
Stock Code: **603799** Stock Name: Huayou Cobalt Announcement No.: **2025-044**
Convertible Bond Code: **113641** Convertible Bond Name: Huayou Convertible Bond

Zhejiang Huayou Cobalt Co., Ltd.

Announcement on the Proposal for Profit Distribution in 2024

The Board of Directors and all directors of the Company warrant that there is no false representation, misleading statement or material omissions herein, and will assume legal liabilities with respect to the truthfulness, accuracy and completeness hereof.

December 31, 2024, The net profit attributable to the shareholders of the parent company is RMB 4,154,825,193.75, and the profit available for distribution by the parent company is RMB 921,806,173.45. According to the resolution of the Board of Directors of the Company, in 2024, the Company intends to pay a cash dividend of RMB 5.00 (tax included) per 10 shares to the shareholders who can participate in the distribution on the equity registration date specified in the announcement on the implementation of equity distribution. The proposal for profit distribution is as follows:

1. The Company intends to pay a cash dividend of RMB 5.00 (tax included) per 10 shares to all shareholders, and no distribution of bonus share and conversion of capital reserve fund into share capital will be implemented. According to relevant regulations, the shares held in the Company's special securities account for repurchase will not be involved in profit distribution. As of April 10, 2025, the total share capital of the Company was 1,701,547,759 shares. After the 22,703,060 shares held in the special securities account for share repurchase are excluded, the cash dividend amount is expected to be RMB 839,422,349.50 (tax included), accounting for 20.20% of the net profit attributable to shareholders of the listed company in the 2024 consolidated statements. The final total amount of actual distribution shall be calculated based on the total number of shares entitled to the equity distribution on the equity registration date for the implementation of the equity distribution.

2. In 2024, the amount of share repurchase by the Company in cash through centralized bidding was RMB 112.41mn, and the total amount of cash dividend and repurchase was RMB 951.84mn, accounting for 22.91% of the net profit attributable to shareholders of the listed company in 2024. Among them, the amount of share repurchase in cash through centralized bidding which was cancelled (Repurchase and Cancellation) was RMB 0, and the total amount of cash dividend and Repurchase and Cancellation was RMB 839.42mn, accounting for 20.20% of the net profit attributable to shareholders of the listed company in 2024.

3. Where there is any change in the share capital due to conversion of convertible bonds into shares, share repurchase, repurchase and cancellation of shares granted under equity incentive plan, repurchase and cancellation of shares under major assets restructuring, etc. during the period from the date of disclosure of this

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announcement to the equity registration date for the implementation of the equity distribution, the Company intends to maintain the distribution ratio for each share unchanged and adjust the total distribution amount accordingly. If the total share capital changes subsequently, the specific adjustment will be announced separately.

4. The above proposal for profit distribution should be submitted to the 2024 annual general meeting of shareholders for deliberation and approval. s

(II) Whether other kind of risk warning will be received

In the most recent three fiscal years, the Company's cash dividend and share repurchase (through centralized bidding and offer) and cancellation were as follows:

Item	2024	2023	2022
Total amount of cash dividend (RMB)	839,422,349.50	1,675,360,737.00	319,893,009.60
Total amount of repurchase and cancellation (RMB)	0	0	0
Net profit attributable to shareholders of the listed company (RMB)	4,154,825,193.75	3,350,891,340.06	3,907,615,568.23
Undistributed profit reported by parent company at the end of the year (RMB)	921,806,173.45		
Cumulative amount of cash dividend in the most recent three fiscal years (RMB)	2,834,676,096.10		
Is the cumulative amount of cash dividend in the most recent three fiscal years less than RMB 50,000,000	No		
Cumulative amount of repurchase and cancellation in the most recent three fiscal years (RMB)	0		
Average net profit in the most recent three fiscal years (RMB)	3,804,444,034.01		
Cumulative amount of cash dividend and repurchase and cancellation in the most recent three fiscal years (RMB)	2,834,676,096.10		
Cash dividend ratio (%)	74.51%		
Is cash dividend ratio (E) less than 30%	No		
Will other kind of risk warning as stipulated in Paragraph 1(8), Article 9.8.1 of the <i>Rules Governing the Listing of Stocks</i> be received	No		

The Company will not receive other kind of risk warning as stipulated in Paragraph 1(8), Article 9.8.1 of the Rules Governing the Listing of Stocks due to the proposal for profit distribution.

