336,643,368.43	117,648,467.64
Withdrawal of funds related to hedging business	1,833,531,319.55	
Others	30,989,951.34	37,161,555.95
Total	6,763,556,918.41	2,838,108,536.23

Remarks on other cash receipts related to operating activities:

None.

Other cash payments related to operating activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Payments of cash and bank balances not considered as cash and cash equivalents	2,748,660,994.00	4,240,290,655.66
Expenses paid in cash	1,010,876,465.18	1,133,437,282.37
Payments of cost of holding position and losses on closing position in hedged futures contracts		1,890,252,907.19
Others	32,763,367.46	49,727,197.72
Total	3,792,300,826.64	7,313,708,042.94

Remarks on other cash payments related to operating activities:

None.

### (2) Other cash receipts related to investing activities

Cash receipts related to significant investing activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
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Items	Current period cumulative	Preceding period comparative
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	16,849,177,920.23	16,215,038,027.52
Total	16,849,177,920.23	16,215,038,027.52

Remarks on cash receipts related to significant investing activities:

None.

Cash payments related to significant investing activities

Applicable  Not Applicable

Other cash receipts related to significant investing activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Withdrawal of cash and bank balances not considered as cash and cash equivalents	1,696,962,686.32	581,423,112.40
Net cash receipts from acquisition of Huafei Indonesia		76,809,320.82
Receipts of equipment funds from Huafei Indonesia		32,873,089.83
Receipts of interest on call loans from Veinstone		13,744,035.66
Cash receipts from acquisition of KNI Company	306,417.02	
Recovery of call loans from Indonesia Huatuo	3,511,825.00	
Recovery of call loans from IWIP Company	195,116,997.00	
Recovery of call loans from Veinstone	114,963,103.20	
Total	2,010,861,028.54	704,849,558.71

Remarks on other cash receipts related to investing activities:

None.

Other cash payments related to investing activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Payments of cash and bank balances not considered as cash and cash equivalents	739,653,203.75	1,606,380,618.04
Payments of call loans to Alam Hijau		7,661,060.00
Payments of call loans to PPM Company		118,815,888.59
Net cash payments for disposal of HANARI S.A.		168,995.28

Items	Current period cumulative	Preceding period comparative
Net cash payments for disposal of Hubei Youxing		2,173,349.69
Net cash payments for disposal of Sino-Congo Hiag Development SAS		1,016.55
Payments for equipment funds to Huafei Indonesia		638,573,248.02
Payments of related debt of former shareholders of Prospect Lithium		79,699,836.87
Return of advances for transfer of equity to Prospect Lithium	475,249,276.34	
Payments of call loans to Indonesia Huatuo	3,511,825.00	
Payments of call loans to IWIP Company	195,116,997.00	
Payments of call loans to Veinstone	114,963,103.20	
Total	1,528,494,405.29	2,453,474,013.04

Remarks on other cash payments related to investing activities:

None.

### (3) Cash receipts related to financing activities

Other cash receipts related to financing activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Withdrawal of cash and bank balances not considered as cash and cash equivalents	886,517,753.46	604,690,956.10
Receipts of funds from repo transactions		1,175,895,367.75
Cash receipts from discounting of bank acceptance for financing purposes	660,668,177.76	477,237,655.59
Funds from sale and leaseback	2,201,500,000.00	4,164,983,600.00
Receipts of call loans	2,560,666,966.01	5,049,411,678.97
Withdrawal of deposits for sale and leaseback	61,785,000.00	35,612,000.00
Transfer of partial equity of the subsidiary Prospect Lithium		270,032,292.00
Total	6,371,137,897.23	11,777,863,550.41

Remarks on other cash receipts related to financing activities:

None.

Other cash payments related to financing activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Payments of cash and bank balances	1,206,457,392.16	858,267,753.46

Items	Current period cumulative	Preceding period comparative
not considered as cash and cash equivalents		
Payments for sale and leaseback	2,531,269,447.96	1,599,169,749.14
Payments of deposits for sale and leaseback	68,500,000.00	43,600,000.00
Bank acceptance for financing purposes with undertaking to pay at maturity	483,363,500.11	154,000,000.00
Payments for issuance fees	20,324,876.19	10,818,424.66
Repayments for call loans and interest thereon	2,939,050,182.04	3,923,964,047.34
Payments for acquisition of non-controlling interest of Feza Mining		4,429,719.00
Payments for acquisition of non-controlling interest of Huayou New Energy		1,240,248,109.00
Payments for repurchase of restricted shares	31,940,305.20	21,961,034.00
Payments for lease liabilities	58,748,318.09	56,828,107.49
Payments for repo transactions	952,470,336.35	
Payments for share repurchase	638,081,400.64	
Payments for capital decrease by non-controlling shareholders of Shanghai FC	7,500,000.00	
<b>Total</b>	<b>8,937,705,758.74</b>	<b>7,913,286,944.09</b>

Remarks on other cash payments related to financing activities:

None.

Changes in liabilities related to financing activities

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase		Decrease		Closing balance
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Bank borrowings	27,933,432,060.89	35,134,171,109.58	1,231,926,546.89	24,391,454,787.23		39,908,074,930.13
Notes payable	483,363,500.11	660,668,177.76		483,363,500.11		660,668,177.76
Dividend payable			1,093,520,084.10	1,074,730,657.80		18,789,426.30
Other payables	4,542,058,181.00	1,852,397,131.71	129,948,668.96	3,900,316,921.40		2,624,087,060.27
Other current liabilities	1,311,482,728.68	2,100,000,000.00	66,955,061.44	2,065,203,942.68		1,413,233,847.44
Bonds payable (including bonds payable due within one year)	6,323,799,832.42		323,341,882.47	15,204,630.90	218,235.62	6,631,718,848.37
Lease liabilities (including lease liabilities due within one year)	107,151,228.37		63,516,723.68	58,693,994.27	12,600,481.20	99,373,476.58
Long-term payables (including long-term payables due within one year)	6,877,398,308.76	2,909,769,834.30	465,840,385.17	2,554,413,350.15	2,094,082.57	7,696,501,095.51
<b>Total</b>	<b>47,578,685,840.23</b>	<b>42,657,006,253.35</b>	<b>3,375,049,352.71</b>	<b>34,543,381,784.54</b>	<b>14,912,799.39</b>	<b>59,052,446,862.36</b>

**(4) Remarks on cash flows presented on a net basis**

Applicable  Not Applicable

**(5) Significant activities not related to current cash receipts and payments but affect the financial position of the Company or may affect the Company's future cash flows and the financial effects**

√ Applicable □ Not Applicable

Amount of endorsed commercial acceptance not involving cash receipts and payments

Items	Current period cumulative	Preceding period comparative
Payments for acquisition of fixed assets and other long-term assets	1,825,060,157.16	2,356,529,958.46

**79. Supplementary information to the cash flow statement**

**(1) Supplementary information to the cash flow statement**

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Supplementary information	Current period cumulative	Preceding period comparative
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	4,505,134,263.22	5,704,373,518.72
Add: Provision for assets impairment	370,559,650.46	1,292,300,598.86
Credit impairment loss	42,016,975.44	209,807,487.97
Depreciation of fixed assets, oil and gas assets, productive biological assets	2,840,285,201.51	1,769,774,649.34
Amortization of right-of-use assets	63,641,583.96	41,283,772.70
Amortization of intangible assets	413,584,977.96	106,542,897.02
Amortization of long-term prepayments	19,632,202.53	26,753,374.81
Losses on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	-29,425,810.49	-2,413,571.80
Fixed assets retirement loss (Less: gains)	35,314,030.58	31,787,577.09
Losses on changes in fair value (Less: gains)	-72,332,253.23	147,500,921.76
Financial expenses (Less: gains)	1,696,808,714.09	1,322,746,417.71
Investment losses (Less: gains)	-895,006,957.72	-1,503,350,161.57
Decrease of deferred tax assets (Less: increase)	268,562,882.82	-463,608,809.23
Increase of deferred tax liabilities (Less: decrease)	-306,554,343.93	213,992,527.36
Decrease of inventories (Less: increase)	1,536,739,050.11	-9,947,123,095.06
Decrease of operating receivables (Less: increase)	-1,195,393,653.96	-11,565,416,090.91
Increase of operating payables (Less: decrease)	-5,289,281,385.35	15,132,908,157.75
Others	-518,397,034.67	395,946,202.86
Net cash flows from operating activities	3,485,888,093.33	2,913,806,375.38
<b>2. Significant investing and financing activities not related to cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Cash at the end of the period	10,526,774,769.22	8,579,643,614.59
Less: Cash at the beginning of the	8,579,643,614.59	6,108,393,395.75

Supplementary information	Current period cumulative	Preceding period comparative
period		
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	1,947,131,154.63	2,471,250,218.84

**(2) Net cash payments for the acquisition of subsidiaries**

Applicable  Not Applicable

**(3) Net cash receipts from the disposal of subsidiaries**

Applicable  Not Applicable

**(4) Composition of cash and cash equivalents**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	10,526,774,769.22	8,579,643,614.59
Including: Cash on hand	11,891,845.98	25,777,978.79
Cash in bank on demand for payment	9,427,796,624.02	8,030,335,929.04
Other cash and bank balances on demand for payment	1,087,086,299.22	523,529,706.76
Central bank deposit on demand for payment		
Deposit in other banks		
Loans to other banks		
II. Cash equivalents		
Including: Bond investments maturing within three months		
III. Cash and cash equivalents at the end of the period	10,526,774,769.22	8,579,643,614.59
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions		

**(5) Balances with use restrictions but still considered as cash and cash equivalents**

Applicable  Not Applicable

Items	Current period cumulative	Reasons for use restrictions and for considered as cash and cash equivalents
Cash in bank	435,357,034.89	Closing balance refers to the raised funds, which can be used to pay for investment projects on demand, therefore, it is considered as cash and cash equivalents.
Cash in bank	68,997,238.28	Closing balance refers to 30% of export income from natural resources deposited in Indonesia by the subsidiary Huayue Company as required by laws and regulations of local government, which can be used on demand, therefore, it is considered as cash and cash equivalents.
Cash in bank	21,600,124.28	Closing balance refers to balance in the borrowing pledge accounts of the subsidiaries Huayue Company and Huafei Indonesia. Even though these accounts are under use restrictions subject to bank supervision, such balance can

Items	Current period cumulative	Reasons for use restrictions and for considered as cash and cash equivalents
		still be used on demand, therefore, it is considered as cash and cash equivalents.
Total	525,954,397.45	

**(6) Cash and bank balances not considered as cash and cash equivalents**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative	Reasons for not considered as cash and cash equivalents
Other cash and bank balances	4,733,146,309.59	6,856,131,866.08	It refers to deposits for bank acceptance of 3,156,266,863.66 yuan, deposits for letters of credit of 452,578,910.35 yuan, deposits for letters of guarantee of 6,052,500.00 yuan, deposits for borrowings of 1,097,663,952.77 yuan, deposits for environmental impact assessment of 9,508,508.46 yuan, balances frozen due to lawsuits of 10,522,599.11 yuan and other deposits of 552,975.24 yuan, which is not considered as cash and cash equivalents.
Total	4,733,146,309.59	6,856,131,866.08	

Other remarks:

Applicable  Not Applicable

**80. Notes to items of statement of changes in equity**

Remarks on “Others” with balances at the end of prior year adjusted and the adjusted amount:

Applicable  Not Applicable

**81. Monetary items in foreign currencies**

**(1) Monetary items in foreign currencies**

Applicable  Not Applicable

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period (Yuan)
Cash and bank balances			7,761,310,580.39
Including: USD	1,080,139,919.07	7.0827	7,650,307,004.80
EUR	1,318,938.85	7.8592	10,365,804.21
HKD	454,815.21	0.9062	412,162.64
IDR	200,498,108,426.76	0.0005	92,429,627.98
ZAR	2,679,208.41	0.3819	1,023,189.69
KRW	81,285,748.00	0.0055	448,209.61
CDF	659,947,558.25	0.0027	1,750,840.87
SGD	59,026.20	5.3772	317,395.68
ZWD	3,669,262,853.16	0.0012	4,256,344.91
Accounts receivable			3,793,447,467.02
Including: USD	532,765,840.34	7.0827	3,773,420,617.38
EUR			
HKD			
IDR	43,221,497,510.00	0.0005	19,925,110.35

