

## **Zhejiang Huayou Cobalt: 2023 Full Year and 2024 First Quarter Results and Profit Distribution Proposal**

Tongxiang City, China, April 19, 2024

Zhejiang Huayou Cobalt Co., Ltd. (the “**Company**”) today reported financial results for the full year ended 31 December 2023 and first quarter of 2024.

- In 2023, the Company achieved revenue of RMB 66.30bn, an increase of 5.19% over the same period last year. The increase in revenue was mainly due to the sales increase of the battery material in 2023.
- In 2023, the Company achieved net profit attributable to shareholders of the listed company of RMB 3.35bn, a decrease of 14.25% over the same period last year. The decrease in profit was mainly due to the decrease in metal price in 2023.
- In first quarter of 2024, the Company achieved revenue of RMB14.96bn, a decrease of 21.70% over the same period last year; the Company achieved net profit attributable to shareholders of the listed company of RMB 0.52bn, a decrease of 48.99% over the same period last year. The decrease in profit was mainly due to decrease in metal price in the first quarter of 2024.
- In line with the principle of actively paying back and sharing operating achievements of the Company with shareholders, it is proposed to distribute a cash dividend of RMB 10.00 (tax included) for every 10 A-shares held by shareholders in FY2023. This proposal needs to be submitted to the Annual General Meeting of the Company to be held on 10 May 2024 for review.

### **I. Operational measures**

In 2023 and first quarter of 2024, 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, accelerated the development of new quality productivity and expanded a high level of openness, 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 completed the historic leap from China’s top 500 private enterprises to China’s top 500 enterprises.

### **II. Key accounting data and financial indicators for 2023**

Monetary unit: Yuan Currency: RMB

	2023	2022	YoY increase or decrease
Operating income	66,304,047,529.81	63,033,785,499.49	5.19
Net profit attributable to shareholders of the listed company	3,350,891,340.06	3,907,615,568.23	-14.25
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	3,092,830,789.90	3,978,101,753.60	-22.25
Net cash flow from operating activities	3,485,888,093.33	2,913,806,375.38	19.63
Basic earnings per share (yuan/share)	2.05	2.48	-17.34
Diluted earnings per share (yuan/share)	2.05	2.48	-17.34
Weighted average return on net assets (%)	11.14	17.15	-6.01
	As at the end of 2023	As at the end of 2022	YoY increase or decrease
Total assets	34,277,801,337.40	25,889,700,966.05	32.40
Net assets attributable to shareholders of the listed company	125,520,277,340.78	110,592,418,711.85	13.50

### III. Analysis of income in 2023

#### (1) Analysis of the primary business by industry, products

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

## (2) Analysis of production and sales volumes

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 material	Ton (physical quantity)	90,221.81	94,618.18	3,113.85	-4.94	4.73	-59.16

## IV. Financial Results for the First Quarter ended 31 March 2024

### (1) Key accounting data and financial indicators

Monetary unit: Yuan Currency: RMB

Item	Q1 2024	Increase/decrease compared with the same period last year (%)
Operating income	14,962,649,257.31	-21.70
Net profit attributable to shareholders of the listed company	522,415,394.16	-48.99
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	567,830,428.67	-42.97
Net cash flow from operating activities	929,046,306.48	14.29
Basic earnings per share (Yuan/share)	0.33	-48.44
Diluted earnings per share (Yuan/share)	0.33	-48.44
Weighted average return on net assets (%)	1.51	-1.57
	March 31, 2024	Increase/decrease at the end of the current period compared with the end of last year (%)
Total assets	129,157,238,443.42	2.90
Owner's equity attributable to shareholders of the listed company	34,910,404,954.78	1.85

## (2) Changes in Key Accounting Data and Financial Indicators for the First Quarter of 2024 and Explanation Thereof

Item	Change ratio (%)	Main reason
Operating income	-21.70	Mainly due to a decline in metal prices
Net profit attributable to shareholders of the listed company	-48.99	Mainly due to a decline in metal prices and an increase in financing costs
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-42.97	Mainly due to the one-time share-based payment fees for the termination of the equity incentive plan in the current period
Net cash flow from operating activities	14.29	Mainly due to a decrease in the tied-up cash by inventory in the current period

## V. Profit Distribution Proposal

The Company held the 19th meeting of the 6th Board of Directors and the 12th meeting of the 6th Board of Supervisors on April 18, 2024, which considered and unanimously approved the 2023 Profit Distribution Proposal.

In line with the principle of actively paying back and sharing operating achievements of the Company with shareholders, it is proposed by the Board of directors to the annual general meeting to be held on 10 May 2024 to distribute a cash dividend of RMB 10.00 (tax included) for every 10 A-shares held by shareholders in FY2023. Shares held by

the Company through special securities account for repurchase will not participate in this profit distribution. The distribution will be based on the total share capital as of the Record Date to be determined in the future implementation of the distribution proposal. The proposed distribution will not include any bonus shares or involve converting capital reserve into share capital. If the total share capital of the Company changes before the Record Date of the implementation of the distribution proposal, the Company will maintain the distribution ratio per share and adjust the total amount of distribution accordingly.

Our full announcement on Profit Distribution Proposal is available on our website at <https://www.huayou.com/en/investor/general-announcements>.

## **Detailed Reporting**

The Company's Annual Report 2023 and 2024 First Quarter Report can be downloaded via this link:

<https://www.huayou.com/en/investor/financial-statements>.

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## **About Zhejiang Huayou Cobalt Co., Ltd.**

Huayou Cobalt is a leading global technology-driven enterprise in the new energy lithium-ion battery material industry. The Company has developed a vertically integrated business model covering all critical steps along the value chain of the industry, starting from development of resources (i.e., nickel, cobalt and lithium) to the manufacture of lithium-ion battery materials. The Company is devoted to constructing a harmonious industry ecosystem which is featured with green and low-carbon with high ESG standards, safety, stability and sustainability.

## **Disclaimer**

This announcement contains forward-looking statements, estimates, opinions and projections with respect to the anticipated performance of the Company ("forward-looking statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "forecast", "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those

expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release. We undertake no obligation, and do not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. We accept no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.