II. Description of circumstances where cash dividend ratio in 2024 is less than

30%

During the reporting period, the Company achieved a net profit of RMB 4,152.98mn attributable to shareholders of the listed company. As of December 31, 2024, the amount of undistributed profit reported by the parent company at the end of the period was RMB 921.81mn, and the total amount of cash dividend to be distributed by the Company was RMB 839.42mn (tax included) (including the amount of share repurchase in cash through centralized bidding of RMB 112.41mn), accounting for less than 30% of the net profit attributable to shareholders of the listed company. The specific reasons are analyzed as follows:

(I) Characteristics of the Company's industry, development stage, business model, profit level, solvency and capital demand

Under the background of clean energy and electrical vehicles led by the strategy of carbon peak, carbon neutral, the downstream new energy vehicle market expanded rapidly, driving the market demand for lithium-ion battery industry to continue to grow, and providing a huge market space for the upstream lithium-ion battery material industry. As a leading enterprise in the lithium-ion battery material industry, the vertically integrated industrial chain layout of lithium-ion battery materials created by the Company involves many domestic and overseas regions, development of upstream mineral resources nickel, cobalt and lithium, smelting of metal materials such as cobalt, nickel, lithium and copper, ternary precursor and cathode materials and many other links and a number of products. At present, the Company is in a period of rapid growth, the investment in upstream resource development is large, and the operation of business in the integrated industrial chain requires a relatively large amount of working capital.

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same time, the Company's accumulation of an appropriate amount of undistributed profit can reduce its foreign loans, thereby reducing its asset-liability ratio and financial costs, and achieving its high quality and sustainable development and maximization of the interests of shareholders. The expected income level depends on many factors such as macroeconomic situation and market competition.

(III) Whether the Company has provided convenience for minority shareholders to participate in cash dividend decision-making in accordance with the relevant regulations of China Securities Regulatory Commission

The proposal for profit distribution should be submitted to the Company's general meeting of shareholders for deliberation and approval. The Company will provide convenience for minority shareholders to participate in cash dividend decision-making in

philosophy of bringing long-term, stable and sustained returns to investors to give back to the investors.

III. Decision-making procedures performed by the Company

(I) Convening, deliberation and voting at meetings of the Board of Directors

On April 17, 2025, the Company held the 29th meeting of the sixth Board of Directors, at which the *Proposal on the Proposal for Profit Distribution in 2024* was deliberated and approved. The proposal for profit distribution conforms to the Articles of Association and other relevant provisions, and is reasonable and made with full consideration of reasonable return to shareholders and sustainable development of the Company. The proposal was approved and approved to be submitted to the Company's general meeting of shareholders for deliberation.

(II) Opinions of the Board of Supervisors

On April 17, 2025, the Company held the 20th meeting of the sixth Board of Supervisors, at which the *Proposal on the Proposal for Profit Distribution in 2024* was deliberated and approved with 3 votes for, 0 votes against, and 0 abstentions. The proposal for profit distribution conforms to the relevant provisions of the *Regulatory Guidelines for Listed Companies No. 3 - Cash Dividend of Listed Companies* and the Articles of Association, and takes full consideration of the Company's operating conditions, capital demand and shareholders' interests. The Board of Supervisors approved the proposal for profit distribution and agreed to submit the proposal to the Company's general meeting of shareholders for deliberation.

IV. Risk warning

The proposal for profit distribution takes comprehensive consideration of the Company's development stage, future capital demand, etc., and will not have a significant impact on the Company's operating cash flow, nor will it affect the Company's normal operation and long-term development.

The proposal for profit distribution should be implemented after deliberation and approval by the Company's 2024 annual general meeting of shareholders. Please pay attention to investment risks.

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It is hereby announced the above.

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd.

April 19, 2025