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period (Yuan)
ZAR	266,402.96	0.3819	101,739.29
Long-term borrowings			4,143,445,634.50
Including: USD	585,009,337.47	7.0827	4,143,445,634.50
EUR			
HKD			
Other receivables			54,342,759.17
Including: USD	5,924,720.77	7.0827	41,963,019.80
EUR	76,662.69	7.8592	602,507.41
HKD	45,200.00	0.9062	40,961.14
IDR	8,991,194,314.00	0.0005	4,144,940.58
ZAR	92,000.00	0.3819	35,134.80
KRW	1,305,034,284.00	0.0055	7,195,959.04
HUF	17,547,684.00	0.0205	360,236.40
Long-term receivables			504,371,588.93
Including: USD	71,211,767.96	7.0827	504,371,588.93
Short-term borrowings			178,679,120.22
Including: USD	25,227,543.20	7.0827	178,679,120.22
Accounts payable			4,140,900,616.51
Including: USD	384,495,173.70	7.0827	2,723,263,966.76
EUR	55,367.22	7.8592	435,142.06
HKD			
IDR	3,068,878,226,636.78	0.0005	1,414,752,862.48
ZAR	4,279,150.28	0.3819	1,634,207.49
KRW	8,195,858.00	0.0055	45,191.96
ZWD	611,758,373.15	0.0012	709,639.71
HUF	2,903,505.00	0.0205	59,606.05
Other payables			1,235,181,601.34
Including: USD	173,621,513.73	7.0827	1,229,709,095.30
EUR			
HKD			
IDR	11,869,186,856.00	0.0005	5,471,695.14
HUF	39,500.00	0.0205	810.90
Non-current liabilities due within one year			2,967,649,149.67
Including: USD	418,346,266.42	7.0827	2,963,021,101.17
EUR			
HKD			
IDR	3,374,359,508.00	0.0005	1,555,579.73
KRW	557,212,327.20	0.0055	3,072,468.77
Lease liabilities			14,043,988.14
Including: IDR	10,618,886,339.00	0.0005	4,895,306.60
KRW	1,659,173,293.03	0.0055	9,148,681.54
Long-term payables			3,518,531,916.42
Including: USD	496,778,335.44	7.0827	3,518,531,916.42
Short-term borrowings			
Including:			

Other remarks:

None.

**(2) Remarks on overseas operations. For significant overseas operating entities, their main operating places, functional currencies and adoption basis shall be disclosed. Reasons for any changes in functional currency shall also be disclosed.**

Applicable  Not Applicable

Foreign operating entities	Main operating place	Functional currencies	Basis for selection of functional currencies
Huayou Hong Kong	Hong Kong SAR	HKD	The local currency
Huayou Singapore	Singapore	USD	The local primary currency
Huayue Company	Republic of Indonesia	USD	The local primary currency
Huafei Indonesia	Republic of Indonesia	USD	The local primary currency

## 82. Leases

### (1) The Company as lessee

Applicable  Not Applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable  Not Applicable

Short-term leases and leases of low-value assets with simplified approach

Applicable  Not Applicable

Please refer to item V 38 of this section for details on the Company's accounting policies on short-term leases and leases for which the underlying asset is of low value. The amounts of short-term leases and low-value asset leases included into profit or loss are as follows:

Items	Current period cumulative	Preceding period comparative
Expense relating to short-term leases	18,895,541.19	16,821,408.86
Expense relating to leases of low-value assets (excluding short-term leases)	17,301,295.23	20,080,787.09
Total	36,196,836.42	36,902,195.95

Sale and leaseback transactions and determination basis

Applicable  Not Applicable

Cash flows related to leases totaled 94,945,154.51. (Monetary unit: Yuan Currency: RMB)

### (2) The Company as lessor

Operating lease

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Lease income	Including: Income relating to variable lease payments not included in the measurement of the lease liabilities
Lease income	8,905,896.93	
Total	8,905,896.93	

The Company as lessor

Applicable  Not Applicable

Reconciliation of undiscounted lease payments to net investment in the lease

Applicable  Not Applicable

Undiscounted lease payments in the in the next five years

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Undiscounted lease payments for each year	
	Closing balance	Opening balance
The first year	25,000.00	
The second year		
The third year		
The fourth year		
The fifth year		
Total undiscounted lease payments after five years	25,000.00	

**(3) Recognition of profit or loss related to finance leases as a manufacturer or distributor**

Applicable  Not Applicable

Other remarks:

None.

### 83. Others

Applicable  Not Applicable

## VIII. R&D costs

**(1) Presented by nature of expenses**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
R&D expenses	1,440,592,932.96	1,708,614,242.61
Total	1,440,592,932.96	1,708,614,242.61
Including: R&D costs to be expensed	1,440,592,932.96	1,708,614,242.61
R&D costs to be capitalized		

Other remarks:

The Company's R&D costs were all costs to be expensed. Please refer to item VII 65 of this section for details.

**(2) Development expenditures of R&D projects eligible for capitalization**

Applicable  Not Applicable

Significant capitalized R&D projects

Applicable  Not Applicable

Provision for impairment of development expenditures

Applicable  Not Applicable

Other remarks

None.

**(3) Significant outsourced R&D projects in progress**

Applicable  Not Applicable

## IX. Changes in the consolidation scope

### 1. Business combination not under common control

Applicable  Not Applicable

#### (1) Business combination not under common control in the current period

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Acquirees	Equity acquisition date	Equity acquisition cost	Proportion of equity acquired (%)	Equity acquisition method	Acquisition date	Determination basis for acquisition date	Acquiree's income from acquisition date to period end	Acquiree's net profit from acquisition date to period end	Acquiree's cash flows from acquisition date to period end
KNI Company	February 2023	USD 49,915,065.99	80	Transfer	February 2023	Please refer to other remarks.		1,548.00	335,114,803.58
Bayvorl Company	November 2023	USD 350,000.00	51	Transfer	November 2023	Please refer to other remarks.		-2,993.48	1,775,156.52

Other remarks:

1) Pursuant to the resolution of the 44<sup>th</sup> meeting of the fifth session of the Board of Directors, the Company's subsidiary Huaqi Singapore subscribed for 80.00% of new equity of KNI Company at the consideration of IDR 764.00 billion (translated into USD at the exchange rate on the contribution date). As of March 9, 2023, the Company has made the equity payment, completed hand-over procedures of relevant property rights, and obtained the substantial control over it. Therefore, KNI Company was brought into the consolidation scope since then.

2) The Company's subsidiary Huashun Hong Kong subscribed for 51.00% of equity of Bayvorl Company at the consideration of USD 0.35 million. As of the end of December 12, 2023, the Company has made the equity payment, completed hand-over procedures of relevant property rights, and obtained the substantial control over it. Therefore, Bayvorl Company was brought into the consolidation scope since then.

#### (2) Combination costs and goodwill

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Combination costs	KNI Company	Bayvorl Company

Combination costs	KNI Company	Bayvorl Company
--Cash	344,169,371.51	2,489,410.00
--Fair value of non-cash assets		
--Fair value of debts issued or assumed		
--Fair value of equity securities issued		
--Fair value of contingent considerations		
--Acquisition-date fair value of equity held before the acquisition date		
--Others		
Total combination costs	344,169,371.51	2,489,410.00
Less: Share of fair value of net identifiable assets acquired	344,169,371.51	2,489,410.00
Goodwill/Balance of fair value of net identified assets acquired after deducting combination costs		

Determination method of fair value of combination costs:

Applicable  Not Applicable

Completion of performance commitments:

Applicable  Not Applicable

Main reasons for goodwill in large amount:

Applicable  Not Applicable

Other remarks:

None.

### (3) Acquisition-date identifiable assets and liabilities of acquirees

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	KNI Company	
	Acquisition-date fair value	Acquisition-date carrying amount
Assets	430,211,714.39	430,211,714.39
Cash and bank balances	344,475,788.53	344,475,788.53
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Construction in progress	85,735,925.86	85,735,925.86
Liabilities:		
Borrowings		
Accounts payable		
Deferred tax liabilities		
Net assets	430,211,714.39	430,211,714.39
Less: Non-controlling interest	86,042,342.88	86,042,342.88
Net assets acquired	344,169,371.51	344,169,371.51

Items	Bayvorl Company	
	Acquisition-date fair value	Acquisition-date carrying amount
Assets	2,489,410.00	2,489,410.00
Cash and bank balances	1,768,926.28	1,768,926.28
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Other assets	720,483.72	720,483.72
Liabilities:		
Borrowings		
Accounts payable		
Deferred tax liabilities		
Net assets	2,489,410.00	2,489,410.00
Less: Non-controlling interest		
Net assets acquired	2,489,410.00	2,489,410.00

Fair value determination method on identifiable assets and liabilities:

The acquisition-date fair value of acquirees' identifiable assets and liabilities is determined based on the acquisition consideration and the status of acquirees' assets and liabilities.

Contingent liabilities of acquirees assumed in business combination:

None.

Other remarks:

None.

**(4) Gains or losses on fair value remeasurement of equity held before the acquisition date**

Transactions with business combinations achieved in stages and control obtained during the reporting period

Applicable  Not Applicable

**(5) Combination costs or fair value of acquiree's identifiable assets/liabilities failed to be reasonably determined at the acquisition date or at the end of current period**

Applicable  Not Applicable

**(6) Other remarks**

Applicable  Not Applicable

**2. Business combination under common control**

Applicable  Not Applicable

**3. Reverse acquisition**

Applicable  Not Applicable

#### 4. Disposal of subsidiaries

Transactions or events leading to loss of control over a subsidiary in the current period

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Subsidiaries	Loss of control date	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal method	Determination basis for loss of control date	Difference between disposal consideration and net assets attributable to the Company at the consolidated financial statements level	Proportion of remaining equity at the loss of control date (%)	Carrying amount of remaining equity at the loss of control date	Fair value of remaining equity at the loss of control date	Gains/Losses on fair value remeasurement of remaining equity	Determination method and major assumption on fair value of remaining equity at the loss of control date	Changes in comprehensive income/related to subsidiary equity investment
Guangxi Regeneration	April 2023	0.00	100.00	Transfer	Please refer to other remarks.	3,191,849.90						

Other remarks:

Applicable  Not Applicable

The Company holds 100.00% of equity of Guangxi Regeneration. Pursuant to the equity transfer agreement entered into between the two parties, the Company transferred 100.00% of equity of Guangxi Regeneration to Zhejiang Youshan New Material Technology Co., Ltd. (“Youshan New Material”) at the consideration of 0.00 yuan. As of May 1, 2023, the Company has completed hand-over procedures of relevant property rights. As the Company has lost substantial control over Guangxi Regeneration, Guangxi Regeneration was excluded from the consolidation scope since then.

Disposal of subsidiaries in stages leading to loss of control in the current period

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

#### 5. Changes in the consolidation scope due to other reasons

Remarks on changes in the consolidation scope due to other reasons (e.g., establishment/liquidation of subsidiaries, etc.) and relevant conditions:

Applicable  Not Applicable

Entities brought into the consolidation scope

Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Holding proportion (%)
Huaxiang Indonesia	Establishment	March 2023	USD 980,000.00	98.00
Bamo Hungary	Establishment	April 2023	173,938,861.60 and EUR 8,000	100.00
Sulawesi Indonesia	Establishment	April 2023	USD 980,000.00	98.00
Huali Indonesia	Establishment	March 2023	USD 1,000,000.00	100.00
Huayou Jintian	Establishment	June 2023	Not yet paid	100.00
Quzhou Resource Recycling	Establishment	September 2023	17,200,000.00	100.00
Dahuaxing Industry Park	Establishment	June 2023	Not yet paid	70.00

Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Holding proportion (%)
Giga Industry Park	Establishment	June 2023	Not yet paid	70.00
Huali Industry Park	Establishment	June 2023	Not yet paid	70.00
Huayou Lithium Recycling	Establishment	December 2023	500,000.00	100.00
Huayou Green Energy	Establishment	December 2023	500,000.00	100.00
Kolaka Green Energy	Establishment	August 2023	Not yet paid	69.30
Astir Company	Establishment	February 2023	USD 9,000.00	90.00
Guangzhou Huayi	Establishment	November 2023	Not yet paid	70.00
Huayou International Investment	Establishment	March 2023	Not yet paid	65.00
Huaren Singapore	Establishment	July 2023	Not yet paid	100.00
Huadi Singapore	Establishment	July 2023	Not yet paid	100.00
Huali International Investment	Establishment	July 2023	Not yet paid	100.00
Huashi International Investment	Establishment	July 2023	Not yet paid	100.00
Huacheng International Investment	Establishment	July 2023	Not yet paid	100.00
Huaji Singapore	Establishment	July 2023	Not yet paid	100.00
Huayi International Investment	Establishment	July 2023	Not yet paid	100.00
Huasong International Investment	Establishment	July 2023	Not yet paid	100.00
Huazhang Singapore	Establishment	November 2023	Not yet paid	100.00
Huatu Singapore	Establishment	December 2023	Not yet paid	100.00
Huabo Singapore	Establishment	December 2023	Not yet paid	100.00
Huate Singapore	Establishment	November 2023	Not yet paid	100.00
Huayuan International Investment	Establishment	July 2023	Not yet paid	100.00
Huasen International Investment	Establishment	December 2023	Not yet paid	100.00
Huating Investment	Establishment	December 2023	Not yet paid	100.00
Huamei International Investment	Establishment	November 2023	Not yet paid	100.00

