

Zhejiang Huayou Cobalt: 2024 Full Year and 2025 First Quarter Results and Provision for Asset Impairment and Profit Distribution Proposal

Tongxiang City, China, April 19, 2025

Zhejiang Huayou Cobalt Co., Ltd. (the “**Company**”) today reported financial results for the full year ended 31 December 2024 and first quarter of 2025.

- In 2024, the Company improved operation efficiency and quality by optimizing the products structure, expanding the market, increasing orders, increasing loads, and reducing costs, and achieved operating income of RMB 60.95 billion and net profit attributable to shareholders of the listed company of RMB 4.15 billion, a year-on-year growth of 23.99%, creating the best operating performance since its establishment.
- In first quarter of 2025, the Company achieved operating income of RMB17.84bn, an increase of 19.24% over the same period last year; the Company achieved net profit attributable to shareholders of the listed company of RMB 1.25bn, an increase of 139.68% over the same period last year. The increase in profit was mainly due to an increase in shipments of products, and decrease in cost and fees in the first quarter of 2025.
- The Company made provision for inventory impairment of RMB 313 million, made provision for goodwill impairment of RMB 195 million, and released the provision for impairment of receivables of RMB 14 million, which in total reduced the Company’s profit in 2024 by RMB 494 million. The Company conducted a comprehensive examination and impairment testing of various assets as of December 31, 2024. Based on the testing results, the Company made provisions for impairment for assets where impairment indicators were identified.
- To ensure a reasonable return to shareholders and support the Company’s long-term development, it is proposed to distribute a cash dividend of RMB 5.00 (tax included) for every 10 A-shares held by shareholders in FY2024. This proposal needs to be submitted to the Annual General Meeting of the Company to be held on 9 May 2025 for review.

I. Key accounting data and financial indicators for 2024

Monetary unit: Yuan Currency: RMB

Item	FY 2024	FY 2023	YoY increase or decrease (%)
Operating income	60,945,563,720.14	66,304,047,529.81	-8.08

Net profit attributable to shareholders of the listed company	4,154,825,193.75	3,350,891,340.06	23.99
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	3,795,092,102.46	3,092,830,789.90	22.71
Net cash flow from operating activities	12,431,110,882.70	3,485,888,093.33	256.61
Basic earnings per share (yuan/share)	2.50	2.05	21.95
Diluted earnings per share (yuan/share)	2.39	2.05	16.59
Weighted average return on net assets (%)	2.28	1.89	20.64
	December 31, 2024	December 31, 2023	YoY increase or decrease (%)
Net assets attributable to shareholders of the listed company	36,945,607,483.36	34,277,801,337.40	7.78
Total assets	136,591,394,324.44	125,520,277,340.78	8.82

II. Analysis of income in 2024

Monetary unit: Yuan Currency: RMB

By industry						
By industry	Operating income	Operating costs	Gross profit margin (%)	YoY increase or decrease in operating income (%)	YoY increase or decrease in operating costs (%)	YoY increase or decrease in gross profit margin (%)
New energy battery materials and raw materials	28,747,377,321.51	24,216,936,679.79	15.76	-31.71	-33.47	2.22
Nonferrous metal materials	20,324,086,060.17	14,900,835,262.69	26.68	72.24	66.43	2.56
Trade and others	10,606,855,937.69	10,488,547,317.89	1.12	-3.69	-0.72	-2.96
By product						
By product	Operating income	Operating costs	Gross profit margin (%)	YoY increase or decrease in operating income (%)	YoY increase or decrease in operating costs (%)	YoY increase or decrease in gross profit margin (%)
Cobalt product	3,381,450,551.96	2,855,859,368.60	15.54	-19.20	-25.24	6.82
Copper product	5,642,817,191.61	3,955,180,058.24	29.91	15.40	13.30	1.30
Nickel product	14,267,345,269.82	10,400,749,102.45	27.10	59.93	43.22	8.51
Lithium product	3,062,797,519.01	2,697,238,847.65	11.94	134.48	137.04	-0.95
Ternary precursor	6,739,831,647.49	5,485,688,048.91	18.61	-33.11	-33.40	0.35
Cathode material	8,607,462,971.90	7,934,248,182.62	7.82	-54.50	-54.51	0.02
Nickel intermediate	7,035,780,504.16	5,475,517,596.92	22.18	36.76	53.59	- 8.53

