Stock Code: 603799 Stock Name: Huayou Cobalt

2026 Semi-Annual Report of Zhejiang Huayou Cobalt Co., Ltd.

August 2026

Important Notes

I. The Board of Directors, directors and senior officers of the Company guarantee that this semi-annual report is truthful, accurate, complete and free from false records, misleading statement or material omission, and they will assume joint and several liabilities with respect thereto.

II. All directors have attended the Board meeting.

III. This semi-annual report is unaudited.

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

V. The profit distribution plan or the plan for converting capital reserve to share capital for the reporting period adopted by the Board of Directors
None

VI. Risk related to forward-looking statements

√Applicable □ Not applicable
Forward-looking statements 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. Whether there is a situation where the controlling shareholder or other related parties occupy funds for any non-operation purpose

None

VIII. Whether there are any external guarantees provided in violation of the prescribed decision-making procedures

None

IX. Whether there are more than half of the directors who are unable to guarantee the authenticity, accuracy and completeness of the semi-annual report disclosed by the Company
None

X. Warnings of major risks

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

XI. Others

√Applicable □ Not applicable

Table of Contents

<table>
<tr><td rowspan="3">Directory of reference documents</td><td>2026 Semi-Annual Report with the signature of the Company’s legal representative</td></tr>
<tr><td>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)</td></tr>
<tr><td>The originals of all corporate documents and announcements disclosed on the websites designated by the China Securities Regulatory Commission (CSRC) during the reporting period</td></tr>
</table>

Section I Definitions

Unless the context otherwise requires, the following terms shall have the meanings given to them below when used herein:

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.
BCM Company	mean(s)	LG-HY BCM, 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	mean(s)	HUAYOU INTERNATIONAL MINING (HONGKONG) LIMITED, with the Chinese name “华友国际矿业（香港）有限公司”
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
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	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.
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.
Zhongjing Holdings	mean(s)	Zhongjing Holdings Co., Ltd.
AMI Company	mean(s)	PT Andalan Metal Industry
KNI Company	mean(s)	PT KOLAKA NICKEL INDONESIA
IPIP Company	mean(s)	PT.INDONESIA POMALAA INDUSTRY PARK
Huayue Company	mean(s)	PT.HUAYUE NICKEL COBALT
Huake Indonesia	mean(s)	PT. HUAKE NICKEL INDONESIA
Indonesia Huafei	mean(s)	PT. Huafei Nickel Cobalt
Prospect Lithium	mean(s)	PROSPECT LITHIUM ZIMBABWE (PVT) LTD
Guangxi B&M	mean(s)	Guangxi B&M Science and Technology Co., Ltd.
Chengdu B&M	mean(s)	Chengdu B&M Science and Technology Co., Ltd.
Tianjin B&M	mean(s)	Tianjin B&M Science and Technology Co., Ltd.
Zhejiang B&M	mean(s)	Zhejiang B&M Science and Technology Co., Ltd.
Guangxi Huayou New Materials	mean(s)	Guangxi Huayou New Materials Co., Ltd.

Guangxi Lithium Industry	mean(s)	Guangxi Huayou Lithium Industry Co., Ltd.
GDR	mean(s)	GLOBAL DEPOSITARY RECEIPTS

Section II Company Overview and Major Financial Indicator

I. Company information

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 Hongliang

II. Contact persons and their contact details

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Li Rui	He Qing
Contact address	79 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province	79 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province
Telephone	0573-88589981	0573-88589981
Fax	0573-88585810	0573-88585810
E-mail	lirui@huayou.com	heqing@huayou.com

III. Change of basic information

Registered address	18 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province
Change history of the registered address	None
Office address	79 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province
Postal code of the office address	314500
Website	www.huayou.com
E-mail	information@huayou.com

IV. Changes in information disclosure and place of inspection

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

V. Company stock

Stock type	Stock exchange	Stock abbreviation	Stock code	Stock abbreviation before change
A-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

□Applicable √Not applicable

VII. Major accounting data and financial indicators of the Company

(I) Major accounting data

Monetary unit: Yuan Currency: RMB

Major accounting data	Current period (January to June)	Same period last year	Increase/decrease compared with the same period last year (%)
Operating income	55,567,528,870.01	37,196,514,112.78	49.39
Total profit	6,296,560,713.50	3,742,277,517.89	68.25
Net profit attributable to shareholders of the listed company	3,507,405,417.91	2,710,936,108.53	29.38
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	3,310,746,535.95	2,587,193,981.43	27.97
Net cash flow from operating activities	2,148,087,518.58	1,618,070,841.20	32.76
	As of the end of the current period	As of the end of the previous year	Increase/decrease compared with that at the end of the last year (%)
Net assets attributable to the shareholders of the listed company	50,870,768,401.92	48,295,468,220.57	5.33
Total assets	185,957,528,683.56	159,437,759,775.50	16.63

(II) Major financial indicators

Major financial indicators	Current period (January to June)	Same period last year	Increase/decrease compared with the same period last year (%)
Basic earnings per share (RMB/share)	1.86	1.61	15.53
Diluted earnings per share (RMB/share)	1.86	1.51	23.18
Basic earnings per share after deducting non-recurring gains and losses (RMB/share)	1.76	1.53	15.03
Weighted average return on net assets (%)	7.05	7.05	0
Weighted average return on net assets after deducting non-recurring gains and losses (%)	6.66	6.73	-0.07

Description of the Company’s major accounting data and financial indicators
□Applicable √Not applicable

VIII. Differences of accounting data under Chinese and foreign accounting standards

□Applicable √Not applicable

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

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Non-recurring gains/losses	Amount	Remark (if applicable)
Gains/losses from disposal of non-current assets, including the write-offs of provision for assets impairment	480,146,394.12	
Government subsidies included in current gains/losses except for those that are closely related to the	95,150,680.74	

Company's normal operation, granted in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profits/losses		
Gains/losses from changes in the fair value of financial assets and 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 operation	-394,546,102.66	
Fund occupancy fees charged to non-financial enterprises included in the current profit or loss	42,458,125.93	
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 accounts receivable impairment subject to individual 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 common 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		
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 at fair value		
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	4,413,529.92	
Other gain/loss items that meet the definition of non-recurring gains/losses		
Less: impact amount of income tax	49,093,618.69	
Impact amount of minority equity (after-tax)	-18,129,872.60	
Total	196,658,881.96	

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

X. Companies with equity incentives or employee stock ownership plans may choose to disclose their net profits after deducting the impact of share-based payments

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Major accounting data	Current period (January to June)	Same period last year	Increase/decrease compared with the same period last year (%)
Net profit after deducting the impact of share-based payments	5,196,171,713.66	3,512,432,069.26	47.94

XI. Others

□Applicable √Not applicable

Section III Management Discussion and Analysis

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

(I) Overview of main business activities

The Company mainly engages in the research and development, manufacturing and sales of lithium battery materials, energy metals and energy materials products. The Company takes lithium battery materials business as its core, and energy metals and energy materials as new growth poles. It has built a new energy integrated industrial ecosystem on a global scale, covering the development of nickel, cobalt and lithium resources, green smelting and processing, the manufacturing of ternary precursors and cathode materials, and the recycling and utilization of resources.

Over the years of development, the Company has always adhered to the transformation and upgrading route of "controlling resources at the top, expanding the market at the bottom, and enhancing capabilities in the middle", and has built an integrated industrial system from resource development, non-ferrous smelting, material processing to recycling and utilization, forming an industrial pattern of highly coordinated development of resources, new materials, new energy and circular business. In the future, the Company will continuously consolidate its business pattern of "overseas resources, international manufacturing, and global market", leverage and amplify its development advantages of "integrated industrial chains, technology-centric development, globally oriented operations, and ecosystem-based growth", and strive to become a globally leading energy materials technology enterprise.

(II) Business model

1. New energy business

The new energy business serves as the leading segment of the Company's integrated industrial strategy and is a key driver for the sustained growth of upstream resources and new materials businesses. This segment focuses on the research, development, production, and sales of lithium battery cathode materials, including ternary cathode materials and lithium cobalt oxide. These products are primarily used in electric vehicles, energy storage systems, and consumer electronics, low-altitude economy and embodied AI. Cathode materials are manufactured through processes such as mixing, grinding, high-temperature sintering, and crushing. The raw materials required for the production of cathode materials are primarily sourced from the Company's subsidiaries and through market procurement. The Company's cathode materials are sold directly to lithium battery manufacturers. Pricing is determined by referencing the market prices of nickel, cobalt, manganese, and lithium metals, while also considering the product's technological value and overall market supply and demand dynamics. The Company's lithium battery cathode materials have been extensively adopted within the international and domestic high-end automotive supply chain, the global energy storage market, mainstream consumer electronics sectors, UAV, low-altitude economy and embodied AI.

2. New materials business

As a crucial support for the Company's industrial integration,, the new materials business plays a core resource conversion role that connects the upper and lower parts of the Company's business industrial chain and serves as the core carrier for the Company's development of "energy materials and energy metals". This segment focuses on the research, development, production, and sales of ternary precursors and nickel, cobalt, and lithium-based new material products. The products are primarily used in cathode materials for electric vehicle batteries, consumer electronics, and alloy materials. Ternary precursors are manufactured through processes such as synthesis, washing, and drying. The raw materials required for the production are mainly self-supplied, with external purchases supplementing shortages. Customers for ternary precursors are primarily lithium battery cathode material manufacturers, and sales are conducted through a direct model. Pricing is based on the market prices of nickel, cobalt, and manganese metals, while also considering the product's technological value and market supply and demand dynamics. For nickel and cobalt raw materials, procurement pricing is determined at a discount to prevailing metal market prices. Cobalt products are mainly sold through direct sales, with some markets utilizing a distribution model, while nickel products predominantly follow a direct sales approach. Lithium raw materials are largely self-supplied, and lithium products are sold directly, with pricing determined by referencing international and domestic market prices for nickel, cobalt, and lithium, alongside specific supply-demand conditions. The ternary precursor products are extensively applied in high-end electric vehicles from manufacturers such as Tesla, Volkswagen, BMW, Hyundai, Stellantis, General Motors, and Ford. The Company has also entered into a supply framework agreement with Tesla, securing its place in Tesla's core supply chain.