## 6. Others

Applicable  Not Applicable

## X. Interest in other entities

### 1. Interest in subsidiaries

#### (1) Composition of the group

Applicable  Not Applicable

Subsidiaries	Main operating place	Registered capital	Place of registration	Business nature	Holding proportion (%)		Acquisition method
					Direct	Indirect	
Huayou Quzhou	Quzhou City, Zhejiang Province	240,124.36	Quzhou City, Zhejiang Province	Manufacturing	83.96		Establishment
Huayou Hong Kong	Hong Kong SAR	HKD 55,099.20	Hong Kong SAR	Trade and wholesale	100		Establishment
New Energy Quzhou	Quzhou City, Zhejiang Province	226,578.66	Quzhou City, Zhejiang Province	Manufacturing	83.86		Establishment
Huayou Singapore	Singapore	USD 1,500.00	Singapore	Trade and wholesale	70		Establishment
Huayue Company	Republic of Indonesia	USD 26,000.00	Republic of Indonesia	Manufacturing	57		Establishment
Chengdu B&M	Jintang County, Sichuan Province	103,000.00	Jintang County, Sichuan Province	Manufacturing	36.86		Business combination not under common control
Huafei Indonesia	Republic of Indonesia	USD 54,000.00	Republic of Indonesia	Manufacturing	51		Establishment

Remarks on inconsistency between holding proportion and voting right proportion in subsidiaries:

None.

Basis for the control of an investee while holding its half or less than half voting rights, and the non-control of an investee while holding its more than half voting rights:

None.

Basis for control of significant structured entities brought into the consolidation scope:

None.

Basis for determining an entity being acting as an agent or a principal:

None.

Other remarks:

As the Company directly holds 36.86% of the equity of Tianjin B&M, while Huayou Holding has entrusted the voting rights and other rights attached to 25.20% of the equity of Tianjin B&M to the Company for exercise, Tianjin B&M was brought into the consolidation scope. Chengdu B&M is a wholly-owned subsidiary of Tianjin B&M.

## (2) Significant not wholly-owned subsidiaries

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Subsidiaries	Holding proportion of non-controlling shareholders (%)	Non-controlling shareholders' profit or loss	Dividend declared to non-controlling shareholders	Closing balance of non-controlling interest
New Energy Quzhou	16.14	19,475,976.57		569,888,473.34
Huayue Company	43	398,448,338.10		2,177,621,626.30
Chengdu B&M	63.14	334,042,796.24		1,537,220,566.38
Huayou Quzhou	16.04	-682,343.05		1,067,965,290.67
Huayou Singapore	30	14,391,439.29		59,867,311.07
Huafei Indonesia	49	109,484,063.10		1,970,069,865.72

Remarks on inconsistency between holding proportion and voting right proportion of non-controlling shareholders in subsidiaries:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

### (3) Main financial information of significant not wholly-owned subsidiaries

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
New Energy Quzhou	4,637,229,599.09	5,117,275,348.95	9,754,504,948.04	4,731,318,261.05	1,493,134,660.58	6,224,452,921.63	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	3,173,164,569.54	8,916,321,965.98	12,089,486,535.52	1,520,146,066.21	5,465,077,203.56	6,985,223,269.77	3,322,594,989.14	8,564,026,670.81	11,886,621,659.95	946,037,194.51	6,840,744,304.34	7,786,781,498.85
Chengdu B&M	8,672,241,262.39	3,129,887,733.72	11,802,128,996.11	8,921,626,479.11	445,806,730.43	9,367,433,209.54	16,040,997,912.89	3,138,767,625.77	19,179,765,538.66	15,257,772,493.40	816,364,203.49	16,074,136,696.89
Huayou Quzhou	14,210,418,987.51	7,412,472,428.35	21,622,891,415.86	12,335,451,891.51	2,630,455,868.63	14,965,907,760.14	12,931,196,761.51	5,447,387,804.07	18,378,584,565.58	10,948,766,648.72	2,524,939,660.35	13,473,706,309.07
Huayou Singapore	2,360,026,360.44		2,360,026,360.44	2,160,468,656.89		2,160,468,656.89	1,938,034,805.20		1,938,034,805.20	1,789,622,635.80		1,789,622,635.80
Huafei Indonesia	2,574,875,129.11	14,123,462,712.36	16,698,337,841.47	3,085,046,197.54	9,592,740,897.56	12,677,787,095.10	725,291,636.20	9,419,212,715.31	10,144,504,351.51	8,570,562,935.93	1,585,510,922.38	10,156,073,277.89

Subsidiaries	Current period cumulative				Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
New Energy Quzhou	7,526,054,594.83	120,639,763.36	120,639,763.36	-2,839,408,667.82	8,114,026,137.10	327,016,330.89	327,016,330.89	4,218,295,734.55
Huayue Company	6,788,427,872.44	926,624,042.09	1,004,423,104.65	2,194,545,995.27	6,567,525,179.00	2,262,395,436.31	2,509,053,707.38	826,360,024.88
Chengdu B&M	18,531,721,073.28	529,066,944.80	529,066,944.80	1,672,039,688.93	20,965,230,187.86	1,316,841,100.09	1,316,841,100.09	1,797,213,284.33
Huayou Quzhou	22,132,537,831.49	252,105,399.21	252,105,399.21	-217,435,308.73	21,556,444,318.39	120,101,202.60	120,101,202.60	-1,559,412,439.44
Huayou Singapore	12,062,522,635.38	47,971,464.29	51,145,534.15	480,285,115.26	9,094,446,027.04	27,969,428.05	39,311,968.37	1,852,653,682.70
Huafei Indonesia	2,303,454,972.76	223,436,863.47	243,061,395.32	481,833,360.45		-347,456.81	-602,024.19	5,955,725,815.55

Other remarks:

None.

### (4) Significant restriction on use of the group assets and liquidation of the group liabilities

Applicable  Not Applicable

**(5) Financial or other support provided for structured entities brought into the consolidation scope**
 Applicable  Not Applicable

Other remarks:

 Applicable  Not Applicable

**2. Transactions resulting in changes in subsidiaries' equity but without losing control**
 Applicable  Not Applicable

**(1) Remarks on changes in subsidiaries' equity**
 Applicable  Not Applicable

Subsidiaries	Date of change	Holding proportion before change (%)	Holding proportion after change (%)
Huayou Quzhou	October 2023	100.00	83.96
Jiangsu Huayou	December 2023	35.00	40.00
KNI Company	December 2023	80.00	73.20

**(2) Effect of transactions on non-controlling interest and equity attributable to parent company**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Huayou Quzhou	Jiangsu Huayou	KNI Company
Acquisition costs/Disposal considerations			
-- Cash	1,500,000,000.00	6,250,000.00	40,809,360.00
-- Fair value of non-cash assets			
Total acquisition costs/disposal considerations	1,500,000,000.00	6,250,000.00	40,809,360.00
Less: Share in subsidiaries' net assets based on acquired/disposed net assets proportion	1,068,647,633.72	5,082,037.14	40,340,621.98
Balance	431,352,366.28	1,167,962.86	468,738.02
Including: Capital reserve adjusted	431,352,366.28	-1,167,962.86	468,738.02
Surplus reserve adjusted			
Undistributed profit adjusted			

Other remarks

 Applicable  Not Applicable

**3. Interest in joint ventures or associates**
 Applicable  Not Applicable

**(1) Significant joint ventures or associates**
 Applicable  Not Applicable

Joint ventures or	Main operating place	Place of registration	Business nature	Holding proportion (%)	Accounting treatment on
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associates				Direct	Indirect	investments in joint ventures or associates
Leyou Company	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Non-metallic mineral products industry	49.00		Equity method
Newstride Technology	Hong Kong SAR	Hong Kong SAR	Industrial investments	30.00		Equity method

Remarks on inconsistency between holding proportion and voting right proportion in joint ventures or associates:

None.

Basis for significant influence over an entity on which the Company held less than 20% voting rights or insignificant influence over an entity on which the Company held more than 20% voting rights:

None.

### (2) Main financial information of significant joint ventures

Applicable  Not Applicable

### (3) Main financial information of significant associates

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance/ Current period cumulative		Opening balance/ Preceding period comparative	
	Leyou Company	Newstride Technology	Leyou Company	Newstride Technology
Current assets	3,336,862,998.26	5,719,469,010.88	5,207,158,971.73	6,237,448,115.60
Non-current assets	1,756,454,218.95	5,869,547,461.97	1,897,336,959.04	5,292,504,382.43
Total assets	5,093,317,217.21	11,589,016,472.85	7,104,495,930.77	11,529,952,498.03
Current liabilities	950,039,159.11	2,085,305,279.76	3,310,899,861.29	2,237,259,136.82
Non-current liabilities	136,226,679.59	57,579,449.78	135,061,499.66	46,563,344.90
Total liabilities	1,086,265,838.70	2,142,884,729.54	3,445,961,360.95	2,283,822,481.72
Non-controlling interest		3,319,313,390.56		3,410,190,235.54
Equity attributable to owners of parent company	4,007,051,378.51	6,126,818,352.75	3,658,534,569.82	5,835,939,780.77
Proportionate share in net assets				
Adjustments				
-- Goodwill				
-- Unrealized profit in internal transactions				
-- Others				
Carrying amount of investments in associates				
Fair value of equity investments in associates in association with quoted price				

Items	Closing balance/ Current period cumulative		Opening balance/ Preceding period comparative	
	Leyou Company	Newstride Technology	Leyou Company	Newstride Technology
Operating revenue				
Net profit	843,182,016.80	5,297,875,106.01	1,674,464,327.61	4,558,685,779.69
Net profit of discontinued operations				
Other comprehensive income				
Total comprehensive income	843,182,016.80	5,469,351,355.24	1,674,464,327.61	4,912,643,539.29
Dividend from associates received in the current period				

Other remarks

None.

**(4) Aggregated financial information of insignificant joint ventures and associates**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

	Closing balance/Current period cumulative	Opening balance/Preceding period comparative
Joint ventures:		
Total carrying amount of investments	6,130,740.58	5,754,684.53
Proportionate shares in the following items		
-- Net profit	166,175.75	-528,384.54
-- Other comprehensive income	209,880.30	-22,676.04
-- Total comprehensive income	376,056.05	-551,060.58
Associates:		
Total carrying amount of investments	6,038,249,538.12	4,485,620,906.80
Proportionate shares in the following items		
-- Net profit	-158,310,628.94	145,522,601.93
-- Other comprehensive income	9,692,177.05	41,552,257.44
-- Total comprehensive income	-148,618,451.89	187,074,859.37

Other remarks

None.

**(5) Significant restrictions on remittance of fund from joint ventures or associates to the Company**

Applicable  Not Applicable

**(6) Excess losses incurred by joint ventures or associates**

Applicable  Not Applicable

**(7) Unrecognized commitments related to investments in joint ventures**

Applicable  Not Applicable

**(8) Contingent liabilities related to investments in joint ventures or associates**
 Applicable  Not Applicable

**4. Significant joint operations**
 Applicable  Not Applicable

**5. Interest in unconsolidated structured entities**

Remarks on unconsolidated structured entities:

 Applicable  Not Applicable

**6. Others**
 Applicable  Not Applicable

**XI. Government grants**
**1. Government grants recognized based on amounts receivable during the reporting period**
 Applicable  Not Applicable

Closing balance of receivables is 0.00. (Monetary unit: Yuan Currency: RMB)

Reasons for not receiving government grants receivable at the expected time point

 Applicable  Not Applicable

**2. Liabilities related to government grants**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase	Amount included into non-operating revenue	Amount included into other income	Other changes	Closing balance	Related to assets/ Related to income
Deferred income	587,259,890.46	124,072,420.43		46,600,403.87		664,731,907.02	Related to assets
Deferred income	5,467,770.47	622,879.57		4,272,025.10		1,818,624.94	Related to income
Total	592,727,660.93	124,695,300.00		50,872,428.97		666,550,531.96	/

**3. Government grants included into profit or loss**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Related to income	200,903,660.04	156,001,968.86
Related to assets	46,600,403.87	34,101,485.52
Others	635,426.00	4,974,090.00
Total	248,139,489.91	195,077,544.38

Other remarks:

None.