Trade and others	10,940,833,663.42	10,801,838,054.98	1.27	-4.63	-1.46	- 3.18
By region						
By region	Operating income	Operating costs	Gross profit margin (%)	YoY increase or decrease in operating income (%)	YoY increase or decrease in operating costs (%)	YoY increase or decrease in gross profit margin (%)
Domestic	23,498,438,787.64	20,161,899,976.51	14.20	-15.31	-16.13	0.84
Overseas	36,179,880,531.73	29,444,419,283.86	18.62	-2.65	-7.63	4.39

III. Analysis of production and sales volumes in 2024

Main products	Unit	Production volume	Sales volume	Inventory	YoY increase or decrease in production volume (%)	YoY increase or decrease in sales volume (%)	YoY increase or decrease in inventory (%)
Cobalt products	Ton (metal quantity)	48,974.32	46,837.16	5,906.18	20.49	13.18	56.70
Copper products	Ton (metal quantity)	89,041.35	90,233.30	3,255.19	-0.48	2.78	-26.80
Nickel products	Ton (metal quantity)	192,556.23	184,314.74	12,818.86	50.07	45.78	180.05
Lithium products	Ton (physical quantity)	41,391.11	39,246.32	5,438.00	260.66	376.56	65.13
Ternary precursor	Ton (physical quantity)	101,771.61	103,100.34	3,617.96	-17.67	-20.17	-26.86
Cathode material	Ton (physical quantity)	65,220.94	65,666.14	2,668.65	-27.71	-30.60	-14.30

IV. Financial Results for the First Quarter ended 31 March 2025

Monetary unit: Yuan Currency: RMB

Item	Q1 2025	Q1 2024	Increase/decrease compared with the same period last year (%)
Operating income	17,841,985,369.46	14,962,649,257.31	19.24
Net profit attributable to shareholders of the listed company	1,252,109,041.28	522,415,394.16	139.68
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	1,226,823,619.76	567,830,428.67	116.05
Net cash flow from operating activities	1,017,076,743.57	929,046,306.48	9.48

Basic earnings per share (Yuan/share)	0.74	0.33	124.24
Diluted earnings per share (Yuan/share)	0.70	0.33	112.12
Weighted average return on net assets (%)	3.32	1.51	1.81
	March 31, 2025	March 31, 2024	Increase/decrease at the end of the current period compared with the end of last year (%)
Total assets	141,461,657,072.45	136,591,394,324.44	3.57
Owner's equity attributable to shareholders of the listed company	38,469,444,001.13	36,945,607,483.36	4.12

V. Provision for Asset Impairment

In accordance with the *Accounting Standards for Business Enterprises No. 8 – Asset Impairment*, the *Accounting Standards for Business Enterprises No. 1 – Inventory*, the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, and the relevant provisions of the Company's accounting policies, the Company conducted a comprehensive inspection and impairment test on the relevant assets within the scope of the consolidated statements as at the end of December 2024, and based on the principle of prudence, made provision for impairment of some assets, as detailed below:

Monetary unit: Million Currency: RMB

Item	Amounts
Made provision for inventory impairment	313
Released the provision for impairment of receivables	14
Made provision for goodwill impairment	195
In total reduced the Company's profit in 2024	494

Our full announcement on Provision for Asset Impairment is available on our website at <https://www.huayou.com/en/investor/general-announcements>

VI. Profit Distribution Proposal

The Company held the 29th meeting of the 6th Board of Directors and the 20th meeting of the 6th Board of Supervisors on April 17, 2025, which considered and unanimously approved the 2024 Profit Distribution Proposal.

To ensure a reasonable return to shareholders and support the Company's long-term development, it is proposed to distribute a cash dividend of RMB 5.00 (tax included) for every 10 A-shares held by shareholders in FY2024. The profit distribution is based on the total share capital registered on the equity registration date for the

implementation of the equity distribution deducting the shares in the Company's special securities account for repurchase, with the specific date to be specified in the announcement on the implementation of equity distribution. Where there is any change in the Company's total share capital prior to the equity registration date for the implementation of the equity distribution, the Company intends to maintain the distribution ratio for each share unchanged and adjust the total distribution amount accordingly, and disclose them in the relevant announcements.

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 2024 and 2025 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.