3. Resource business

The resource business acts as the foundation of the Company's industrial integration, providing a stable and reliable raw material guarantee that supports the Company's leading position in the new energy materials sector. This segment primarily involves the mining, beneficiation, and initial processing of non-ferrous metals such as nickel, cobalt, lithium, and copper. Nickel-cobalt resource development in Indonesia is central to securing upstream resources and a strategic highland for transformation and upgrading. Key products include crude nickel hydroxide and high-grade nickel matte. Nickel ore supplies are secured through equity stakes in mines and long-term supply agreements, supplemented by market purchases. Pricing for nickel intermediates, used as raw materials in domestic new materials production, is tied to international and domestic market prices. Cobalt and copper resource development in Africa represents another critical area for securing upstream resources. Primary products include crude cobalt hydroxide and electroplated copper. Cobalt and copper ores are sourced from company-owned mines and local mining companies, with cobalt raw material pricing set at a discount to Metal Bulletin (MB) prices, and copper ore pricing linked to international copper metal prices. Crude cobalt hydroxide is mainly used for manufacturing cobalt-based new materials domestically, while electroplated copper is typically sold to international commodity traders, priced according to the London Metal Exchange (LME) copper price. Lithium operations focus on mining, beneficiation and early-stage processing of company-owned mines, producing spodumene concentrate, petalite concentrate and lithium sulfate. Lithium concentrates and lithium sulfate serve as raw materials for domestic lithium salt production. The Company's low-cost, large-scale, high ESG standards, and reliable resource supply ensure a robust foundation for its leadership in the new energy lithium battery materials industry.

Additionally, the Company actively develops lithium battery recycling operations. Subsidiaries Huayou Quzhou, Resource Regeneration, and Jiangsu Huayou have been listed in the first, second and fourth batches of enterprises meeting the Conditions for the Comprehensive Utilization of Used Power Batteries from New Energy Vehicles issued by the Ministry of Industry and Information Technology. Through innovative business models such as the establishment of a recycling network, resource recovery, waste-to-material exchanges, and battery maintenance and remanufacturing, the Company collaborates extensively with leading domestic and international automotive manufacturers and battery enterprises, including BMW, Volkswagen, Toyota, LG Energy Solution, FAW, Changan, GAC, SAIC, NIO, and Li Auto, to provide global, non-harmful, and sustainable solutions for waste battery management.

(III) Industry situation

During the reporting period, the global green transformation and industrial intelligence were further advanced, and the new energy lithium battery industry maintained a steady growth. According to SMM, in the first half of 2026, global sales of new energy vehicles were approximately 10.25 million units, representing a year-on-year growth of about 14%; the global installed capacity of power lithium-ion batteries was approximately 580GWh, representing a year-on-year growth of about 15%. The surging downstream demand has driven the simultaneous expansion of lithium battery cathode materials. According to ICC, the global total output of ternary materials in the first half of 2026 was 572,300 tons, an increase of 23.85% year-on-year. During the reporting period, energy metals such as nickel, cobalt and lithium saw their price centers rise overall and show a wide range of fluctuations due to factors such as global supply and demand structure adjustments, policy changes in major production areas and cost fluctuations in the industrial chain.

1. Situation of the lithium battery materials industry

During the reporting period, the global electrification process of new energy vehicles continued to deepen, with the battery capacity per vehicle steadily increasing, effectively driving the demand for ternary cathode materials. The industry maintained a steady development trend. Domestically, the subsidy policy for trading in old new energy vehicles for new ones has been continuously optimized, shifting from a fixed subsidy to a distribution based on a proportion of the new vehicle's selling price. The subsidy advantages for mid-to-high-end and high-capacity models have become more prominent, promoting the iteration of models towards higher battery capacity. According to data from the China Passenger Car Association, the average battery capacity of domestic new energy vehicles in the first half of 2026 was approximately 65.4kWh, a year-on-year increase of 29.3%, directly driving the growth in demand for ternary materials. Overseas, the penetration rate of electrification has been steadily increasing. Coupled with the rise in international oil prices, the cost advantage of using new energy vehicles has been further magnified, and the pace of substitution has accelerated. The mainstream vehicle models in Europe and America are generally equipped with ternary batteries, continuously driving the expansion of overseas demand for ternary materials. According to data from the European Automobile Manufacturers' Association, the sales volume of new energy passenger vehicles in Europe from January to June 2026 was 2.351 million units, up 31.7% year-on-year, and the penetration rate rose to 32.5%. Looking ahead, the trend of electrification and high-end development of new energy vehicles remains unchanged. The battery capacity per vehicle will continue to increase, and the industrialization process of new-generation technologies such as large cylindrical batteries and solid-state batteries will accelerate. At the same time, emerging scenarios such as UAV, low-altitude economy, and embodied AI will continue to expand. The market demand for cathode materials with high energy density and high comprehensive performance will steadily grow, opening up long-term development space for the ternary materials industry.

2. Situation of the nickel industry

During the reporting period, due to multiple factors such as rising sulfur prices, fluctuations in macro expectations and adjustments in overseas industrial policies, the nickel price center has moved upward and remains in a wide range of fluctuations. On the supply side, global nickel supply is highly concentrated in Indonesia. Constrained by factors such as tightened local nickel mining quotas and rising sulfur prices, the release of production capacity is limited. According to data from Zhonglianjin, Indonesia's combined output of nickel iron and nickel matte in the first half of 2026 was approximately 1.05 million metal tons, remaining the same as the same period last year. The output of MHP was approximately 194,500 metal tons, a year-on-year decrease of 9.5%. The main reason was the supply disruption in major sulfur-producing regions caused by geopolitical conflicts, and the sharp increase in sulfur prices, which significantly pushed up MHP production costs and put pressure on the operation of HPAL processes. According to SMM, the price of sulfur (CIF Indonesia) was approximately USD 550 per ton at the beginning of 2026 and reached USD 1,250 per ton in June, with the price per ton rising by about USD 700, an increase of over 126%. On the demand side, the stainless steel industry has strong demand resilience, providing basic consumption support. According to SMM, the total stainless steel output of China and Indonesia in the first half of 2026 was approximately 23 million tons, representing a year-on-year growth of about 2%. The steady growth of the new energy lithium battery industry has driven up the consumption of battery-grade nickel year-on-year. According to ICC, in the first half of 2026, the global output of ternary precursors was 584,000 tons, an increase of 26.1% year-on-year. Demand in sub-sectors such as alloys, electroplating, and high-end equipment manufacturing has been steadily advancing, jointly consolidating the fundamental consumption situation of the industry. Looking ahead, the accelerated industrialization of new-generation technologies such as large cylindrical batteries and solid-state batteries, coupled with the continuous expansion of emerging application scenarios like embodied AI, low-altitude economy, and aerospace, and the increasing demands of downstream industries for battery energy density and structural material performance, are expected to drive the continuous expansion of demand for high-nickel ternary batteries and high-end nickel-based alloys, opening up long-term growth space for the nickel industry.

3. Situation of the cobalt industry

During the reporting period, the tight supply situation in the global cobalt industry persisted. According to SMM, the domestic supply and demand gap for cobalt raw materials was approximately 23,000 metal tons in the first half of 2026, and the market remained in a destocking cycle. On the supply side, the global distribution of cobalt resources is highly concentrated, and major supplying countries have implemented regular export quota control, resulting in a significant shrink in the total circulation volume of global cobalt intermediate products compared with pre control levels. Affected by sulfur price hikes, the release of wet-process nickel production capacity is restricted, and the production of associated cobalt is reduced simultaneously, further compressing the global effective supply. Although primary raw materials remained tight, supply from recycling sources increased significantly. According to SMM data, the proportion of recycled materials in cobalt raw material production rose from approximately 13% in Q1 2025 to around 34% in Q2 2026. The demand side shows a structural differentiation. The demand in fields such as power batteries, high-temperature alloys, and hard alloys remains stable. In the consumer electronics sector, such as mobile phones and notebook computers, the terminal demand has declined due to the increase in memory chip prices. After surging sharply last year, cobalt prices generally showed a volatile weakening trend in the first half of the year. Looking ahead, with the integration and implementation of AI, 6G and Internet of Things technologies, as well as the increased power demand for individual smart terminals, it is expected to drive the recovery of demand for consumer electronics. The accelerated industrialization of large cylindrical and solid-state batteries is promoting the penetration of high-nickel ternary materials. Coupled with the steady growth of high-end manufacturing fields such as high-temperature alloys and hard alloys, the resonance of multi-track demands will continue to drive the cobalt consumption, and the cobalt market is expected to enter a new growth cycle.

4. Situation of the lithium industry

During the reporting period, the global lithium carbonate industry maintained a tight balance between supply and demand. Frequent periodic disturbances on the supply side and continuous strengthening of the demand side have driven the lithium price center upward, showing a wide range of fluctuations. According to a research report by China Securities, the global supply of lithium carbonate was approximately 1.003 million tons of LCE in the first half of 2026, while the demand was about 1.005 million tons of LCE. The supply and demand were basically balanced. On the supply side, Zimbabwe has temporarily suspended the export of lithium concentrate, and the shipment of some lithium ores from Australia has been blocked. Coupled with the capacity adjustment in the core lithium mining area of Jiangxi Province in China, the supply of lithium raw materials has fluctuated further. On the demand side, the demand for power batteries in new energy vehicles is growing steadily, and the large-scale implementation of the energy storage industry is accelerating, continuously driving the lithium carbonate demand and sustaining positive demand fundamentals. Looking ahead, the global process of electrification and intelligence of new energy vehicles will continue to deepen. The energy storage industry has entered a stage of large-scale and rapid development. Industry demand is expected to maintain a high growth rate, and the lithium carbonate market holds broad long-term development prospects.

Description of the Company's new significant non-primary business during the reporting period

□Applicable √Not applicable

II. Business discussion and analysis

In the first half of 2026, in the face of a complex and volatile macro environment and frequent external disturbances in the industrial situation, the Company persisted in the business essence of putting customers at the center and creating value for them, and deeply practiced the development strategy of "one core, two poles and four modernizations". By fully leveraging its comprehensive advantages of industrial integration, technology core-centeredness, internationalized operation, and ecological development, the Company has comprehensively advanced the construction of "Technological Huayou, Green Huayou, Open Huayou, Responsible Huayou, and Striving Huayou". It has gathered the internal driving force for high-quality development through strategic implementation and consolidated the efficiency and benefits of high-volume development through lean operation, achieving the best business performance in the same period of history. The Company has reached a new high in the ranking of the Fortune China 500, laying a solid foundation for a high-quality start to the "15th Five-Year Plan".