## **XII. Risks related to financial instruments**

### **1. Risks of financial instruments**

√ Applicable □ Not Applicable

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on such risk management objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits on a timely and reliable basis.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. The Management has deliberated and approved policies concerning such risks, and details are:

#### **(I) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

##### **1. Credit risk management practice**

###### **(1) Evaluation method of credit risk**

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;

2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;

###### **(2) Definition of default and credit-impaired assets**

A financial instrument is defined as defaulted when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

1) significant financial difficulty of the debtor;

2) a breach of binding clause of contract;

3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;

4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

## 2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss given default, and exposure to default risk. The Company develops a model of the probability of default, loss given default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g., counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. Please refer to item VII 5, 7 and 9 of this section for details on the reconciliation table of opening balance and closing balance of loss allowances of financial instrument.

## 4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures:

### (1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

### (2) Receivables

The Company performs credit assessment on customers using credit settlement on a continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on balance of receivables, to avoid significant risks in bad debts.

As the Company only conducts business with credible and well-reputed third parties, collateral is not required from customers. The Company manages credit risk aggregated by customers. As of December 31, 2023, the Company has certain concentration of credit risk, and 36.40% (December 31, 2022: 54.03%) of the total accounts receivable was due from the five largest customers of the Company. The Company held no collateral or other credit enhancement on balance of receivables.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

## (II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilizes financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing

structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

#### Financial liabilities classified based on remaining time period till maturity

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	39,908,074,930.13	44,412,200,854.09	22,261,645,234.35	8,011,462,048.07	14,139,093,571.67
Notes payable	8,019,127,039.81	8,019,127,039.81	8,019,127,039.81		
Accounts payable	12,002,517,679.00	12,002,517,679.00	12,002,517,679.00		
Other payables	2,698,990,402.87	2,723,596,956.84	2,723,596,956.84		
Other non-current liabilities	1,413,233,847.44	1,456,545,724.94	1,456,545,724.94		
Bonds payable	6,631,718,848.37	7,041,282,040.87		237,075,540.00	6,804,206,500.87
Lease liabilities	99,373,476.58	103,831,394.33	45,594,854.72	50,500,984.58	7,735,555.03
Long-term payables	7,696,501,095.51	8,619,947,075.33	2,462,350,818.34	2,406,330,887.36	3,751,265,369.63
Subtotal	78,469,537,319.71	84,379,048,765.21	48,971,378,308.00	10,705,369,460.01	24,702,300,997.20

(Continued)

Items	December 31, 2022				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	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		
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	107,151,228.37	114,190,138.57	53,895,473.11	52,382,919.92	7,911,745.54
Long-term payables	6,877,398,308.76	7,508,770,841.58	1,991,820,843.19	2,541,468,653.90	2,975,481,344.49
Subtotal	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 risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

#### 1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest rates. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating-rate financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring. The Company's interest risk in cash flows relates mainly to bank borrowings with floating interest rate.

As of December 31, 2023, balance of borrowings with interest accrued at floating interest rate totaled 18,057,707,437.49 yuan (December 31, 2022: 11,942,119,524.41 yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, financial effect on the Company would be a/an decrease/increase of 90.29 million yuan (December 31, 2022: a/an decrease/increase of 59.71 million yuan) in equity, a/an decrease/increase of 90.29 million yuan (2022: a/an decrease/increase of 59.71 million yuan) in net profit.

## 2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

Please refer to item VII 81 of this section for details on foreign currency financial assets and liabilities at the balance sheet date.

## 2. Hedging

### (1) Risk management of hedging business

Applicable  Not Applicable

Items	Corresponding risk management strategies and objectives	Qualitative and quantitative information on hedged risk	Economic relationships between hedged items and related hedging instruments	Achievement of expected risk management objectives on effectiveness	Effect of corresponding hedging activities on risk exposure
Fair value hedging – futures contracts	To avoid the risks to the Company's production and operations caused by price changes of commodity metals such as nickel, lithium and cobalt, so as to achieve stable operations	Please refer to item VII 3, 10, 68 and 70 of this section for quantitative information on hedged risks, i.e., price fluctuation risks of nickel, lithium and cobalt.	The hedged item and the hedging instrument generally fluctuate in opposite directions, which indicates that the hedging is effective, otherwise the hedging is ineffective.	Gains or losses on hedging instruments can offset the value changes of the hedged items, and the expected risk management objectives are effectively achieved.	Effectively reduce the risk exposure

Other remarks

Applicable  Not Applicable

### (2) Conducting eligible hedging businesses and applying hedge accounting

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Carrying amount related to hedged items and hedging instruments	Cumulative fair value hedge adjustments of hedged items included in the carrying amount of recognized hedged items	Hedge effectiveness and sources of ineffective portion	Relevant effects of hedge accounting on the Company's financial statements
Types of hedging risk				
Price fluctuation risks of nickel, lithium and cobalt		-2,393,406,911.46	Whether the hedging instrument and hedged item fluctuate in the opposite directions	Gains on hedging instruments in the current period were 2,620,163,093.13 yuan, losses on the hedged items arising from hedging risks were 2,393,406,911.46 yuan, and gains on ineffective hedges were 226,756,181.67 yuan (including gains from close position of 80,322,954.40 yuan and gains from open position of 146,433,227.27 yuan).
Categories of hedges				
Fair value hedging		-2,393,406,911.46	Whether the hedging instrument and hedged item fluctuate in the opposite directions	Gains on hedging instruments in the current period were 2,620,163,093.13 yuan, losses on the hedged items arising from hedging risks were 2,393,406,911.46 yuan, and gains on ineffective hedges were 226,756,181.67 yuan (including gains from close position of 80,322,954.40 yuan and gains from open position of 146,433,227.27 yuan).

Please refer to item VII 3 and 10 of this section for details on carrying amount related to hedged items and hedging instruments.

Other remarks

Applicable  Not Applicable

**(3) Conducting hedges for risk management with expectation to achieve risk management objectives but not applying hedge accounting**

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

**3. Financial assets transfer**

**(1) Ways of financial assets transfer**

Applicable  Not Applicable

**(2) Financial assets derecognized due to transfer**

Applicable  Not Applicable

**(3) Continuing involvement in the transferred financial assets**

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

**XIII. Fair value disclosure**

**1. Details of fair value of assets and liabilities at fair value at the balance sheet date**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Fair value as at the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(I) Held-for-trading financial assets	32,734,250.15		347,060,442.90	379,794,693.05
1. Financial assets classified as at fair value through profit or loss	32,734,250.15		347,060,442.90	379,794,693.05
(1) Debt instrument investments				
(2) Equity instrument investments			6,573,600.00	6,573,600.00

Items	Fair value as at the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
(3) Derivative financial assets	32,734,250.15		33,393,600.00	66,127,850.15
(4) Short-term bank financial products			307,093,242.90	307,093,242.90
2. Financial assets designated as at fair value through profit or loss				
(1) Debt instrument investments				
(2) Equity instrument investments				
(II) Other debt investments				
(III) Other equity instrument investments				
(IV) Investment property				
1. Land use right held for lease				
2. Buildings for lease				
3. Land use right held for transfer after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Derivative financial assets	1,395,343,385.26			1,395,343,385.26
(VII) Receivables financing			2,425,306,902.49	2,425,306,902.49
(VIII) Other equity instrument investments			42,647,182.81	42,647,182.81
(IX) Inventories – Changes in fair value of hedged items	-996,501,675.32			-996,501,675.32
<b>Total assets at recurring fair value measurement</b>	<b>431,575,960.09</b>		<b>2,815,014,528.20</b>	<b>3,246,590,488.29</b>
(VI) Held-for-trading liabilities				
1. Financial liabilities classified as at fair value through profit or loss				
Including: Held-for-trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial assets designated as at fair value through profit or loss				
<b>Total liabilities at recurring fair value measurement</b>				
<b>II. Non-recurring fair value measurement</b>				
(I) Assets held for sale				
<b>Total assets at non-recurring fair value measurement</b>				
<b>Total liabilities at non-recurring fair value</b>				

Items	Fair value as at the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
<b>measurement</b>				

## 2. Basis for determining level 1 fair value at recurring and non-recurring fair value measurement

Applicable  Not Applicable

Items	Closing fair value	Valuation technique
Held-for-trading financial assets – Derivative financial assets	32,734,250.15	The fair value of futures contracts is determined based on the closing settlement price determined in futures transactions.
Derivative financial assets	1,395,343,385.26	
Inventories – Changes in fair value of hedged items	-996,501,675.32	The fair value of hedged items is determined based on closing quoted price in spot market.

## 3. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair value measurement

Applicable  Not Applicable

## 4. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair value measurement

Applicable  Not Applicable

Items	Closing fair value	Valuation technique
Held-for-trading financial assets – Derivative financial assets	33,393,600.00	The fair value of forward foreign exchange settlement = the amount of foreign currencies sold * (forward exchange rate agreed in contracts - closing forward exchange rate of forward foreign exchange settlement with similar delivery date)/(1+discount rate * number of days from balance sheet date to delivery date/360)
Other non-current financial assets – Equity instrument investments	6,573,600.00	The carrying amount is used as the fair value as there is little difference between them.
Held-for-trading financial assets – Short-term bank financial products	307,093,242.90	The principal plus expected income as of the balance sheet date.
Receivables financing	2,425,306,902.49	The carrying amount is used as the fair value as there is little difference between them.
Other equity instrument investments	42,647,182.81	For Inner Mongolia Sinuo, Hanaq Company and Shenzhen Phoenicia, the carrying amount is used as the fair value as there is little difference between them.

## 5. Items for level 3 recurring fair value measurement, a reconciliation from the opening balances to the closing balances, and sensitive analysis on unobservable inputs

Applicable  Not Applicable

## 6. Items at recurring fair value measurement with inter-level transfer, and reasons and policies for determining inter-level transfer time

Applicable  Not Applicable

### 7. Changes in valuation techniques in the current period and reasons for changes

Applicable  Not Applicable

### 8. Fair value of financial assets and liabilities not at fair value

Applicable  Not Applicable

### 9. Others

Applicable  Not Applicable

## XIV. Related party relationships and transactions

### 1. Parent company of the Company

Applicable  Not Applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Parent company	Place of registration	Business nature	Registered capital	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
Huayou Holding	Tongxiang City, Zhejiang Province	Business services	7,009.20	15.22	15.22

Remarks on parent company of the Company

None.

The Company's ultimate controlling party is Chen Xuehua, who holds 21.66% of the Company's equity by direct holding and indirect holding through Huayou Holding.

Other remarks:

None.

### 2. Subsidiaries of the Company

Please refer to item X of this section for details on the Company's subsidiaries.

Applicable  Not Applicable

### 3. Joint ventures and associates of the Company

Please refer to item X of this section for details on the Company's significant joint ventures and associates.