In the first half of 2026, the Company mainly completed the following tasks in line with its development strategy and annual business plan:

(I) Continuously released the integrated advantages, and achieved a significant increase in new energy material products

During the reporting period, the Company achieved operating income of RMB 55.568 billion, representing a year-on-year increase of 49.39%, and achieved a net profit attributable to the parent company of RMB 3.507 billion, representing a year-on-year increase of 29.38%, reaching the best level in the same period of history, further highlighting the advantages of the Company's integrated industrial development. In the first half of 2026, the Company focused on the three key elements of quality, cost and efficiency, and made every effort to expand the market, stabilize production and increase efficiency. As a result, the sales volume of new energy material products increased significantly, the shipment volume of ternary cathode materials reached 76,300 tons, up by about 93% year-on-year, and the proportion of ultra-high nickel 9-series products rose to over 70%. The shipment volume of ternary precursors was 80,800 tons, representing a year-on-year growth of approximately 94%. The shipment volume of lithium carbonate was 30,500 tons, increasing by approximately 17% year-on-year. The shipment volume of nickel products was 132,800 tons, basically the same as that of the previous year. The shipment volume of cobalt products was 15,800 tons, a year-on-year decrease of approximately 24%, mainly due to the decline in demand for consumer electronics. Due to factors such as the increase in sulfur prices, some production lines of Huafei Company have been shut down for maintenance since May 1, 2026. The HPAL capacity of the upstream laterite nickel ore in Indonesia has not been fully released. The MHP shipment volume was 96,800 tons, a year-on-year decrease of approximately 19%, and the operating costs have risen significantly. At the downstream lithium battery materials end, the Company has continuously focused on the mainstream market, mainstream customers, and mainstream products, achieving the incremental implementation in the high-end market, and further optimizing the product structure and customer structure. The large cylindrical battery materials cover several leading battery enterprises such as EVE, and have achieved large-scale production, with a significant market leading advantage. The multi-point layout of solid-state batteries is making breakthroughs, and the cooperation with LGES, SK on, Molicel, Welion New Energy, and Qingtao Energy is progressing smoothly. The application fields of eVTOL have been steadily advancing, achieving mass production for customers such as CALB and Golden Feather and consolidating the Company's leading position in cutting-edge fields such as large cylindrical battery materials and solid-state battery materials.

(II) Made multiple breakthroughs in scientific and technological innovation, and accelerated the cultivation of new quality productivity

During the reporting period, the Company deeply implemented the science and technology innovation strategy of "supporting industries and leading the future", focused on core technology research and development and product iteration & upgrading, continuously increased R&D investment, achieved multiple breakthroughs in scientific and technological innovation, and accelerated the cultivation of new quality productivity. In the first half of the year, the Company's R&D investment amounted to RMB 1.121 billion, a year-on-year increase of 109%. The achievements in intellectual property rights and standard setting are remarkable, with 53 new patent authorizations granted, 2 China Patent Excellence Awards won, and 16 new national/industry/group standards released, including one international standard, marking a "first-ever breakthrough" in the formulation of international standards. The technological breakthroughs and process optimization have been advanced in depth, the technologies for lithium ore roasting and lithium carbonate impurity removal have been optimized, and the comprehensive recovery rate has significantly increased. By applying the new low-cost wet nickel-cobalt smelting process and new acid production technology, the resource utilization of tailings is achieved, and the advantages of cost reduction, efficiency improvement and green production are further consolidated. The production line verification of the new generation of electro-nickel stainless steel permanent cathode has been completed, and its core performance exceeds expectations. The achievements in product research and development and mass production transformation are remarkable. The precursor has been positioned in the direction of high-end and differentiated product structure upgrade, and a gradient product matrix has been established. The ultra-high nickel Ni96/Ni97 products and NCMA 9 series products have been mass-introduced into the international first-class supply chain system, and the 9 series ultra-high nickel products suitable for 46 series large cylindrical batteries have been successfully mass-produced and introduced. A variety of medium-nickel high-voltage products have been mass-produced and are stably supplied to mainstream customers. The 4.55V tricobalt tetroxide has been successfully introduced into the leading supply chain and continues to lead the high-voltage race. The cathode materials amplify the leading advantages of high-nickel, ultra-high nickel and medium-nickel high-voltage technologies, and actively promote the research and development of diversified new material systems. The ultra-high nickel Ni94 and Ni95 products have passed the 46-series large cylindrical battery certification of leading customers and are the first to enter mass production. The ultra-high nickel products maintain a leading position in emerging fields such as condensed matter batteries, humanoid robots and eVTOL of leading customers. The Ni95 single crystal has completed the PPAP certification import for UAV. A variety of medium-nickel single crystal high-voltage and high-nickel advanced products have entered the supply chains of mainstream automakers in Europe, America, Japan and China, and some have achieved exclusive supply. The 4.55V high-voltage lithium cobalt oxide has achieved 100-ton delivery and entered the international high-end brand market. A number of new material products, such as solid-state cathodes, lithium-rich manganese-based ones, sodium-battery cathodes, 5V spinel lithium nickel manganese oxide, and new crystal phase lithium cobalt oxide, have performance in the first echelon of the industry, further consolidating their competitiveness in the high-end market.

(III) Advanced the industrial layout in depth, and constantly accumulated the potential for high-quality development

During the reporting period, the Company continuously deepened its business pattern of overseas resources, international manufacturing and global markets, broadened the space for open development, and accelerated the process of international layout, so that the potential for high-quality development has been constantly accumulated. In Indonesia, the capacity layout for nickel and cobalt smelting is being expanded, and the construction of the Pomalaa HPAL project with an annual output of 120,000 tons of nickel metal is being steadily advanced. It is expected to be put into operation before the end of 2026. The Company has been solidly carrying out the preparatory work for the Sorowako HPAL project with an annual output of 60,000 tons of nickel metal, and advanced the development of reserved mine resources in an orderly manner. The gypsum to acid production project commenced construction, and the pyrite to acid production project is advancing at an accelerated pace. Once put into operation, they will significantly enhance the self-sufficiency capacity of sulfur resources. The construction of the Pomalaa Industrial Park is steadily advancing. With the official operation of the supporting IPK wharf, the key logistics channels have been fully connected, and the overall construction progress of the park has been further accelerated. In Zimbabwe, Africa’s first lithium sulfate project has been completed. The first batch of products has been transported to China for processing into battery-grade lithium carbonate, achieving an integrated connection between mining and metallurgy. The comprehensive utilization rate of lithium resources has significantly improved, and the cost advantage has been continuously consolidated. In Ghana, the Company acquired controlling rights over the Ewoyaa lithium mine, which has a resource volume of approximately 1.127 million tons of lithium carbonate equivalent. The acquisition agreement has been signed. After the completion of the transaction, the Company's self-sufficiency rate of lithium resources will be further enhanced. In Hungary, the ternary cathode material project has entered the production line commissioning stage. Long-term contracts have been signed with LGES and EVE, securing the project's sales volume in advance and initiating a new stage of localized manufacturing in Europe. With the steady advancement of major projects, the Company's comprehensive strength in coordinating global resource allocation, integrating into global industrial division of labor, and participating in global market competition has been continuously enhanced, and the potential for high-quality development has been further accumulated.

(IV) Constantly deepened management reform and continuously improved the operational quality

During the reporting period, the Company, guided by the principle of value creation, secured efficiency on the basis of sound management, closely adhered to the essence of its business to deeply promote management reform, mechanism innovation and process optimization continued to cut costs and control expenses, and thus achieved sustained improvement in operational quality. The Company further promoted extreme manufacturing initiatives targeting extremely-low cost, extremely-high efficiency and ultimate energy efficiency. It strengthened standard cost accounting and monthly dynamic cost analysis, continuously deepened the division of accounting units, and layer by layer, strictly implemented business responsibilities, driving down its production costs and reaching record lows in the costs of many products. The Company strengthened procurement assurance and cost control capabilities, enhanced market research and strategic reserves of raw and auxiliary materials such as ores and sulfur, and continuously optimized the supplier structure, steadily improving its supply chain management. Besides, the Company tightened fund management, paid close attention to the safety of capital chain, improved capital utilization efficiency, optimized financing structure. It successfully issued the seventh tranche of sci-tech innovation bonds worth RMB 1 billion and introduced AIC strategic investment for the first time, so that the average financing cost decreased by more than 20 basis points compared with the previous year. The Company has accelerated the financial digital transformation, initiated a series of reform projects such as process governance and management improvement, and tax compliance control, steadily enhancing its management efficiency and the level of refinement. Further, the Company thoroughly adhered to the safety and environmental protection philosophy that "safety and environmental protection are of paramount importance". Targeting intrinsic safety, the Company solidly advanced the prevention and remediation of risks and hidden hazards in key areas and critical links, and continuously strengthened its safety and environmental protection support capabilities. Adhering to the bottom line of compliant international operation, the Company comprehensively advanced the development of a compliance management platform, strengthened pre emptive prevention and in process control, and effectively boosted its ability to prevent compliance risks. In addition, the Company has improved the decision-making and operation mechanism of the management team, systematically carried out executive training and the third phase of the Iron Army Plan, and strengthened the rotation, exchange and competitive recruitment of cadres, continuously enhancing the professional capabilities and performance levels of the management team.

(V) Advanced the ESG governance in depth, and continuously consolidated the foundation for sustainable development

During the reporting period, the Company continuously deepened its ESG management, released the ESG strategy of "You" all over the world, optimized and integrated the three-level ESG governance structure of "decision-making level, management level and execution level", clearly defined the three functional positioning of "risk prevention, development promotion and brand building", and advanced ESG practices around the seven pillars. It improved the closed-loop management mechanism of "access - assessment - rectification - evidence – disclosure" for the mineral supply chain and promoted the transmission of due diligence management requirements to the upstream of the supply chain. In active response to climate change, the Company completed the first TCFD report. It has continued to carry out community development projects in Zimbabwe, Indonesia and the Democratic Republic of the Congo, demonstrating the action and influence of sustainable development. During the reporting period, the Company was included in S&P Global's "Sustainability Yearbook 2026", ranked in the A-level tier of its industry in the ESG rating of the London Stock Exchange Group, was included in the Fortune China ESG Impact List for three consecutive years, and was awarded the title of Leading Enterprise in the Golden Bee Corporate Social Responsibility China List and other domestic and international ESG honors.

(VI) Steadily advanced special actions, and boosted confidence through dividends and share repurchases

During the reporting period, the Company deeply practiced the core concept of "putting investors first", steadily advanced the special action of "improving quality, increasing efficiency and emphasizing returns", and was committed to enhancing the quality of operation and investment value, sharing the fruits of development with investors.

First, it focused on its core business, and its performance reached a new high. The Company has always focused on the integrated industrial chain of new energy lithium battery materials, adhering to the transformation and development path of "controlling resources at the top, expanding the market at the bottom, and enhancing capabilities in the middle". It leveraged the advantages of "industrial integration, technology core-centeredness, internationalized operation, and ecological development" to promote high-quality and stable development. During the reporting period, the Company achieved operating income of RMB 55.568 billion and net profit attributable to the parent company of RMB 3.507 billion, creating the best business performance in history.

Second, it ensured stable dividends and continuous returns to shareholders. The Company attached great importance to shareholder returns and adhered to a stable and proactive cash dividend policy. During the reporting period, the Company completed the equity distribution for the year 2025, distributing a cash dividend of RMB 5 (including tax) for every 10 shares, with a total cash dividend of RMB 948 million, truly allowing investors to share the dividends of the Company’s development.

Third, it introduced a share repurchase plan to demonstrate confidence in development. Based on confidence in the Company’s future development prospects and recognition of its value, the Company announced a new round of share repurchase plan on July 21, planning to repurchase its own shares with a total amount of no less than RMB 600 million and no more than RMB 1 billion, fully safeguarding the Company’s value and the rights and interests of all shareholders.

Fourth, it strengthened information disclosure and investor relations management to enhance transparency. The Company, guided by the demands of investors, continuously improved the quality and pertinence of information disclosure, ensuring the timeliness and accuracy of information transmission. At the same time, it actively expanded communication channels with the capital market, responded to investors’ concerns in multiple dimensions, effectively conveyed the Company’s value, and enhanced market recognition.

(VII) Guided by strategy and modernized governance, continuously gathered momentum for development

During the reporting period, the Company closely followed the changes in the situation and the actual development, and in accordance with the working approach of “Anchoring for five years, planning accurately for three years, and doing well every year”, continuously deepened the implementation of the “15th Five-Year” strategic planning outline, and systematically constructed a strategic management system with “the headquarters strategy as the leading force, the business strategy as the core, and the functional strategy as the support”, precisely guiding its high-quality and sustainable development. The Company firmly implemented the overall development strategy of “One core, two poles and four modernizations”, that is, taking “lithium battery materials business development” as the core, “energy metals and energy materials” as the new growth poles, and giving full play to the comprehensive advantages of “industrial integration, technology core-centeredness, internationalized operation, and ecological development”, and promoted the construction of five major initiatives “Technological Huayou, Green Huayou, Open Huayou, Responsible Huayou and Striving Huayou” in a coordinated manner, laying a solid strategic foundation for the Company’s high-quality development during the "15th Five-Year Plan" period.

During the reporting period, the Company focused on the long-term layout of long-term prosperity and further deepened the construction of a modern enterprise governance system. It successfully completed the transition of the board of directors and the management team, achieving an orderly handover and smooth transition of the core management team. Mr. Chen Xuehua, the actual controller of the Company, has resigned as the chairman and is gradually withdrawing from the daily operation and management of the Company. He will focus on the inheritance of corporate culture, top-level strategic planning, the integration of industrial innovation and technological innovation, as well as the empowerment of the entire industrial chain layout. The new chairman and management team have been deeply involved in the industry for many years, possessing profound industrial accumulation, advanced modern governance concepts and mature market-oriented operation capabilities. They strictly abide by the Company's Articles of Association and various governance systems, and promote the Company's operation and management, business expansion and strategic implementation in a standardized and professional manner. The smooth handover of the management team fully reflects the modernization of the Company's governance system. It marks that the Company has entered a mature development stage driven by systems and teams, and laid a solid governance foundation for high-quality development during the "15th Five-Year Plan" period, and injected vigorous impetus into sustainable development.

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

□Applicable √Not applicable

III. Core competence analysis during the reporting period

√Applicable □Not applicable

During the reporting period, there was no significant change in the Company's core competence. Please refer to "IV. Core competence analysis during the reporting period" in "Section III Management Discussion and Analysis" of the Company's 2025 Annual Report for details.

IV. Main operation status during the reporting period

(I) Analysis of primary business

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

Monetary unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the same period of last year	Change ratio (%)
Operating income	55,567,528,870.01	37,196,514,112.78	49.39
Operating costs	44,679,127,696.67	31,296,256,401.59	42.76
General and administrative expenses	1,138,033,750.64	855,850,477.89	32.97
Financial expenses	1,769,352,740.91	911,739,863.17	94.06
R&D expenses	1,121,024,387.39	535,828,646.85	109.21
Net cash flow from operating activities	2,148,087,518.58	1,618,070,841.20	32.76
Net cash flow from investing activities	-10,858,223,838.63	-4,879,739,278.82	-122.52
Net cash flow from financing activities	12,625,103,835.92	1,015,546,155.30	1,143.18

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

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

Reasons for changes in selling expenses: Mainly due to a decrease in service fees

Reasons for changes in general and administrative expenses: Mainly due to an increase in labor costs and service fees

Reasons for changes in financial expenses: Mainly due to an increase in exchange losses arising from the fluctuation of exchange rates

Reasons for changes in R&D expenses: Mainly due to increased R&D investment during the current period.
Reasons for changes in net cash flow from operating activities: Mainly due to the growth in business scale, which contributed to operating cash inflows.
Reasons for changes in net cash flow from investing activities: Mainly due to an increase in investment in ongoing projects
Reasons for changes in net cash flow from financing activities: Mainly due to increased borrowings caused by the expansion of business and investment scale

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

□Applicable √Not applicable

(II) Significant changes in profits resulting from non-primary business

□Applicable √Not applicable

(III) Analysis of assets and liabilities

√Applicable □Not applicable

1. Assets and liabilities conditions

Monetary unit: Yuan Currency: RMB

Item	Amount as at the end of the current period	Proportion in the total assets (%)	Amount as at the end of the previous year	Proportion in the total assets (%)	Proportion of change (%)	Detailed description
Held-for-trading financial assets	40,000,000.00	0.02	80,000,000.00	0.05	-50.00	Mainly due to the reduction in financial products
Receivables	15,046,840,601.34	8.09	9,342,046,846.38	5.86	61.07	Mainly due to an expansion in the business scale
Receivables financing	810,444,152.28	0.44	1,647,571,042.81	1.03	-50.81	Mainly due to a centralized discounting of invoice at the end of the period
Construction in progress	22,341,693,016.40	12.01	12,998,862,681.11	8.15	71.87	Mainly due to an increase in investment in ongoing projects
Other non-current assets	6,472,755,251.85	3.48	4,947,488,551.75	3.10	30.83	Mainly due to an increase in prepayment for engineering equipment
Short-term borrowings	32,711,745,664.56	17.59	25,049,841,189.68	15.71	30.59	Mainly due to an expansion in the business scale and an increase in investment in ongoing projects
Notes payable	9,685,200,141.66	5.21	7,196,242,617.28	4.51	34.59	Mainly due to an increase in the use of invoice for payment of goods
Accounts payable	24,101,318,870.62	12.96	18,208,994,873.11	11.42	32.36	Mainly due to an increase in payables for engineering equipment
Advances received	-	-	852,479,726.74	0.53	-100.00	Mainly due to the settlement of advance payment for equity transfer for the previous period
Contract liabilities	2,735,520,807.54	1.47	1,274,805,334.45	0.80	114.58	Mainly due to an increase in payment for goods for the current period

Employee compensation payable	542,623,793.05	0.29	781,246,476.16	0.49	-30.54	Mainly due to the distribution of performance bonuses for 2025
Bonds payable	3,415,732,021.32	1.84	500,920,684.94	0.31	581.89	Mainly due to the issuance of medium-term notes in the current period
Long-term payables	5,567,763,577.33	2.99	4,145,263,634.65	2.60	34.32	Mainly due to an increase in funds raised through sale and leaseback
Provisions	48,412,435.41	0.03	90,293,434.73	0.06	-46.38	Mainly due to the payment of environmental restoration funds in the current period
Less: Treasury shares	93,267,484.20	0.05	220,377,564.40	0.14	-57.68	Mainly due to the repurchase and cancellation of some restricted shares in the current period
Other comprehensive income	-327,137,771.94	-0.18	719,128,955.45	0.45	-145.49	Mainly due to a change in the translation reserve caused by depreciation of US dollar

Other remarks
None

2. Overseas assets

√Applicable □Not applicable

(1) Asset size

Including: overseas assets of 94,800,556,631.45 (Monetary unit: Yuan Currency: RMB), accounting for 50.98% 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
Indonesia Huafei	Business combination not under common control	Self-operation	7,876,426,180.83
Huayue Company	Establishment	Self-operation	5,228,128,538.55
KNI Company	Business combination not under common control	Self-operation	-

Other remarks
None

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

√Applicable □Not applicable

For the restriction of major assets as of the end of the reporting period, please refer to “31. Assets with limited ownership or use rights”, “VII. Notes to items of consolidated financial statements”, “Section VIII Financial Report”.

4. Other information

□Applicable √Not applicable

(IV) Analysis of investments

1. Overall analysis of equity investments

√Applicable □Not applicable

During the reporting period, the Company had 7 new subsidiaries and disposed of 0 subsidiary, as detailed in “1. Business combination not under common control”, “4. Disposal of subsidiaries” and “5. Changes in the scope of consolidation for other reasons”, “IX. Changes in the scope of consolidation”, “Section VIII Financial Report”, and had 2 new equity participation companies, as detailed in “17. Long-term equity investments” and “18. Other equity instrument investments”, “VII. Notes to items of consolidated financial statements”, “Section VIII Financial Report”.

(1) Major equity investments

□Applicable √Not applicable

(2) Major non-equity investments

√Applicable □Not applicable

The major non-equity investments in the current period are mainly construction in progress. As of the end of the reporting period, the balance of the Company's construction in progress was RMB 22,341,693,000, an increase of RMB 9,342,830,300 compared with the end of the previous period, representing a growth rate of 71.87%. For relevant information, please refer to "22. Construction in progress", "VII. Notes to items of consolidated financial statements".

(3). Financial assets measured at fair value

√Applicable □Not applicable

Please refer to the contents of "XIII. Disclosure of Fair Value" in "Section VIII 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

(V) Sales of major assets and major equity

□Applicable √Not applicable

(VI) Analysis of major holding companies and participating companies

√Applicable □Not applicable

Major subsidiaries and participating companies that have an impact of more than 10% on the Company's net profit

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income
Huayou Quzhou	Subsidiary	R&D, production and sales of cobalt, copper and nickel products	RMB 2,401.2436 million	26,651,698,840.84	6,725,564,472.43	13,105,434,603.89
Huayou Hong Kong	Subsidiary	Trade of metal raw materials and products	HKD 550.992 million	26,551,914,791.87	7,423,132,577.65	15,241,292,155.03
Huayou Mining Hong Kong	Subsidiary	Overseas investment platform	HKD 14,534.832 million	29,150,740,104.51	19,384,894,598.04	-
Huayue Company	Subsidiary	Production and sale of MHP	USD 260 million	12,270,553,165.73	9,895,236,933.23	5,228,128,538.55
Indonesia Huafei	Subsidiary	Production and sale of MHP	USD 540 million	17,591,242,208.11	6,627,686,047.01	7,876,426,180.83
Guangxi Huayou New Materials	Subsidiary	R&D, production and sales of cobalt and nickel products	RMB 2,588.5525 million	21,047,718,134.23	7,871,286,906.88	13,030,685,816.76

Acquisition and disposal of subsidiaries during the reporting period
√Applicable □Not applicable

Please refer to the contents of "IX. Change of Combination Scope" in "Section VIII Financial Report" of this report for details.