Applicable  Not Applicable

Details of other joint ventures or associates carrying out related party transactions with the Company in the current period or in preceding period but with balance in the current period are as follows:

Applicable  Not Applicable

Joint ventures or associates	Relationships with the Company
IWIP Company	Associate

Joint ventures or associates	Relationships with the Company
LG-HY BCM	Associate
Puhua Company	Associate
Leyou Company	Associate
Zhejiang Times Li-ion Material Co., Ltd. (the "Times Li-ion Company")	The associates Quzhou Xinhua and Quzhou Anyou hold 35.30% and 17.88% of its equity respectively, being its first and second largest shareholders.
PHC Company	Associate
Hunan Yacheng	Associate
Ningbo Ruihua	Associate
Newstride Technology	Associate
PT. Wedabay Nickel Indonesia (the "WBN Company")	Subsidiary of the associate Newstride Technology
Veinstone	Associate
PT. Weda Bay Energi (the "WBE Company")	Subsidiary of the associate Veinstone
Indonesia Huatuo	Associate
Zhejiang Huayou Lithium Battery Materials Co., Ltd. (the "Huayou Lithium Battery")	Subsidiary of the associate Tongxiang Lithium Times
Quzhou Power Investment Huayou Intelligent Energy Co., Ltd. (the "Quzhou Power Investment")	Subsidiary of the associate Zhejiang Power Investment
Guangxi Times Huineng Lithium Battery Material Technology Co., Ltd. (the "Guangxi Times Huineng")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Yulin Times Juneng Thermal Energy Co., Ltd. (the "Yulin Times Juneng")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Yulin Times Green Water Environmental Protection Technology Co., Ltd. (the "Yulin Times Green Water")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Yulin Times Sky Blue Gas Co., Ltd. (the "Yulin Times Sky Blue")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Alam Hijau	Joint venture

Other remarks

Applicable  Not Applicable

#### 4. Other related parties of the Company

Applicable  Not Applicable

Other related parties	Relationships with the Company
Qiu Jinhua	Close family member of the ultimate controller Chen Xuehua
Guangxi Huayou Construction Operation Management Co., Ltd. (the "Guangxi Huayou Construction")	Under the control of Huayou Holding
Yunnan Youtian New Energy Technology Co., Ltd. (the "Yunnan Youtian")	Under the control of Huayou Holding
Inner Mongolia Shengfan Technology New Energy Co., Ltd. (the "Inner Mongolia Shengfan")	Under the control of Huayou Holding
Guangxi Huachuang New Material Copper Foil Co., Ltd. (the "Guangxi Huachuang")	Under the control of Huayou Holding
Guangxi Times New Energy Lithium Battery Material Technology Co., Ltd. (the "Guangxi Times New Energy")	Under the control of Huayou Holding
Guangxi Times Chuangneng New Material Technology Co., Ltd. (the "Guangxi Times Chuangneng")	Under the control of Huayou Holding

Other related parties	Relationships with the Company
Guangxi Regeneration	Former wholly-owned subsidiary, which was brought into the consolidation scope of Huayou Holding since May 2023
Youshan New Material	Under the control of Huayou Holding
Ruby Mining Hong Kong Limited (the “Ruby Mining”)	Under the control of Huayou Holding
Hubei Youxing	Under the control of Huayou Holding
PT. Youshan Nickel Indonesia (the “Youshan Nickel”)	Associate of Huayou Holding
Zhejiang Beilinde Enterprise Management Co., Ltd. (the “Beilinde Company”)	Associate of Huayou Holding
Zhejiang Xinhua Polymeric Materials Co., Ltd. (the “Xinhua Polymeric Materials”)	Associate of Huayou Holding

Other remarks

None.

## 5. Related party transactions

### (1) Purchase and sale of goods, rendering and receiving of services

Purchase of goods and receiving of services

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Related parties	Content of transactions	Current period cumulative	Approved transaction limit (if applicable)	Whether the transaction limit is exceeded (if applicable)	Preceding period comparative
IWIP Company	Service fees	164,236,627.55			264,222,380.59
IWIP Company	Goods	31,909,026.74			
Puhua Company	Goods	7,485,182.88			2,699,824.09
Puhua Company	Service fees				509,328.08
Leyou Company	Goods	94,034,739.63			13,804,456.64
WBE Company	Energy fees	125,096,847.68			4,963,660.97
Guangxi Times Huineng	Goods	171,572,185.08			19,420,600.02
Guangxi Times Huineng	Processing fees	15,863,673.46			
Guangxi Times Huineng	Service fees	3,070,823.41			
Inner Mongolia Shengfan	Goods	3,162,700.88			240,265.49
Times Li-ion Company	Goods	282,845,497.44			46,190,102.16
Times Li-ion Company	Processing fees	266,439.98			
Times Li-ion Company	Royalties	1,117,398.23			3,333,827.51
Times Li-ion Company	Service fees	261,273.35			
Times Li-ion	Energy fees	3,485,608.20			

Related parties	Content of transactions	Current period cumulative	Approved transaction limit (if applicable)	Whether the transaction limit is exceeded (if applicable)	Preceding period comparative
Company					
WBN Company	Goods	1,614,958,656.14			327,929,444.59
Guangxi Times New Energy	Goods	115,085.10			
Hunan Yacheng	Goods	99,955.75			
Quzhou Power Investment	Energy fees	1,230,200.69			
Youshan Nickel	Goods	162,908,632.77			
Yulin Times Juneng	Energy fees	33,138,035.40			
Yulin Times Green Water	Service fees	4,840,001.09			
Yulin Times Sky Blue	Energy fees	101,229,337.25			
Total		2,822,927,928.70			683,313,890.14

In addition, the Company sells raw materials to Guangxi Times Huineng, Times Li-ion Company and Ningbo Ruihua for further processing and repurchases the finished products or raw materials. In the current period, the Company sold raw materials of 287,280,972.54 yuan to Guangxi Times Huineng, 1,900,164,196.90 yuan to Times Li-ion Company, and 1,236,307,161.00 yuan to Ningbo Ruihua, and repurchased finished products or raw materials of 225,540,737.14 yuan, 1,794,744,331.55 yuan and 1,253,771,117.56 yuan, respectively. In same period of the previous year, the Company sold raw materials of 146,774,197.83 yuan to Guangxi Times Huineng and 1,260,379,457.23 yuan to Times Li-ion Company and repurchased finished products of 115,158,973.21 yuan and 977,321,574.11 yuan respectively. As of the balance sheet date, part of finished products has not been repurchased. The Company discloses them on a net basis.

Sale of goods and rendering of services

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Puhua Company	Goods	405,981,654.04	641,700,077.63
Puhua Company	Service fees, royalties	12,241,546.12	13,529,397.93
Leyou Company	Goods	371,923,924.50	961,467,841.00
Leyou Company	Service fees	338,873.44	526,786.62
Beilinde Company	Service fees	871.50	947.50
Times Li-ion Company	Goods	23,669,765.36	126,225,455.67
Times Li-ion Company	Service fees	131,217,035.44	45,041,997.09
Times Li-ion Company	Processing fees	6,780,175.72	
Huayou Holding	Goods	23,544.31	17,776.84
Huayou Holding	Service fees	862,508.00	247,049.12
PHC Company	Service fees	4,273,549.54	3,335,223.21
Inner Mongolia Shengfan	Goods	191,473,451.33	176,442,424.79
Inner Mongolia Shengfan	Service fees	56.00	597.50

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Inner Mongolia Shengfan	Processing fees	748,852.43	
Guangxi Huayou Construction	Service fees	20,069,340.89	18,147,897.17
WBE Company	Processing fees	38,406,992.15	7,839,757.68
Guangxi Huachuang	Service fees		45,718.78
Guangxi Times Huineng	Goods	60,215,940.43	78,312,200.91
Guangxi Times Huineng	Service fees	101,719,437.67	80,883,852.33
Guangxi Times Huineng	Processing fees	7,377,360.01	
Guangxi Times New Energy	Goods	5,478,499.85	398.23
Guangxi Times New Energy	Service fees	19,187,751.06	28,236,131.65
Guangxi Times New Energy	Processing fees	1,319,192.92	
Yulin Times Juneng	Goods	32,577.76	
Yulin Times Juneng	Service fees	18,168,334.75	13,780,890.18
Yulin Times Green Water	Goods	8,440.71	
Yulin Times Green Water	Service fees	3,563,095.35	6,450,791.57
Yulin Times Sky Blue	Goods	2,097.35	
Yulin Times Sky Blue	Service fees	11,275,872.70	7,248,148.97
LG-HY BCM	Goods	37,972,651.92	
Guangxi Times Chuangneng	Service fees	960,000.00	
Guangxi Regeneration	Goods	2,542,095.77	
Guangxi Regeneration	Service fees	8,199,248.09	
Hubei Youxing	Service fees	196,038.65	
Huayou Lithium Battery	Goods	1,564,965.90	
Huayou Lithium Battery	Service fees	18,038,084.38	
Xinhua Polymeric Materials	Goods	258,960.18	
Youshan New Material	Goods	138,892,496.53	
Youshan New Material	Service fees	15,085,859.76	
Yunnan Youtian	Service fees	69,637.62	
Total		1,660,140,780.13	2,209,481,362.37

Remarks on purchase and sale of goods, rendering and receiving of services

√ Applicable □ Not Applicable

In addition, the Company purchases raw materials from Guangxi Times Huineng for further processing and sales the finished products to Guangxi Times Huineng. In the current period, the Company purchased raw materials of 60,265,312.32 yuan from Guangxi Times Huineng, and sold finished products of 61,974,358.89 yuan. The Company discloses them on a net basis.

In the current period, the Company's energy fees receivable from Puhua Company, Yulin Times Green Water, Times Li-ion Company and Guangxi Times Huineng were 33,689,387.02 yuan, 1,922,850.84 yuan, 456,865.14 yuan and 102,184.49 yuan, respectively.

## (2) Related party trust/contracting and consignment/outsourcing

The Company's trust/contracting:

Applicable  Not Applicable

Remarks on related party trust/contracting

Applicable  Not Applicable

The Company's consignment/outsourcing

Applicable  Not Applicable

Remarks on related party consignment/outsourcing

Applicable  Not Applicable

### (3) Related party leases

The Company as the lessor:

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Lessees	Types of assets leased	Lease income for the current period	Lease income for the preceding period
Huayou Holding	Buildings and structures	387,130.57	45,871.56

The Company as the lessee:

Applicable  Not Applicable

Remarks on related party leases

Applicable  Not Applicable

### (4) Related party guarantees

The Company as the guarantor

Applicable  Not Applicable

The Company as the guaranteed party

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
Chen Xuehua	240,000,000.00	8/11/2023	8/14/2024	No
Chen Xuehua	333,000,000.00	5/16/2023	6/14/2024	No
Chen Xuehua	76,529,926.81	11/1/2023	4/15/2024	No
Chen Xuehua	273,730,254.09	2/28/2023	6/7/2024	No
Chen Xuehua	241,335,950.24	6/30/2023	8/13/2024	No
Chen Xuehua	380,000,000.00	6/28/2023	10/14/2024	No
Chen Xuehua	964,000,000.00	10/19/2023	11/9/2024	No
Chen Xuehua, Qiu Jinhua	400,000,000.00	7/7/2023	6/10/2024	No
Chen Xuehua	945,000,000.00	7/29/2022	6/12/2025	No
Chen Xuehua	523,700,000.00	7/19/2023	8/10/2026	No

Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
Chen Xuehua	190,000,000.00	12/19/2023	9/3/2024	No
Chen Xuehua	190,000,000.00	7/17/2023	3/12/2024	No
Chen Xuehua	134,528,455.13	6/13/2023	3/25/2025	No
Chen Xuehua	134,670,088.88	9/25/2023	6/13/2024	No
Chen Xuehua, Qiu Jinhua	300,000,000.00	10/24/2023	6/28/2024	No
Chen Xuehua, Qiu Jinhua	220,000,000.00	8/18/2023	10/17/2024	No
Chen Xuehua, Qiu Jinhua	100,484,460.17	8/24/2023	7/14/2024	No
Chen Xuehua	96,250,000.00	1/12/2023	4/21/2024	No
Chen Xuehua	120,000,000.00	10/27/2023	10/21/2024	No
Chen Xuehua	280,000,000.00	10/25/2023	6/22/2024	No
Chen Xuehua	160,000,000.00	10/7/2023	9/25/2024	No
Chen Xuehua	34,000,000.00	7/5/2023	1/5/2024	No
Chen Xuehua	297,000,000.00	2/15/2023	4/20/2024	No
Chen Xuehua	245,988,000.00	1/19/2023	6/13/2024	No
Chen Xuehua, Qiu Jinhua	120,000,000.00	11/30/2023	6/14/2024	No
Chen Xuehua	230,650,000.00	3/10/2023	6/29/2024	No
Chen Xuehua	230,000,000.00	6/28/2023	6/28/2024	No
Chen Xuehua	173,169,181.92	10/29/2021	3/21/2029	No
Chen Xuehua	69,284,387.94	11/1/2021	3/21/2029	No
Chen Xuehua	1,004,581,837.20	10/27/2021	3/21/2029	No
Chen Xuehua	346,421,939.70	10/29/2021	3/21/2029	No
Chen Xuehua	346,421,939.70	10/29/2021	3/21/2029	No
Chen Xuehua	692,760,303.54	10/28/2021	3/21/2029	No
Chen Xuehua, Huayou Holding	130,000,000.00	1/18/2023	2/26/2024	No
Huayou Holding	30,000,000.00	2/23/2023	2/20/2024	No
Huayou Holding	130,434,945.12	7/26/2023	5/20/2024	No
Huayou Holding	199,990,000.00	9/26/2023	3/20/2025	No
Huayou Holding	585,240,000.00	4/23/2021	4/22/2026	No
Huayou Holding	452,880,000.00	10/23/2023	6/8/2024	No
Huayou Holding	496,687,058.21	8/28/2023	6/25/2024	No
Huayou Holding	30,000,000.00	6/13/2023	6/12/2024	No
Huayou Holding	107,400,000.00	9/15/2023	3/15/2024	No
Huayou Holding	50,000,000.00	11/28/2023	10/19/2024	No
Huayou Holding	90,000,000.00	12/4/2023	6/4/2024	No
Huayou Holding	115,151,485.90	9/28/2023	4/10/2024	No
Huayou Holding	257,312,290.60	7/13/2023	6/27/2024	No
Huayou Holding	20,000,000.00	7/7/2023	7/7/2024	No
Huayou Holding	20,641,577.07	11/15/2023	5/28/2024	No
Huayou Holding	80,000,000.00	11/30/2023	5/30/2024	No
Huayou Holding	93,643,750.01	9/16/2021	10/15/2024	No
Huayou Holding	112,123,319.00	1/7/2022	1/7/2025	No
Huayou Holding	171,959,409.73	5/12/2022	5/11/2025	No
Huayou Holding	533,526,188.22	8/4/2022	12/20/2026	No
Huayou Holding	10,000.00	12/29/2023	1/8/2024	No
Chen Xuehua	212,000,000.00	7/24/2023	6/21/2030	No
Chen Xuehua	848,000,000.00	7/24/2023	6/21/2030	No
Chen Xuehua	503,500,000.00	7/20/2023	6/21/2030	No
Chen Xuehua	1,484,000,000.00	7/20/2023	6/21/2030	No
Chen Xuehua	742,000,000.00	7/21/2023	6/21/2030	No
Chen Xuehua	662,500,000.00	7/21/2023	6/21/2030	No

Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
Chen Xuehua	354,135,000.00	3/10/2023	3/10/2025	No
Chen Xuehua	708,270,000.00	3/30/2023	3/29/2025	No

Remarks on related party guarantees

Applicable  Not Applicable

The Company provides a guarantee for Tinajin B&M, Chengdu B&M and Zhejiang B&M, and Huayou Holding provides a counter guarantee for the Company.

#### (5) Call loans between related parties

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Related parties	Amount	Commencement date	Maturity date	Remarks
Call loans from related parties				
Huayou Holding	32,725,000.00	5/19/2022	5/15/2023	
Huayou Holding	28,050,000.00	11/22/2022	5/15/2023	
Huayou Holding	400,000,000.00	3/23/2023	3/24/2023	
Ruby Mining	11,220,280.88	5/22/2023	12/27/2023	
Newstride Technology	10,497,012.24	12/31/2020	12/30/2024	
Newstride Technology	5,248,506.12	4/13/2021	4/12/2024	
Newstride Technology	178,516,611.59	6/27/2022	6/27/2024	
Newstride Technology	36,334,242.50	6/1/2022	6/1/2024	
Newstride Technology	60,557,070.83	7/11/2022	7/11/2024	
Newstride Technology	48,445,656.67	8/1/2022	8/1/2024	
Newstride Technology	9,689,131.33	8/8/2022	8/8/2024	
Newstride Technology	60,557,070.83	9/1/2022	8/31/2024	
Newstride Technology	36,334,242.50	10/11/2022	10/11/2024	
Newstride Technology	48,445,656.67	10/31/2022	10/31/2024	
Newstride Technology	34,214,675.26	12/13/2022	12/13/2024	
Newstride Technology	104,158,161.83	1/5/2023	1/4/2025	

Current increase includes effect from changes in exchange rate in foreign currency translation.

In the current period, the Company's fund occupation fees payable to Huayou Holding and Ruby Mining were 1,032,381.87 yuan and 392,476.08 yuan, respectively. As of the balance sheet date, the Company has paid related interests to related parties.

Related parties	Amount	Commencement date	Maturity date	Remarks
Call loans to related parties				
IWIP Company	40,371,390.00	6/10/2019	6/27/2023	
IWIP Company	12,748,860.00	7/5/2019	6/27/2023	
IWIP Company	12,678,033.00	8/14/2019	6/27/2023	
IWIP Company	12,678,033.00	11/25/2019	6/27/2023	
IWIP Company	25,356,066.00	12/26/2019	6/27/2023	
IWIP Company	12,678,033.00	1/7/2020	6/27/2023	
IWIP Company	8,499,240.00	2/17/2020	6/27/2023	
IWIP Company	4,249,620.00	3/10/2020	6/27/2023	
IWIP Company	4,249,620.00	4/7/2020	6/27/2023	
IWIP Company	4,249,620.00	4/28/2020	6/27/2023	
IWIP Company	4,249,620.00	5/25/2020	6/27/2023	
IWIP Company	14,635,691.28	10/16/2020	6/27/2023	
IWIP Company	14,635,691.28	11/9/2020	6/27/2023	
IWIP Company	14,635,691.28	11/13/2020	6/27/2023	
IWIP Company	4,878,563.76	12/22/2020	6/27/2023	
IWIP Company	5,963,633.40	7/2/2020	6/27/2023	
IWIP Company	196,757,406.00	6/27/2023	6/26/2028	
Veinstone	102,722,352.93	12/2/2019	6/27/2023	
Veinstone	13,207,280.67	3/30/2020	6/27/2023	
Veinstone	115,929,633.60	6/27/2023	6/26/2028	
Indonesia Huatuo	3,541,350.00	2/27/2020	6/26/2023	
Indonesia Huatuo	3,541,350.00	6/27/2023	6/26/2028	
Alam Hijau	7,790,970.00	1/21/2022	1/20/2025	

#### (6) Assets transfer and debt restructuring of the related parties

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Related parties	Content of related party transactions	Current period cumulative	Preceding period comparative
Huayou Holding	Sale of equity of Hubei Xingyou		24,500,000.00
Huayou Holding	Sale of equity of Hubei Youxing		1,000,000.00
Huayou Holding	Sale of equity of Guangxi Regeneration	0	
Huayou Holding	Sale of long-term assets	82,297.37	3,584.07
Guangxi Times New Energy	Sale of long-term assets	315,114.95	185,828.70
Guangxi Times New Energy	Acquisition of long-term assets	47,787.61	
Times Li-ion Company	Sale of long-term assets	2,036,373.87	1,206,506.20
Times Li-ion Company	Acquisition of long-term assets	445,734.24	
Yulin Times Green Water	Sale of long-term assets	50,005.70	7,017.70
Guangxi Huachuang	Acquisition of long-term assets		344,742.94
Guangxi Times Huineng	Sale of long-term assets	621,160.09	
Guangxi Times Huineng	Acquisition of long-term assets	565,959.92	
Guangxi Regeneration	Sale of long-term assets	180,644.27	
Huayou Lithium Battery	Sale of long-term assets	254,211.54	
Huayou Lithium	Acquisition of long-term assets	10,248.11	

Related parties	Content of related party transactions	Current period cumulative	Preceding period comparative
Battery			
Youshan New Material	Sale of long-term assets	1,931,099.64	
Yulin Times Juneng	Sale of long-term assets	7,584.07	
Yunnan Youtian	Sale of long-term assets	99,660.16	
WBN Company	Acquisition of land use right	20,861,333.66	
Subtotal		27,509,215.20	27,247,679.61

Please refer to item IX 4 of this section for details on sale of equity of Guangxi Regeneration.

#### (7) Key management's emoluments

Applicable  Not Applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	5,657.41	7,396.57

#### (8) Other related party transactions

Applicable  Not Applicable

### 6. Balances due to or from related parties

#### (1) Balances due from related parties

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Leyou Company	16,711,277.38	835,563.87	240,641,180.00	12,032,059.00
Accounts receivable	Puhua Company	739,614.45	36,980.72	42,631,305.31	2,131,565.27
Accounts receivable	Times Li-ion Company	540,493,713.28	27,159,151.46	63,633,497.32	3,181,674.87
Accounts receivable	WBE Company			4,875,320.90	243,766.04
Accounts receivable	Guangxi Huayou Construction	12,672,276.89	633,613.84	19,471,470.23	973,573.51
Accounts receivable	Guangxi Times Huineng			223,788,646.91	11,189,432.35
Accounts receivable	Guangxi Times New Energy	15,674,061.51	802,584.41	30,083,911.85	1,504,195.59
Accounts receivable	Inner Mongolia Shengfan			633.35	31.67
Accounts receivable	Yulin Times Juneng	128,503.08	6,425.15	6,019,493.56	300,974.68
Accounts receivable	Yulin Times Green Water			4,258,269.05	212,913.45
Accounts receivable	Yulin Times Sky Blue			602,265.24	30,113.26
Accounts	PHC Company	1,075,825.94	53,791.30		

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
receivable					
Accounts receivable	Guangxi Regeneration	7,991,100.21	399,555.01		
Accounts receivable	Hubei Youxing	189,622.18	9,481.11		
Accounts receivable	Huayou Lithium Battery	3,278,857.17	163,942.86		
Accounts receivable	Youshan New Material	18,251,818.09	912,590.90		
Accounts receivable	Yunnan Youtian	4.24	0.21		
Subtotal		617,206,674.42	31,013,680.84	636,005,993.72	31,800,299.69
Receivables financing	Guangxi Times Huineng	39,819,996.81		3,813,448.00	
Receivables financing	Times Li-ion Company	20,340,674.74		68,817,491.25	
Receivables financing	Guangxi Times New Energy	42,538,969.66			
Receivables financing	Inner Mongolia Shengfan	11,677,500.00			
Receivables financing	Huayou Holding	2,700,700.00			
Receivables financing	Hunan Yacheng	8,605.02			
Subtotal		117,086,446.23		72,630,939.25	
Advances paid	Alam Hijau	5,312,025.00		5,223,450.00	
Advances paid	Yulin Times Green Water	388,235.29			
Subtotal		5,700,260.29		5,223,450.00	
Dividend receivable	Leyou Company			163,980,830.12	
Subtotal				163,980,830.12	
Other receivables	Indonesia Huatuo	3,541,350.00	3,541,350.00	3,482,300.00	1,741,150.00
Other receivables	Alam Hijau	7,790,970.00	1,558,194.00	7,661,060.00	383,053.00
Other receivables	Guangxi Times Huineng			52,776.39	2,638.82
Subtotal		11,332,320.00	5,099,544.00	11,196,136.39	2,126,841.82
Long-term receivables	IWIP Company	196,757,406.00		193,476,588.00	
Long-term receivables	Veinstone	115,929,633.60		113,996,572.80	
Subtotal		312,687,039.60		307,473,160.80	

## (2) Balances due to related parties

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Related parties	Closing book balance	Opening book balance
Notes payable	Times Li-ion Company	962,556,720.83	4,883,507.46
Notes payable	Guangxi Times Huineng	113,521,973.81	

Items	Related parties	Closing book balance	Opening book balance
Subtotal		1,076,078,694.64	4,883,507.46
Accounts payable	IWIP Company	3,345,472.14	5,469,940.00
Accounts payable	Leyou Company		3,503,124.74
Accounts payable	Guangxi Times Huineng	136,774,475.86	185,708,233.47
Accounts payable	Puhua Company	2,851,995.04	21,604.92
Accounts payable	Times Li-ion Company	723,893,120.10	1,246,063,814.14
Accounts payable	WBN Company	421,310,996.70	324,716,695.43
Accounts payable	WBE Company	36,083,948.03	
Accounts payable	Guangxi Times New Energy	132,141.05	
Accounts payable	Hunan Yacheng	59,850.00	
Accounts payable	Huayou Lithium Battery	5,789.86	
Accounts payable	Inner Mongolia Shengfan	59,734.52	
Accounts payable	Quzhou Power Investment	1,030,069.59	
Accounts payable	Youshan Nickel	164,278,256.08	
Accounts payable	Yulin Times Juneng	7,404,949.56	
Accounts payable	Yulin Times Green Water	679,768.21	
Accounts payable	Yulin Times Sky Blue	20,529,848.89	
Subtotal		1,518,440,415.63	1,765,483,412.70
Contract liabilities	Guangxi Times Huineng	65,024,415.39	
Contract liabilities	Yulin Times Sky Blue	1,969,303.29	
Contract liabilities	Yulin Times Green Water	696,365.38	
Subtotal		67,690,084.06	
Other payables	Newstride Technology	632,998,038.36	520,039,572.74
Other payables	Huayou Holding		60,775,000.00
Other payables	Times Li-ion Company	630,872.16	64,363.68
Subtotal		633,628,910.52	580,878,936.42

### (3) Others

Applicable  Not Applicable

### 7. Related party commitments

Applicable  Not Applicable

### 8. Others

Applicable  Not Applicable

## XV. Share-based payment

### 1. Equity instruments

Applicable  Not Applicable

Share options or other equity instruments outstanding at the balance sheet date

Applicable  Not Applicable

## 2. Equity-settled share-based payment

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Determination method of grant-date fair value of equity instruments	The closing price of the Company's shares on the grant date.
Key parameters of grant-date fair value of equity instruments	
Determination method for the number of equity instruments expected to vest	Based on the number of restricted shares granted, as well as a comprehensive consideration of changes in the number of employees eligible to exercise on each balance sheet date, the Company's performance assessment indicators for each exercising year, and the individual performance appraisal of incentive objects.
Reasons for significant difference between the estimates in the current period and preceding period	None
Capital reserve accumulated due to equity-settled share-based payment	748,072,241.39

Other remarks

None.