Other remarks
□Applicable √Not applicable

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

V. Other disclosures

(I) 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. The production process requires auxiliary materials such as sulfur and liquid caustic soda. Due to the influence of various factors such as global economy, supply and demand, market expectations and speculation, the prices of nickel, cobalt, lithium and copper metals, and auxiliary materials such as sulfur and liquid caustic soda present high volatility feature, which in turn leads to product market price fluctuations. During the reporting period, the price centers of nickel, cobalt and lithium products rose year-on-year, showing a wide range of fluctuations overall, and copper prices maintained at a high level overall. The increase in product prices to some extent would improve the Company's profitability, while the decrease in prices would weaken 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. The increase in the prices of auxiliary materials such as sulfur and liquid caustic soda will also push up the Company's production costs to varying degrees, thereby weakening the Company's profitability. Due to the uncertainty of the supply of auxiliary materials such as sulfur, if the prices of auxiliary materials like sulfur and liquid caustic soda rise significantly in the future, it will lead the Company to face the risk of its profitability falling short of expectations.

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. A significant fluctuation in the USD/RMB exchange rate, for example, may cause the Company to incur exchange loss or increase its operating costs, 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 carried out the treatment and discharge of pollutants in strict accordance with the environmental protection requirements of its country and the places where overseas investments are made, and has invested a large amount of capital and technical force to enhance its environmental protection capabilities. 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 may increase.

4. Risk of uncertainty in technology R&D

The Company organized R&D for a series of products such as lithium-ion battery ternary precursors and cathode materials. 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's business has formed an operation pattern featuring overseas resources, international manufacturing and a global market, and has formed its business model which is underpinned by its three major business segments, namely, new energy business, new material business and resource business, with the characteristics of transnational and trans-regional, wide variety of products, and long industrial chain, which 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 may be affected, and the investment projects may face the risk of not meeting the expectations.

6. Risks of transnational business

The new energy vehicle industry has a highly globalized characteristic. 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, and its products were launched in global markets such as in China, Japan, South Korea, Europe and America. 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 both investment projects and overall 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. 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 industry overcapacity continues and demand grows slowly in the future, it may lead to the risk of low capacity utilization and development of the Company falling short of expectations.

(II) Other disclosures

□Applicable √Not applicable

Section IV Corporate Governance, Environment and Society

I. Changes of directors and senior officers of the Company

√Applicable □Not applicable

Name	Position	Description of change	Reasons for change	Statement of reasons
Chen Hongliang	Chairman	Election	Re-election	Re-election
Xie Guoping	Vice Chairman, Vice President	Election	Re-election	Re-election
Chen Xiaolin	Director	Election	Re-election	Re-election
Feng Xiao	Independent Director	Election	Re-election	Re-election
Liu Xiuqing	Vice President	Appointment	Re-election	Re-election
Chen Xuehua	Chairman	Departure	Re-election	Re-election
Fang Qixue	Vice Chairman, Vice President	Departure	Re-election	Re-election
Qian Bolin	Independent Director	Departure	Re-election	Re-election
Xu Wei	Vice President	Departure	Re-election	Re-election
Fang Yuan	Vice President	Departure	Re-election	Re-election
Wu Mengtao	Vice President	Departure	Re-election	Re-election

Further information about changes of directors and senior officers of the Company

√Applicable □Not applicable

During the reporting period, the term of the sixth Board of Directors of the Company expired. On April 28, 2026, the Company held its 2025 annual shareholders' meeting, at which it deliberated and approved the *Proposal on the Election of Non-Independent Directors of the Seventh Board of Directo*rs and the *Proposal on the Election of Independent Directors of the Seventh Board of Directors*, and elected the non-independent directors and independent directors of the seventh Board of Directors, who, together with the employee representative directors elected at the employee representative assembly held on the same day jointly form the seventh Board of Directors of the Company. On the same day, the Company held the 1st meeting of the seventh Board of Directors, at which it deliberated and approved the *Proposal on the Election of the Chairman of the Seventh Board of Directors*, the *Proposal on the Election of the Vice Chairman of the Seventh Board of Directors*, the *Proposal on the Election of Members of Each Special Committee of the Seventh Board of Directors*, the *Proposal on the Appointment of the President*, the *Proposal on the Appointment of the Vice President* and the *Proposal on the Appointment of the Chief Financial Officer, the Secretary of the Board of Directors and the Securities Affairs Representative*, elected the chairman, the vice chairman and members of each special committee of the Board of Directors, and appointed the senior officers and securities affairs representatives. For details, please refer to the *Announcement of Huayou Cobalt on the Completion of the Board of Directors' Re-election and the Appointment of Senior Officers and Securities Affairs Representative* (Announcement No.: 2026-043).

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

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

Is there any profit distribution or conversion of capital reserve into share capital	No
Number of bonus shares distributed per 10 shares	0
Amount of dividends distributed per 10 shares (RMB) (tax inclusive)	0
Number of additional shares converted per 10 shares	0
Relevant information of the plan for profit distribution or conversion of capital reserve into share capital	
The Company will not carry out any profit distribution or conversion of capital reserve into share capital in the first half of 2026.	

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

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

√Applicable □Not applicable

Overview of the matter	Query index
On April 6, 2026, the Company held the 38th meeting of the sixth Board of Directors, at which it deliberated and approved the *Proposal on Adjusting the Repurchase Price of Restricted Shares*, the *Proposal on the Proposed Repurchase and Cancellation of Some Restricted Shares*, and the *Proposal on the Fulfillment of the Conditions for Unlocking during the First Unlocking Period of the First Grant under the 2024 Restricted Stock Incentive Plan*, and agreed to repurchase and cancel a total of 3,199,980 restricted shares held by incentive recipients who do not meet the incentive conditions and the conditions for unlocking under the 2023 Restricted Stock Incentive Plan and the 2024 Restricted Stock Incentive Plan. It is confirmed that the conditions for unlocking during the first unlocking period of the first grant under the 2024 Restricted Stock Incentive Plan of the Company have been met, the number of incentive recipients who meet the conditions for unlocking is 1,070, and the number of restricted shares that can be applied for unlocking and listed for trading is 3,528,280.	For more information, please refer to the *Announcement of Huayou Cobalt on the Proposed Repurchase and Cancellation of Some Restricted Shares* (Announcement No.: 2026-028) and the *Announcement of Huayou Cobalt on the Fulfillment of the Conditions for Unlocking during the First Unlocking Period of the First Grant under the 2024 Restricted Stock Incentive Plan* (Announcement No.: 2026-029) disclosed by the Company on April 8, 2026.
On April 21, 2026, a total of 3,528,280 restricted shares of the first unlocking period of the first grant under the 2024 Restricted Stock Incentive Plan were listed and traded.	For more information, please refer to the *Notice of Huayou Cobalt on the Listing for Trading of the Restricted Shares during the First Unlocking Period of the First Grant under the 2024 Restricted Stock Incentive Plan* (Announcement No.: 2026-037) disclosed by the Company on April 16, 2026.
On June 30, 2026, the Company completed the repurchase and cancellation procedures for the first grant under the 2023 restricted stock incentive plan and some restricted shares under the 2024 restricted stock incentive plan. The repurchase and cancellation involved 3,199,980 restricted shares that had been granted but not yet released from restrictions.	For more information, please refer to the *Announcement of Huayou Cobalt on the Repurchase and Cancellation of Restricted Shares under the Equity Incentive Plan* (Announcement No.: 2026-051) disclosed by the Company on June 26, 2026.
On July 16, 2026, Huayou Cobalt held the second meeting of the holders under the 2022 Employee Stock Ownership Plan, at which it deliberated and approved the *Proposal on Adjusting the Management Mode of the 2022 Employee Stock Ownership Plan*. The Company plans to adjust the management mode of the 2022 Employee Stock Ownership Plan from "entrusting an asset management institution with relevant qualifications for management" to "self-management by the Company".	For more information, please refer to the *Announcement of Huayou Cobalt on the Resolution of the Second Meeting of the Holders under the 2022 Employee Stock Ownership Plan* (Announcement No.: 2026-055) disclosed by the Company on July 17, 2026.
On July 22, 2026, Huayou Cobalt held the 2nd meeting of the seventh Board of Directors, at which it deliberated and approved the *Proposal on Extending the Duration of the 2022 Employee Stock Ownership Plan*, and extended	For more information, please refer to the *Announcement of Huayou Cobalt on Extending the Duration of the 2022 Employee Stock Ownership Plan and*

the duration of the 2022 Employee Stock Ownership Plan by 24 months, that is, extending the duration to November 8, 2028. It also deliberated and approved the *Proposal on Adjusting the Management Mode of the 2022 Employee Stock Ownership Plan*, and adjusted the management mode of the 2022 Employee Stock Ownership Plan from "entrusting an asset management institution with relevant qualifications for management" to "self-management by the Company".	*Adjusting the Management Mode* (Announcement No.: 2026-057) disclosed by the Company on July 23, 2026.

(II) Incentive matters which are not disclosed in an interim announcement or with subsequent progress

Equity incentives
□Applicable √Not applicable
Other remarks
□Applicable √Not applicable

Employee stock ownership plan
□Applicable √Not applicable

Other incentive measures
□Applicable √Not applicable

IV. Environmental information of listed companies and their major subsidiaries included in the list of enterprises subject to legal disclosure of environmental information

√Applicable □Not applicable

Number of enterprises included in the list of enterprises subject to legal disclosure of environmental information		8
S/N	Enterprise name	Query index for report on legal disclosure of environmental information
1	Zhejiang Huayou Cobalt Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330000736887396 1&uniqueCode=7c490410729d02cd&date=2025&type=true&isSearch=true
2	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330483MA2BA0Q86C&uniqueCode=3d9f1432e9432031&date=2025&type=true&isSearch=true
3	Huayou New Energy Technology (Quzhou) Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA28F4L393&uniqueCode=2142c465a735270f&date=2025&type=true&isSearch=true
4	Huajin New Energy Materials (Quzhou) Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA29UNE71X&uniqueCode=18f540e42f7b79d2&date=2025&type=true&isSearch=true
5	Quzhou Huayou Resource Recycling Technology Company Limited	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA28FWG5XR&uniqueCode=d46b70535f05c7a0&date=2025&type=true&isSearch=true
6	Quzhou Huayou Cobalt New Materials Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800575349959F&uniqueCode=eaba8a802a832ba6&date=2025&type=true&isSearch=true
7	Guangxi Huayou Lithium Industry Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/enterpriseInfo?XTXH=4488563d-eb9d-4423-9b18-936a33795eaa&XH=1714963969800027787264&year=2025
8	Guangxi B&M Science and	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/i

	Technology Co., Ltd.	ndex.html#/home/enterpriseInfo?XTXH=7417be2b-9f77-4f8f-a0e8-710f3d1d61c0&XH=1714963969775027787264&year=2025

Other remarks
□Applicable √Not applicable

V. Specific situation of the work to consolidate the achievements of poverty alleviation and help rural revitalization
√Applicable □Not applicable

The Company has actively fulfilled its social responsibilities, continuously promoted public welfare undertakings, and built a three-in-one social responsibility system of “education support, strong enterprise and village development, and social care”, demonstrating the responsibility and humanistic warmth of the Company.

The prosperity of education leads to the prosperity of the country. The Company has always regarded promoting education and assisting students as the core mission of its corporate social responsibility. In the first half of 2026, the “Huayou Tongxiang Alumni Innovation Fund” of the Beijing Branch of the Tongxiang Senior High School Alumni Association established by the Company awarded RMB 78,000 in bonuses to ten outstanding talents who achieved breakthrough innovative results, effectively stimulating the scientific research vitality of young people, and further enhancing the image of Tongxiang as a major cultural city. The trade union launched a Children’s Day parent-child theme activity titled “Welcoming the 105th Anniversary of the Founding of the Communist Party of China” and “Children’s Hearts Towards the Party” to create a good parent-child atmosphere for the families of employees and help the children of employees grow up healthily. In the field of basic education, representatives from various units in the Guangxi region went to six primary schools in the surrounding towns to carry out the themed charity donation activity titled “Children Forge Dreams Through Learning, Books Accompany Growth”, and presented cultural and sports supplies such as schoolbags, basketballs and air volleyballs to nearly 4,000 students.

In terms of strong enterprise and village development, in the first half of 2026, the Company not only continued to provide various job opportunities for the residents of the surrounding villages and communities, but also helped Qili Village in Gaoqiao Sub-district solve the problem of agricultural products, purchasing 700 bags of rice produced in the village, worth over RMB 30,000. In accordance with the spirit of the overall arrangement for paired assistance, the Party organization and trade union in Tongxiang of the Company established “one household, one policy” files for 8 families in difficulty, and distributed RMB 1,000 in consolation money and customized living supplies packages to each household. Quzhou Park deepened the local joint construction and assistance, visited and consoled 26 households in the surrounding communities, and invested a total of RMB 90,000 in assistance funds.

In addition, the Company has been continuously improving the assistance mechanism for employees in difficulty. Two additional employees who have left the Company and are facing difficulties are provided with assistance. They receive RMB 4,000 and RMB 6,000 in living expenses each month respectively. During the Spring Festival of 2026, the Quzhou region and the Guangxi region carried out consolation activities for employees in difficulty, respectively consoling 25 and 26 employees and distributing consolation money of RMB 110,000 and RMB 69,800. On June 29, the Guangxi region activated the Love Fund to visit the family of an employee in difficulty of the Nonferrous Metals Company who passed away due to illness, and distributed consolation money of RMB 30,000.

In terms of social care, during the Spring Festival, the Company's trade union visited the Wuzhen Elderly Care Home and the Leprosy Hospital of Tongxiang City to offer condolences, bringing warmth to over 70 disadvantaged groups. The value of the consolation gifts was RMB 30,000. Quzhou organized and carried out the "Strive for Huayou People" voluntary blood donation activity in 2026, with 167 employees participating and a total blood donation volume of 48,800 milliliters. Guangxi Huayou allocated RMB 38,600 from the Love Fund to donate 100 sets of "Love Warmth Packages" to the Guangxi Disabled Persons' Welfare Foundation. On May 14, the Youth League Committee of Huayou Guangxi Park, in collaboration with the Second People's Hospital of Bobai County, organized a free health consultation event, serving nearly 90 employees.

Looking ahead, the Company will continue to deepen and expand its three-dimensional responsibility system of "education + employment + community", empower education with technology, and give back to society through industry. It will promote the construction of the demonstration project for common prosperity, deepen the development of public welfare undertakings, and earnestly implement the Company's social responsibility concept of "making contributions to the local economy and society wherever it invests".

Section V Major Matters

I. Performance of commitments

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

√Applicable □Not applicable

Background of commitment	Type of commitment	Party making the commitment	Content of commitment	Date of commitment	Whether there is fulfillment period	Commitment period	Whether it is strictly fulfilled in a timely manner	Explain the specific reasons if it is not fulfilled in a timely manner	Explain the next step if it is not fulfilled in a timely manner
Commitments related to initial public offerings	About horizontal competition	Note 1	Note 1	Note 1	Yes	Note 1	Yes	Not applicable	Not applicable
Commitments related to refinancing	About horizontal competition	Note 2	Note 2	Note 2	Yes	Note 2	Yes	Not applicable	Not applicable
	About related-party transactions	Note 3	Note 3	Note 3	Yes	Note 3	Yes	Not applicable	Not applicable
	Others	Note 4	Note 4	Note 4	Yes	Note 4	Yes	Not applicable	Not applicable
Commitments related to equity incentives	Others	Note 5	Note 5	Note 5	Yes	Note 5	Yes	Not applicable	Not applicable

Note 1: Commitments related to initial public offerings and about horizontal competition

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 (collectively, the "Commitment Makers"), have respectively issued a Letter of Commitment on Avoiding Horizontal Competition (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 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.

Note 2: Commitments related to refinancing and about horizontal competition
Huayou Holding (the controlling shareholder of the Company) and Chen Xuehua (the actual controller) make the following commitments:
1. I/the Company undertakes that as long as I/the Company is the controlling shareholder/actual controller of Huayou Cobalt, the Company/Other enterprises under my control will not engage, directly or indirectly, in any production or operation that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries, nor will we invest in any other business that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries.
2. During the foregoing period, I/the Company and other enterprises controlled by me/the Company will promptly notify Huayou Cobalt of any business opportunity that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries and will use our best efforts to pass the business opportunity to Huayou Cobalt in order to avoid competition or potential competition with Huayou Cobalt and its subsidiaries and to ensure that the interests of Huayou Cobalt and other shareholders of Huayou Cobalt are not harmed.
3. The operating 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.

Note 3: Commitments related to refinancing and about related-party transactions
Huayou Holding (the controlling shareholder of the Company) and Chen Xuehua (the actual controller) make the following commitments:
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.

Note 4: Other commitments related to refinancing
I. Huayou Holding (the controlling shareholder of the Company) and Chen Xuehua (the actual controller) make the following commitments:
1. After the completion of the transaction, I/the Company will ensure that Huayou Cobalt and its subsidiaries will continue to maintain their independence in terms of assets, business, finance, institutions, and personnel in accordance with the requirements of normative documents including but not limited to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.
2. If I/the Company causes any loss to Huayou Cobalt and its relevant shareholders as a result of failure to perform or improper performance of the above commitments, I/the Company shall bear such loss in full in cash.

II. Upon completion of the non-public offering, the directors and senior officers of the Company will continue to faithfully and diligently perform their duties, safeguard the legitimate rights and interests of the Company and all shareholders, and make the following commitments to the effective performance of the Company's measures to 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.

III. 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 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.

IV. 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.

V. 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 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.

Note 5: Other commitments related to equity incentives
I. 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 2024 incentive plan.
II. The incentive recipients of the Company in 2024 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.

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

□Applicable √Not applicable

III. Illegal guarantee

□Applicable √Not applicable

IV. Audit of the semi-annual report

□Applicable √Not applicable

V. Changes in matters covered by non-standard audit opinions in last year's annual report and handling thereof

□Applicable √Not applicable

VI. Matters related to bankruptcy and reorganization

□Applicable √Not applicable

VII. Major litigations/arbitrations

□There are major litigations/arbitrations during the reporting period √There are no major litigations/arbitrations during the reporting period

VIII. Punishment on the Company, its directors, senior officer, controlling shareholder and actual controller due to violation of laws and regulations, and their rectification

□Applicable √Not applicable

IX. Credit status of the Company, its controlling shareholder and actual controller during the reporting period

□Applicable √Not applicable

X. Major related-party transactions

(I) Related-party transactions related to daily operation

1. Those that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation

√Applicable □Not applicable

Overview of the matter	Query index
On April 6, 2026, the *Proposal on Estimations of Continuing Related-Party Transactions in 2026* was deliberated and approved at the 38th meeting of the sixth Board of Directors of the Company and at the 2025 annual shareholders' meeting.	*Announcement of Huayou Cobalt on Review of Continuing Related-Party Transactions in 2025 and Estimations of Continuing Related-Party Transactions in 2026* (Announcement No.: 2026-019)
On August 18, 2026, the *Proposal on Adding Related-Party Transactions and Adjusting the Estimations of Continuing Related-Party Transactions in 2026* was deliberated and approved at the 4th meeting of the seventh Board of Directors of the Company.	*Announcement of Huayou Cobalt on Adding Related-Party Transactions and Adjusting the Estimations of* Continuing Related-Party Transactions in 2026 (Announcement No. : 2026-070)

2. Those that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

□Applicable √Not applicable

3. Those that are not disclosed in the interim announcement

□Applicable √Not applicable

(II) Related-party transactions related to the acquisition of assets or acquisition or sale of equity

1. Those that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation

□Applicable √Not applicable

2. Those that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

□Applicable √Not applicable

3.Those that are not disclosed in the interim announcement

□Applicable √Not applicable

4. Where there is any agreement on business performance in respect of any related-party transactions above, the situation of achievement of the business performance during the reporting period shall be disclosed.