## 3. Cash-settled share-based payment

Applicable  Not Applicable

## 4. Total share-based payments recognized in the current period

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Objects	Equity-settled share-based payment	Cash-settled share-based payment
Directors, supervisors, senior executives	18,406,021.25	
Key managers, core backbone and other personnel that the Board of Directors deems necessary to incentivize	230,634,421.53	
Total	249,040,442.78	

Other remarks

None.

## 5. Modifications and cancellations of share-based payment

Applicable  Not Applicable

## 6. Others

Applicable  Not Applicable

## **XVI. Commitments and contingencies**

### **1. Significant commitments**

Applicable  Not Applicable

As of the balance sheet date, the Company has no significant commitments to be disclosed.

### **2. Contingencies**

#### **(1) Significant contingencies at the balance sheet date**

Applicable  Not Applicable

As of December 31, 2023, the progress of the land dispute between GENILAND and the subsidiary CDM Company is as follows:

GENILAND sued CDM Company for the encroachment of the mining area corresponding to CDM Company's Mining Concession No. 527 on its long-term lease concession (land), and claimed compensation for damages of USD 22.65 million. According to the judgment rendered by the court of Democratic Republic of the Congo (DRC), CDM Company shall pay damages and penalties totaling USD 9,935,084 to GENILAND. CDM Company has filed an appeal against such judgment, and relevant enforcement is currently suspended. According to the "Legal Opinion on the Interests of Zhejiang Huayou Cobalt Co., Ltd. in the Democratic Republic of the Congo" issued by Edmond Cibamba Diata, a lawyer from Emery Mukendi Wafwana & Associés in August 2020, there is no legal basis to sustain the GENILAND's claim due to the following reasons:

According to Article 64 of the 2002 Mining Code, the exploitation license entitles its holder to the exclusive right to carry out, within the perimeter over which it has been granted, and during its term of validity, exploration, development, construction and exploitation works in connection with the mineral substances for which the license has been granted. CDM Company, as the holder of Mining Concession No. 527, has the right to enter the mining area to carry out mining operations. As GENILAND acquired the long-term lease concession (land) on May 25, 2012, later than the date when CDM Company acquired Mining Concession No. 527, GENILAND cannot consider the mining operations or the construction of installations and infrastructures required for mining exploitation conducted by CDM Company within the exploitation perimeter as illegal activities, nor can it claim any compensation on such basis.

GENILAND filed a motion seeking damages of USD 22.65 million. However, according to Article 281 of the 2002 Mining Code, the fair compensation for disputes over land occupation between the holder of the mining rights and the holder of the surface rights shall be the value of the land at the time of its occupation plus fifty per cent (50%). Based on the legal opinion issued by the DRC lawyer in September 2020 as well as the investigation conducted by the Land Bureau where the land in question is located, it is confirmed that the land price in the area where the land in question located ranges from USD 500 to USD 800 per hectare and the land in question is 26.83 hectares, thus the maximum amount of compensation will not exceed USD 32,196.00 according to the above-mentioned compensation standard.

In summary, the Company believes that it is not liable for any compensation concerning the above lawsuit and therefore accrues no provisions.

**(2) Remarks shall also be given if the Company has no significant contingencies to be disclosed.**

Applicable  Not Applicable

**3. Others**

Applicable  Not Applicable

**XVII. Events after the balance sheet date**

**1. Significant non-adjusting events**

Applicable  Not Applicable

**2. Profit distribution**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Profit or dividend planned to be distributed	
Profit or dividend approved to be distributed	1,688,234,638

The Company intends to distribute cash dividend of 10 yuan (tax inclusive) for every 10 shares to all shareholders after the appropriation of statutory surplus reserve at 10% of net profit generated by the parent company in 2023. Such profit distribution plan is to be submitted to the shareholders' meeting for deliberation and approval.

**3. Sales return**

Applicable  Not Applicable

**4. Other remarks**

Applicable  Not Applicable

Pursuant to the resolution of the 14<sup>th</sup> meeting of the sixth session of the Board of Directors and the first extraordinary shareholders' meeting of 2024, the Company decided to terminate the restricted share incentive plans of 2021 and 2022, and to repurchase and cancel the restricted shares granted but not yet unlocked.

**XVIII. Other significant events**

**1. Corrections of prior period errors**

**(1) Retroactive restatement method**

Applicable  Not Applicable

**(2) Prospective application method**

Applicable  Not Applicable

**2. Significant debt restructuring**

Applicable  Not Applicable

### **3. Assets exchange**

#### **(1) Non-cash assets exchange**

Applicable  Not Applicable

#### **(2) Other assets exchange**

Applicable  Not Applicable

### **4. Annuity plan**

Applicable  Not Applicable

### **5. Discontinued operations**

Applicable  Not Applicable

### **6. Segment information**

#### **(1) Identification basis and accounting policies for reportable segments**

Applicable  Not Applicable

The Company's main business is manufacturing and sales of cobalt products, copper products, nickel products, lithium products, ternary precursors, cathode materials, nickel intermediates, etc., with its operating results managed and evaluated on an integral basis. Therefore, the Company is not required to disclose segment information. Please refer to item VII 61 of this section for details on the Company's operating revenue and operating cost by products/geographic information.

#### **(2) Financial information of reportable segments**

Applicable  Not Applicable

#### **(3) Reasons shall be given if the Company has no reportable segment or cannot disclose the total assets and liabilities of each reportable segment.**

Applicable  Not Applicable

#### **(4) Other remarks**

Applicable  Not Applicable

### **7. Other significant transactions and events that may be influential for investors in decision-making**

Applicable  Not Applicable

### **8. Others**

Applicable  Not Applicable

## XIX. Notes to items of parent company financial statements

### 1. Accounts receivable

#### (1) Age analysis

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Ages	Closing book balance	Opening book balance
Within 1 year		
Including:		
Within 1 year	921,524,940.66	428,250,791.18
Subtotal	921,524,940.66	428,250,791.18
1-2 years	127,362,796.30	8,202,275.39
2-3 years		8,487,545.19
Over 3 years	463,014.77	10,378,672.12
3-4 years		
4-5 years		
Over 5 years		
Total	1,049,350,751.73	455,319,283.88

#### (2) Details on categories of provision accrual methods

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)		Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	402,048.00	0.04	402,048.00	100.00	-	402,048.00	0.09	402,048.00	100.00	-
Including:										
Receivables of individually insignificant amount but with provision made on an individual basis	402,048.00	0.09	402,048.00	100.00	-	402,048.00	0.09	402,048.00	100.00	
Receivables with provision made on a collective basis	1,048,948,703.73	99.96	1,516,870.74	0.14	1,047,431,832.99	454,917,235.88	99.91	4,286,190.59	0.94	450,631,045.29
Including:										
Portfolio grouped with balances due from external customers	25,244,529.12		1,516,870.74	6.01	23,727,658.38	84,565,443.23		4,286,190.59	5.07	80,279,252.64
Portfolio grouped with balances due from related parties within the consolidation scope	1,023,704,174.61				1,023,704,174.61	370,351,792.65				370,351,792.65
Total	1,049,350,751.73	100.00	1,918,918.74	0.18	1,047,431,832.99	455,319,283.88	100.00	4,688,238.59	1.03	450,631,045.29

Accounts receivable with provision made on an individual basis:

Applicable  Not Applicable

Accounts receivable with provision made on a collective basis:

Applicable  Not Applicable

Portfolio grouped with balances due from external customers

Monetary unit: Yuan Currency: RMB

Ages	Closing balance		
	Accounts receivable	Provision for bad debts	Provision proportion (%)
Within 1 year	23,872,056.67	1,193,602.83	5.00
1-2 years	1,311,505.68	262,301.14	20.00
2-3 years	-	-	-
Over 3 years	60,966.77	60,966.77	100.00
Subtotal	25,244,529.12	1,516,870.74	6.01

Remarks on accounts receivable with provision made on a collective basis:

Applicable  Not Applicable

Provision for bad debts made using three-stage model

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of accounts receivable with changes in loss allowances:

Applicable  Not Applicable

### (3) Provision for bad debts

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision for bad debts made on a collective basis using age analysis method	4,286,190.59	-2,769,319.85				1,516,870.74
Receivables of individually insignificant amount but with provision made on an individual basis	402,048.00					402,048.00
Total	4,688,238.59	-2,769,319.85				1,918,918.74

Significant provisions collected or reversed in the current period:

Applicable  Not Applicable

Other remarks

None.

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

Applicable  Not Applicable

Significant accounts receivable written off in the current period

Applicable  Not Applicable

Remarks on accounts receivable written off

Applicable  Not Applicable

**(5) Details of the top 5 debtors with largest balances**

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

Closing balance of top 5 debtors totaled 914,396,265.48 yuan, accounting for 87.14% of the total closing balance of accounts receivable, and no provision for bad debts was made thereon.

**2. Other receivables**

**Details**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividend receivable	24,906,913.93	198,313,600.00
Other receivables	6,626,313,796.61	5,811,419,375.91
Total	6,651,220,710.54	6,009,732,975.91

Other remarks:

Applicable  Not Applicable

**Interest receivable**

**(1) Details on categories**

Applicable  Not Applicable

**(2) Significant overdue interest**

Applicable  Not Applicable

**(3) Details on categories of provision accrual methods**

Applicable  Not Applicable

Interest receivable with provision made on an individual basis

Applicable  Not Applicable

Remarks on interest receivable with provision made on an individual basis

Applicable  Not Applicable

Interest receivable with provision made on a collective basis

Applicable  Not Applicable

**(4) Provision for bad debts made using three-stage model**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

Stage 1 is where credit risk of other receivables with ages within one year and portfolio grouped with balances due from related parties has not increased significantly since initial recognition.

Stage 2 is where credit risk of other receivables with ages of 1-2 years has increased significantly since initial recognition, but such receivables are not considered credit-impaired.

Stage 3 is where other receivables with ages over 2 years and receivables with provision made on an individual basis are considered credit-impaired since initial recognition.