□Applicable √Not applicable

(III) Major related-party transactions related to joint external investments

1. Those that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation

√Applicable □Not applicable

Overview of the matter	Query index
On April 6, 2026, the *Proposal on Joint Investment and Related-Party Transactions with the Controlling Shareholder* was deliberated and approved at the 38th meeting of the sixth Board of Directors of the Company. The Company plans to invest RMB 958.2273 million to cooperate with Huayou Holding in jointly building the Huayou Group Headquarters Technology Building. After the completion of the project, the Company and Huayou Holding will divide the property rights in a ratio of 64.60% and 35.40% respectively and apply for the real estate ownership certificate separately.	*Announcement of Huayou Cobalt on Joint Investment and Related-Party Transactions with the Controlling Shareholder* (Announcement No.: 2026-020)

2. Those that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

□Applicable √Not applicable

3.Those that are not disclosed in the interim announcement

□Applicable √Not applicable

(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

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) Other major related-party transactions

□Applicable √Not applicable

(VII) Others

□Applicable √Not applicable

XI. Major contracts and their performance

(I) Trusteeship, contracting, lease matters

□Applicable √Not applicable

(II) Major guarantees fulfilled or not yet fully fulfilled during the reporting period

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Guarantee provided by the Company (excluding those provided for its subsidiaries)															
Guarantor	Relationship between the guarantor and the Company	Guaranteed party	Guarantee amount	Guarantee occurrence date (date of signing agreement)	Guarantee start date	Guarantee expiry date	Guarantee category	Principal debt	Collateral (if any)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 for subsidiaries															
Total amount of guarantee provided for subsidiaries during the reporting period							28,134,839,269.14								
Total balance of guarantee provided for subsidiaries at the end of the reporting period (B)							51,029,901,244.32								
Total amount of guarantees provided by the Company (including those provided for subsidiaries)															
Total amount of guarantee (A+B)							51,029,901,244.32								
Proportion of the total amount of guarantee in the Company’s net assets (%)							76.81%								
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)							25,580,796,565.24								
Amount of the part where the total amount of guarantee exceeds 50% of net assets (E)							17,813,596,762.20								
Total amount of the above three guarantees (C+D+E)							43,394,393,327.44								
Description of any possible joint and several liabilities for repayment of							None								

unexpired guarantees	
Notes on guarantees	None

(III) Other major contracts

√Applicable □Not applicable

1. On January 31, 2026, the Company disclosed the *Announcement of Huayou Cobalt on the Signing of a Cooperation Framework Agreement by Its Subsidiary* (Announcement No.: 2026-007): The Company's holding subsidiary HYD Investment Limited (jointly established by the wholly-owned subsidiary of the Company, the wholly-owned subsidiary of EVE Energy Co., Ltd. and the wholly-owned subsidiary of PT DAAZ BARA LESTARI TBK; the Company holds 70% of its shares) signed a Framework Agreement with PT Aneka Tambang Tbk and PT IndustriBaterai Indonesia. The three parties will rely on their respective resources and industrial advantages to carry out cooperation in the entire industrial chain of new energy vehicle batteries in Indonesia. The ore required for the project will be supplied by the subsidiary of PT Aneka Tambang Tbk.

XII. Progress of the use of raised funds

√Applicable □Not applicable

(I) Overall use of raised funds

√Applicable □Not applicable

Monetary unit: Ten Thousand Yuan

Source of raised funds	Time of payment of raised funds	Total amount of raised funds	Net amount of raised funds (1)	Committed total investment amount of raised funds in the prospectus (2)	Total amount of over-raised funds (3) = (1) – (2)	Total investment amount of raised funds as of the end of the reporting period (4)	Including: total investment amount of over-raised funds as of the end of the reporting period (5)	Cumulative investment progress of raised funds as of the end of the reporting period (%) (6)=(4)/(1)	Cumulative investment progress of over-raised funds as of the end of the reporting period (%) (7)=(5)/(3)	Investment amount in the current year (8)	Proportion of investment amount in the current year (%) (9)=(8)/(1)	Total amount of raised funds with use changed
Issuance of convertible bonds	2022/03/02	760,000.00	755,383.96	755,383.96	0	735,081.30	0	97.31%	Not applicable	0	0	0
Total	/	760,000.00	755,383.96	755,383.96	0	735,081.30	0	97.31%	/	0	0	0

Other remarks

√Applicable □Not applicable

On October 22, 2025, the Company held the 35th meeting of the sixth Board of Directors, at which it deliberated and approved the *Proposal on the Completion of the Investment Project with Funds Raised from Public Issuance of Convertible Corporate Bonds and the Permanent Use of the Remaining Raised Funds to Replenish Working Capital*, agreeing that the Company would complete the investment project with funds raised from public issuance of convertible corporate bonds, and permanently use the remaining raised funds to replenish working capital for production and operation activities related to the Company's main business.

At the same time, the Board of Directors agreed to authorize the management to handle the relevant procedures for the closure of the special account for raised funds after the funds are transferred out of the special account for permanent replenishment of working capital. As of January 31, 2026, all the special accounts for the funds raised for the investment project with funds raised from public issuance of convertible corporate bonds have been fully closed. For more information, please refer to the *Announcement of Huayou Cobalt on the Completion of the Closure of the Special Account for the Funds Raised for the Investment Project with Funds Raised from Public Issuance of Convertible Corporate Bonds* (Announcement No.: 2026-006).

(II) Details of investment projects with raised funds

√Applicable □Not applicable

1. Detailed use of raised funds

√Applicable □Not applicable

Monetary unit: Ten Thousand Yuan

Source of raised funds	Project name	Project nature	Committed investment project in the prospectus or not	Investment orientation change involved or not	Total planned investment amount of raised funds (1)	Investment amount in the current year	Total investment amount of raised funds as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3)＝(2)/(1)	Date on which the project is ready for use	Project settlement completed or not	Investment progress in line with planned progress or not	Specific reason for failure of the investment progress to go as planned	Benefits realized in the current year	Realized benefits or R&D results of the project	Project feasibility has changed significantly or not; if yes, please give more details	Balance
Issuance of convertible bonds	Integration project for high-nickel ternary cathode materials for power batteries with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons	Production	Yes	Yes. This project has not been cancelled; the total investment of raised funds has been adjusted	285,695.32	0	265,786.28	93.03	The plant has been converted into fixed assets, with its production lines for sulfate nickel sub-project being converted	Yes	Yes		14,482.53		No	21,548.36

									into fixed assets in March 2024 and June 2025 successively, and its production line for precursors being converted into fixed assets in June 2025							
Issuance of convertible bonds	Project with an annual output of 50,000 tons of high-performance ternary cathode material precursors for power batteries	Production	Yes	No	100,000.00	0	100,055.20	100.06	The plant has been converted into fixed assets, with its production lines being converted into fixed assets from November 2022 to May 2023	Yes	Yes		804.07		No	0.00
Issuance of convertible bonds	Battery-grade nickel sulfate project with an annual output of 50,000 tons of nickel metal	Production	No	Yes, this project is a new one	113,369.95	0	114,226.20	100.76	The plant has been converted into fixed assets, with its production lines being converted into fixed assets in April 2025	Yes	Yes		6,932.73		No	192.79

Issuance of convertible bonds	Construction project of high-purity battery nickel prepared with crude nickel-cobalt hydroxide raw materials	Production	No	Yes, this project is a new one	56,318.69	0	55,013.62	97.68	The plant has been converted into fixed assets, with its production lines being converted into fixed assets in December 2024 and September 2025	Yes	Yes		62,644.93		No	1,318.18
Issuance of convertible bonds	Replenishment of working capital	Replenishment of working capital and repayment of loans	Yes	No	200,000.00	0	200,000.00	100.00	Not applicable	Yes	Yes		Not applicable		No	0.00
Total	/	/	/	/	755,383.96	0	735,081.30	/	/	/	/	/		/	/	23,059.33

2. Detailed use of over-raised funds

□Applicable √Not applicable

3. Details of re-examination of the investment projects by the funds raised during the reporting period

□Applicable √ Not applicable

(III) Change or termination of investment projects with raised funds during the reporting period

□Applicable √Not applicable

(IV) Other information on the use of raised funds during the reporting period

1. Upfront investment and replacement of investment projects with raised funds

□Applicable √Not applicable

2. Temporary replenishment of working capital using idle raised funds

□Applicable √Not applicable

3. Cash management of idle raised funds, and investment in related products

□Applicable √Not applicable

4. Others

□Applicable √Not applicable

(V) Explanation of the relevant circumstances for abnormal verification by the intermediary agency of the storage and use of raised funds

□Applicable √Not applicable

(VI) Follow-up rectification regarding unauthorized change of the purpose of raised funds and illegal occupation of raised funds

□Applicable √Not applicable

XIII. Other major events

√Applicable □Not applicable

On July 20, 2026, the Company held the 3rd meeting of the seventh Board of Directors, at which it deliberated and approved the *Proposal on a Plan to Repurchase Shares of the Company through Bidding at the Stock Exchange*, agreeing that the Company could use its own funds or self-raised funds to repurchase the Company's shares through bidding at the stock exchange for the purpose of safeguarding the Company's value and shareholders' rights and interests. The amount of shares to be repurchased shall be not less than RMB 600 million (inclusive) and not more than RMB 1,000 million (inclusive), the term of repurchase shall be within 3 months from the date of the approval of the share repurchase plan by the Board of Directors, and the repurchase price shall be not more than RMB 50/share (inclusive). As of the date hereof, the Company has not yet implemented the plan to repurchase shares.

Section VI Change in Shares and Information of Shareholders

I. Change in share capital

(I) Table of change in shares

1. Table of change in shares

Unit: share

	Before the change		Increase/decrease in the change (+, -)					After the change	
	Number of shares	Proportion (%)	Shares newly issued	Bonus shares	Shares converted from capital reserve	Others	Sub-total	Number of shares	Proportion (%)
I. Restricted shares	12,648,580	0.67				-6,728,260	-6,728,260	5,920,320	0.31
1. Shares held by the state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic subjects	12,648,580	0.67				-6,728,260	-6,728,260	5,920,320	0.31
Including: shares held by domestic non-state legal persons									
Shares held by domestic natural persons	12,648,580	0.67				-6,728,260	-6,728,260	5,920,320	0.31
4. Shares held by overseas subjects									
Including: shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Unrestricted shares	1,884,078,917	99.33				3,528,280	3,528,280	1,887,607,197	99.69
1. RMB ordinary shares	1,884,078,917	99.33				3,528,280	3,528,280	1,887,607,197	99.69
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	1,896,727,497	100.00				-3,199,980	-3,199,980	1,893,527,517	100.00

2. Description of changes in shares

√Applicable □Not applicable

1. It is agreed upon deliberation at the 38th meeting of the sixth Board of Directors of the Company that, given that the conditions for unlocking during the first unlocking period of the restricted shares first granted under the Company's 2024 Restricted Stock Incentive Plan have been met, the Company handled the relevant matters for unlocking of 3,528,280 restricted shares for 1,070 incentive recipients. The relevant shares were listed and traded on April 21, 2026. For more information, please refer to the *Notice of Huayou Cobalt on the Listing for Trading of the Restricted Shares during the First Unlocking Period of the First Grant under the 2024 Restricted Stock Incentive Plan* (Announcement No.: 2026-037).

2. It is agreed upon deliberation at the 38th meeting of the sixth Board of Directors of the Company that, given that some incentive recipients under the 2023 Restricted Stock Incentive Plan and the 2024 Restricted Stock Incentive Plan were no longer eligible for incentives, and the company-level performance assessment for the restricted shares involved in the first grant under the 2023 Restricted Stock Incentive Plan during the third unlocking period failed to meet the standards, the Company repurchased and cancelled a total of 3,199, 980 restricted shares granted to the above-mentioned incentive recipients but not unlocked. For more information, please refer to the *Announcement of Huayou Cobalt on the Repurchase and Cancellation of Restricted Shares under the Equity Incentive Plan* (Announcement No.: 2026-051).