Remarks on significant changes in book balance of interest receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Provision for bad debts**

Applicable  Not Applicable

Significant provisions collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Interest receivable actually written off in the current period**

Applicable  Not Applicable

Significant interest receivable written off

Applicable  Not Applicable

Remarks on interest receivable written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**Dividend receivable**

**(1) Details**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Huayou Quzhou		198,313,600.00
Youqing Trading	18,921,427.45	
Tongxiang Hua'ang	5,985,486.48	
Total	24,906,913.93	198,313,600.00

**(2) Significant balance with age over one year**

Applicable  Not Applicable

**(3) Details on categories of provision accrual methods**

Applicable  Not Applicable

Dividend receivable with provision made on an individual basis:

Applicable  Not Applicable

Remarks on dividend receivable with provision made on an individual basis:

Applicable  Not Applicable

Dividend receivable with provision made on a collective basis:

Applicable  Not Applicable

**(4) Provision for bad debts made using three-stage model**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of dividend receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Provision for bad debts**

Applicable  Not Applicable

Significant provisions collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Details on dividend receivable actually written off in the current period**

Applicable  Not Applicable

Significant dividend receivable written off

Applicable  Not Applicable

Remarks on dividend receivable written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**Other receivables**

**(1) Age analysis**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Ages	Closing book balance	Opening book balance
Within 1 year		
Including:		
Within 1 year	5,717,557,384.67	4,979,367,494.63
Subtotal	5,717,557,384.67	4,979,367,494.63
1-2 years	671,251,450.42	829,019,599.18
2-3 years	238,649,599.11	23,190.40
Over 3 years	474,356.07	4,048,634.27
3-4 years		
4-5 years		
Over 5 years		
Total	6,627,932,790.27	5,812,458,918.48

**(2) Other receivables categorized by nature**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Nature of receivables	Closing book balance	Opening book balance
Security deposits	9,506,971.94	3,864,319.81
Temporary borrowings	6,615,632,857.95	5,806,544,968.39
Petty cash	1,274,904.42	2,039,779.64
Others	1,518,055.96	9,850.64
Subtotal	6,627,932,790.27	5,812,458,918.48

**(3) Provision for bad debts**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Balances at January 1, 2023	191,327.53	401,700.00	446,515.04	1,039,542.57
Balances at January 1, 2023 in the current period	—	—	—	
--Transferred to stage 2	-161,505.82	161,505.82		
--Transferred to stage 3		-42,300.00	42,300.00	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	390,883.64	125,117.45	63,450.00	579,451.09
Provision recovered in the current period				
Provision reversed in the current period				
Provision written off in the current period				
Other changes				
Balances at December 31, 2023	420,705.35	646,023.27	552,265.04	1,618,993.66

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of other receivables with changes in loss allowances:

 Applicable  Not Applicable

Determination basis for provision for bad debts made in the current period and whether credit risk has increased significantly:

 Applicable  Not Applicable

**(4) Provision for bad debts**
 Applicable  Not Applicable

Significant provisions collected or reversed in the current period:

 Applicable  Not Applicable

Other remarks

None.

**(5) Other receivables actually written off in the current period**
 Applicable  Not Applicable

Significant other receivables written off:

 Applicable  Not Applicable

Remarks on other receivables written off:

 Applicable  Not Applicable

**(6) Details of the top 5 debtors with largest balances**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Debtors	Closing balance	Proportion to the total balance of other receivables (%)	Nature of receivables	Ages	Closing balance of provision for bad debts
Huayou Quzhou	2,113,330,517.99	31.89	Temporary borrowings	Within 1 year	
Guangxi Lithium	1,304,380,260.02	19.68	Temporary borrowings	Within 1 year	
Guangxi B&M	1,049,488,353.89	15.83	Temporary borrowings	Within 1 year	
Huayou New Energy	940,624,351.79	14.19	Temporary borrowings	Within 1 year: 299,793,308.22 yuan; over 3 years: 640,831,043.57 yuan	
Huayou Import & Export	197,325,636.08	2.98	Temporary borrowings	Within 1 year	
Total	5,605,149,119.77	84.57	/	/	

**(7) Balances presented under other receivables due to the centralized fund management**
 Applicable  Not Applicable

Other remarks:

 Applicable  Not Applicable

**3. Long-term equity investments**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	24,175,130,093.79		24,175,130,093.79	20,482,717,464.96		20,482,717,464.96
Investments in associates and joint ventures	4,255,904,187.80		4,255,904,187.80	3,275,579,013.84		3,275,579,013.84
Total	28,431,034,281.59		28,431,034,281.59	23,758,296,478.80		23,758,296,478.80

**(1) Investments in subsidiaries**

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in the current period	Closing balance of provision for impairment
Like Cobalt	33,171,333.03			33,171,333.03		
Huayou Import & Export	100,587,951.00			100,587,951.00		
Huayou Hong Kong	458,040,203.00			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	2,413,912,628.83		10,448,523,870.34		
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 Hua'ang	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	857,000,000.00		2,456,000,000.00		
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	265,000,000.00	295,000,000.00		560,000,000.00		
Tongxiang Huashan	5,100,000.00			5,100,000.00		
Tongxiang Huazheng	34,695,000.00			34,695,000.00		
Guangxi Huayou New Material	15,000,000.00	85,000,000.00		100,000,000.00		
Shanghai Xinsheng		17,500,000.00		17,500,000.00		
Tongxiang Huashi		10,000,000.00		10,000,000.00		
Tongxiang Huaxun		7,000,000.00		7,000,000.00		
Wenzhou Huake		7,000,000.00		7,000,000.00		
Total	20,482,717,464.96	3,692,412,628.83		24,175,130,093.79		

**(2) Investments in associates and joint ventures**

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Other s		
I. Joint ventures											
Subtotal											
II. Associates											
Quzhou Anyou	594,118,061.75			-6,829,234.81						587,288,826.94	
Guangxi Times Li-ion Investment Management Center	708,754,753.47			-5,818,898.44						702,935,855.03	
Guangxi Times Li-ion Industry Fund	657,990,658.42	10,000,000.00		-10,345,786.44						657,644,871.98	
Human Yacheng	130,099,919.36			-23,322,934.20		15,490,438.64	3,682,892.36			118,584,531.44	
Quzhou Xinhua	1,182,835,095.28			-13,693,550.43		-				1,169,141,544.85	
Zhejiang Power Investment	1,800,000.00	3,319,000.00		719,263.13						5,838,263.13	
Tongxiang Lithium Times	-19,474.44	120,000,000.00		-466,998.00						119,513,527.56	
Ningbo Ruihua		60,000,000.00		2,875,176.08						62,875,176.08	

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Haigang Pingyou		88,665,000.00								88,665,000.00	
LG-HY BCM		690,662,522.14		-17,556,105.38	27,422.55					673,133,839.31	
Quzhou Hangyang		71,050,000.00		-767,248.52						70,282,751.48	
Subtotal	3,275,579,013.84	1,043,696,522.14	-	-75,206,317.01	27,422.55	15,490,438.64	3,682,892.36	-	-	4,255,904,187.80	
Total	3,275,579,013.84	1,043,696,522.14	-	-75,206,317.01	27,422.55	15,490,438.64	3,682,892.36	-	-	4,255,904,187.80	

### (3) Impairment test of long-term equity investments

Applicable  Not Applicable

Other remarks:

None.

## 4. Operating revenue/Operating cost

### (1) Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	4,107,801,393.33	3,449,201,204.46	3,802,289,804.22	2,675,631,158.21
Other operations	380,848,681.46	129,153,174.12	972,736,669.35	628,756,575.19
Total	4,488,650,074.79	3,578,354,378.58	4,775,026,473.57	3,304,387,733.40

### (2) Breakdown of operating revenue and operating cost

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories of contracts	Parent company		Total	
	Revenue	Cost	Revenue	Cost
By goods				
Cobalt products	1,525,298,498.62	1,265,051,280.71	1,525,298,498.62	1,265,051,280.71
Nickel products	1,674,868,238.74	1,541,796,664.97	1,674,868,238.74	1,541,796,664.97
Nickel intermediates	73,150,472.78	65,518,286.37	73,150,472.78	65,518,286.37
Others	1,214,059,965.19	705,790,226.57	1,214,059,965.19	705,790,226.57
Subtotal	4,487,377,175.33	3,578,156,458.62	4,487,377,175.33	3,578,156,458.62
By operating regions				
Domestic	3,987,436,257.14	3,206,796,841.61	3,987,436,257.14	3,206,796,841.61
Overseas	499,940,918.19	371,359,617.01	499,940,918.19	371,359,617.01
Subtotal	4,487,377,175.33	3,578,156,458.62	4,487,377,175.33	3,578,156,458.62
By time of transferring goods				
Recognized at a point in time	4,487,377,175.33	4,771,153,224.45	4,487,377,175.33	4,771,153,224.45
Subtotal	4,487,377,175.33	4,771,153,224.45	4,487,377,175.33	4,771,153,224.45

Other remarks

Applicable  Not Applicable

Contract liabilities with opening balance of 62,319,352.83 yuan were carried over to revenue in the current period.

### (3) Remarks on performance obligations

Applicable  Not Applicable

**(4) Remarks on transaction price allocated to the remaining performance obligations**

Applicable  Not Applicable

**(5) Significant changes in contracts or significant adjustments on transaction prices**

Applicable  Not Applicable

Other remarks:

None.

**5. Investment income**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method	852,864,763.93	198,313,600.00
Investment income from long-term equity investments under equity method	-75,206,317.01	-5,144,124.31
Investment income from disposal of long-term equity investments		1,284,563.81
Investment income from held-for-trading financial assets		
Dividend income from other equity instrument investments		
Interest income from debt investments		
Interest income from other debt investments	216,015,513.40	120,354,193.80
Investment income from disposal of held-for-trading financial assets	18,872,374.63	12,244,956.26
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Income from debt restructuring		
Losses on discounting of receivables financing	-1,890,730.96	-13,002,440.11
Losses on derecognition of accounts receivable		-364,000.00
Total	1,010,655,603.99	313,686,749.45

Other remarks:

None.

**6. Others**

Applicable  Not Applicable

**XX. Other supplementary information**

**1. Schedule of non-recurring profit or loss**

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Amount	Remarks
Gains on disposal of non-current assets, including write-off of provision for impairment	-2,696,370.19	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, enjoyed based on certain standards, and continuously affecting gains or losses of the Company)	209,617,859.71	
Gains on changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains from disposal of financial assets and financial liabilities, excluding those arising from hedging business related to operating activities	186,336,202.62	
Fund possession charge from non-financial entities and included in profit or loss		
Gains on assets consigned to the third party for investment or management		
Gains on designated loans		
Losses on assets incurred due to force majeure such as natural disasters		
Reversed provision for impairment of receivables based on impairment testing on an individual basis	1,525,213.78	
Gains on acquisition of subsidiaries, joint ventures and associates due to the surplus of acquisition-date fair value of net identifiable assets in acquiree over the acquisition cost		
Net profit on subsidiaries acquired through business combination under common control from the beginning of the period to the combination date		
Gains on non-cash assets exchange		
Gains on debt restructuring		
One-off expenses incurred due to the discontinuation of relevant operating activities, such as severance payments		
One-off effects on profit or loss due to amendments of laws and regulations on taxation, accounting, etc.		
Share-based payments recognized at one time due to cancellation or modification of equity incentive plan		
Gains arising from changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payment		
Gains on changes in fair value of investment properties with subsequent measurement using the fair value model		
Gains on transactions with unfair value		
Contingent gains on non-operating activities		
Management charges for consigned operations		
Other non-operating revenue or expenditures	-5,885,216.94	
Other profit or loss satisfying the definition of non-recurring profit or loss		
Less: Enterprise income tax affected	86,873,014.89	
Non-controlling interest affected (after tax)	43,964,123.93	
Total	258,060,550.16	

Remarks on defining items not listed in “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss” as non-recurring profit or loss with significant amount and remarks on defining non-recurring profit or loss listed in the “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss” as recurring profit or loss

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Amount	Reasons
Amortization of government grants related to assets	38,521,630.20	As the government grants related to assets received by the Company were closely related to its operating activities, which complied with national policies and regulations, enjoyed based on certain standards, and had continuous impacts on the Company’s profit and loss, its amortization included into other income in the current period was identified as a recurring profit or loss item.

Other remarks

Applicable  Not Applicable

Effect on non-recurring profit or loss in 2022 due to implementation of “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss (2023 Edition)”

Items	Amount
Net non-recurring profit or loss attributable to the owner of the parent company in 2022	-70,486,185.37
Net non-recurring profit or loss attributable to the owner of the parent company calculated based on the “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss (2023 Edition)” in 2022	-86,707,334.55
Difference	16,221,149.18

As the government grants related to assets received by the Company were closely related to its operating activities, which complied with national policies and regulations, enjoyed based on certain standards, and had continuous impacts on the Company’s profit and loss, its amortization of 26,920,694.13 yuan included into other income in 2022 was identified as a recurring profit or loss item. Net non-recurring profit or loss attributable to the owner of the parent company in 2022 was decreased by 16,221,149.18 yuan after deducting effect of enterprise income tax and non-controlling interest.

## 2. ROE and EPS

Applicable  Not Applicable

Profit of the reporting period	Weighted average ROE (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	11.14	2.05	2.05
Net profit attributable to shareholders of ordinary shares after deducting	10.29	1.89	1.89

non-recurring profit or loss			
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**3. Financial data variance between financial reporting prepared under domestic and abroad accounting standards**

Applicable  Not Applicable

**4. Others**

Applicable  Not Applicable

Chairman of the Board of Directors: Chen Xuehua

Date of approval for issuance: April 18, 2024