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

□Applicable √Not applicable

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

□Applicable √Not applicable

(II) Change in restricted shares

√Applicable □Not applicable

Unit: Share

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares released during the reporting period	Number of restricted shares newly added during the reporting period	Number of restricted shares at the end of the reporting period	Reason for sales restriction	Date of unlocking
Incentive recipients of the grant of the reserved part of the restricted shares in 2022	3,000	0	0	3,000	Restricted stock incentive plan	/
Incentive recipients of the first grant of the restricted shares in 2023	2,784,780		-2,784,780	0	Restricted stock incentive plan	/
Incentive recipients of the	9,230,600	3,528,280	-400,900	5,301,420	Restricted stock	See Note 1

first grant of the restricted shares in 2024					incentive plan	
Incentive recipients of the grant of the reserved part of the restricted shares in 2024	630,200		-14,300	615,900	Restricted stock incentive plan	See Note 2
Total	12,648,580	3,528,280	-3,199,980	5,920,320	/	/

Note 1: For more information of the unlocking time of the restricted shares for the first grant in 2024, please refer to the *Announcement of Huayou Cobalt on the Results of First Grant of Restricted Shares to Incentive recipients* (Announcement No.: 2025-028) disclosed by the Company on March 11, 2025 on the website of Shanghai Stock Exchange (https://www.sse.com.cn).

Note 2: For more information of the unlocking time of the restricted shares for the grant of the reserved part in 2024, please refer to the *Announcement of Huayou Cobalt on the Results of the Reserved Grant under the 2024 Restricted Stock Incentive Plan* (Announcement No.: 2025-136) disclosed by the Company on December 27, 2025 on the website of Shanghai Stock Exchange (http://www.sse.com.cn).

II. Information of shareholders

(I) Total number of shareholders:

Total number of ordinary shareholders by the end of the reporting period	308,894
Total number of preferred shareholders with resumed voting rights as of the end of the reporting period	0

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

Unit: Share

Shareholding status of top 10 shareholders (excluding shares lent through refinancing)							
Full name of shareholder	Increase/decrease of shares during the reporting period	Number of shares held at the end of the period	Proportion (%)	Number of shares with sales restriction s held	Pledge, mark or freezing		Nature of shareholder
					Share status	Number of shares	
Huayou Holding Group Co., Ltd.	0	308,664,701	16.30	0	Pledge	138,866,994	Domestic non-state-owned legal person
Hong Kong Securities Clearing Co., Ltd.	-87,602,156	88,762,884	4.69	0	None	0	Other
Chen Xuehua	0	82,505,146	4.36	0	Pledge	36,320,000	Domestic natural person
Abu Dhabi Investment Authority – self-owned funds	19,570,160	19,570,160	1.03	0	None	0	Unknown

Industrial and Commercial Bank of China Limited – China Southern CSI-SWS Nonferrous Metals Exchange-Traded Open-End Index Securities Investment Fund	1,335,563	15,940,832	0.84	0	None	0	Unknown
Agricultural Bank of China Co., Ltd. – JPMorgan Emerging Power Hybrid Securities Investment Fund	7,282,872	12,204,005	0.64	0	None	0	Unknown
Hu Xuelong	1,487,800	11,140,000	0.59	0	None	0	Domestic natural person
Industrial and Commercial Bank of China Limited – GF CNI New Energy Vehicle Battery Exchange-Traded Open-End Index Securities Investment Fund	-4,407,200	10,071,390	0.53	0	None	0	Unknown
National Social Security Fund Portfolio 403	5,659,883	8,447,553	0.45	0	None	0	Unknown
Tongxiang Huaxing Trading Co., Ltd.	-80,000	7,811,710	0.41	0	Pledge	3,000,000	Domestic non-state-owned legal person

Shareholding status of the top 10 shareholders holding shares without sales restrictions (excluding shares lent through refinancing)

Name of shareholder	Number of tradable shares without sales restrictions held	Class and number of shares	
		Class	Number
Huayou Holding Group Co., Ltd.	308,664,701	RMB ordinary shares	308,664,701
Hong Kong Securities Clearing Co., Ltd.	88,762,884	RMB ordinary shares	88,762,884
Chen Xuehua	82,505,146	RMB ordinary shares	82,505,146
Abu Dhabi Investment Authority – self-owned funds	19,570,160	RMB ordinary shares	19,570,160
Industrial and Commercial Bank of China Limited – China Southern CSI-SWS Nonferrous Metals Exchange-Traded Open-End Index Securities Investment Fund	15,940,832	RMB ordinary shares	15,940,832
Agricultural Bank of China Co., Ltd. – JPMorgan Emerging Power Hybrid Securities Investment Fund	12,204,005	RMB ordinary shares	12,204,005
Hu Xuelong	11,140,000	RMB ordinary shares	11,140,000

Industrial and Commercial Bank of China Limited – GF CNI New Energy Vehicle Battery Exchange-Traded Open-End Index Securities Investment Fund	10,071,390	RMB ordinary shares	10,071,390
National Social Security Fund Portfolio 403	8,447,553	RMB ordinary shares	8,447,553
Tongxiang Huaxing Trading Co., Ltd.	7,811,710	RMB ordinary shares	7,811,710
Special repurchase account among the top 10 shareholders	None		
The above shareholders' entrustment of voting rights, being entrusted with voting rights, or waiver of voting rights	None		
Related relationship or concerted action of the above shareholders	Among the shareholders mentioned above, Huayou Holding Group Co., Ltd. and Chen Xuehua are persons acting in concert. Except for this, the Company is not aware of whether there is any related relationship among the above-mentioned shareholders.		
Preferred shareholders with resumed voting rights and the number of shares held by them	None		

Lending of shares through refinancing by shareholders holding more than 5%, top 10 shareholders and top 10 shareholders holding tradable shares without sales restrictions
□Applicable √Not applicable

Change compared with last period caused by lending through refinancing/return by top 10 shareholders and top 10 shareholders holding tradable shares without sales restrictions
□Applicable √Not applicable

Number of shares held by the top 10 shareholders subject to sales restrictions and details of the sales restrictions
√Applicable □Not applicable

Unit: Share

S/N	Name of shareholder subject to sales restrictions	Number of shares with sales restrictions held	Trading of shares with sales restrictions		Sales restrictions
			Tradable date	Number of tradable shares newly added	
1	Chen Hongliang	90,000			Sales restrictions on equity incentives
2	Zhang Binghai	63,600			Sales restrictions on equity incentives

3	Fang Qixue	60,000			Sales restrictions on equity incentives
4	Chen Yaozhong	60,000			Sales restrictions on equity incentives
5	Wang Jun	60,000			Sales restrictions on equity incentives
6	Sun Qi	35,400			Sales restrictions on equity incentives
7	Qian Xiaoping	31,800			Sales restrictions on equity incentives
8	Wu Mengtao	31,800			Sales restrictions on equity incentives
9	Zhang Bing	31,800			Sales restrictions on equity incentives
10	Li Tiancheng	31,800			Sales restrictions on equity incentives
Related relationship or concerted action of the above shareholders		It is not aware of whether there is any related relationship among the above-mentioned shareholders and whether they are persons acting in concert			

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

□Applicable √Not applicable

III. Directors and senior officers

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

√Applicable □Not applicable

Unit: Share

Name	Position	Shares held at the beginning of the period	Shares held at the end of the period	Change in shares during the reporting period	Reason for the change
Chen	Chairman,	468,000	423,000	-45,000	Repurchase

Hongliang	President				and cancellation of restricted shares
Xie Guoping	Vice Chairman, Vice President	0	0	0	
Chen Xuehua	Director	82,505,146	82,505,146	0	
Chen Xiaolin	Director	0	0	0	
Wang Jun	Director, Vice President, Chief Financial Officer	130,000	100,000	-30,000	Repurchase and cancellation of restricted shares
Tao Yiwen	Employee Representative Director	0	0	0	
Dong Xiuliang	Independent Director	0	0	0	
Li Hailong	Independent Director	0	0	0	
Feng Xiao	Independent Director	0	0	0	
Chen Yaozhong	Vice President	214,500	184,500	-30,000	Repurchase and cancellation of restricted shares
Gao Baojun	Vice President	58,500	58,500	0	
Qian Xiaoping	Vice President	53,000	53,000	0	
Lu Feng	Vice President	46,800	46,800	0	
Liu Xiuqing	Vice President	66,000	30,000	-36,000	Note 1
Zhang Bing	Vice President	53,800	53,800	0	
Li Rui	Secretary of the Board of Directors	71,240	64,640	-6,600	Repurchase and cancellation of restricted shares
Fang Qixue	Vice Chairman (resigned), Vice President (resigned)	299,000	269,000	-30,000	Repurchase and cancellation of restricted shares

Qian Bolin	Independent Director (resigned)	0	0	0	
Xu Wei	Vice President (resigned)	114,500	84,500	-30,000	Repurchase and cancellation of restricted shares
Fang Yuan	Vice President (resigned)	82,600	67,600	-15,000	Repurchase and cancellation of restricted shares
Wu Mengtao	Vice President (resigned)	112,200	97,200	-15,000	Repurchase and cancellation of restricted shares

Note 1: Liu Xiuqing, Vice President of the Company (appointed on April 28, 2026), had engaged in the trading of the Company's shares before taking office as the vice president of the Company, and the Company uniformly carried out the repurchase and cancellation of restricted shares.

Other relevant information

□Applicable √Not applicable

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

□Applicable √Not applicable

(III) Other relevant information

□Applicable √Not applicable

IV. Change in the controlling shareholder or the actual controller

□Applicable √Not applicable

V. Preferred shares

□Applicable √Not applicable

Section VII Bonds

I. Corporate bonds (including enterprise bonds) and non-financial corporate debt financing instruments

√Applicable □Not applicable

(I) Corporate bonds (including enterprise bonds)

□Applicable √Not applicable

(II) Funds raised with corporate bonds

□ Corporate bonds of the Company are involved in the use of raised funds or rectification during the reporting period

√ No corporate bonds of the Company are involved in the use of raised funds or rectification during the reporting period

(1) Raised funds used for specific projects

□Applicable √Not applicable

(III) Other matters to be disclosed for special variety bonds

□Applicable √Not applicable

(IV) Important matters related to corporate bonds during the reporting period

□Applicable √Not applicable

(V) 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

Green Science and Technology Innovation Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt MTN001 (Science and Technology Innovation Bonds)	102584389.IB	2025/10/22	2025/10/23	2027/10/23	500,000,000	2.89	Payment of interest annually and repayment of principal in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Science and Technology Innovation Bonds (Phase VIII) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt SCP008 (Science and Technology Innovation Bonds)	012582993.IB	2025/12/8	2025/12/9	2026/9/4	700,000,000	2.40	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Science and Technology Innovation Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2026	26 Huayou Cobalt SCP001 (Science and Technology Innovation Bonds)	012680046.IB	2026/1/6	2026/1/7	2026/9/24	900,000,000	2.21	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Science and Technology Innovation Bonds (Phase II) of Zhejiang Huayou	26 Huayou Cobalt MTN002 (Science and Technology Innovation Bonds)	102680271.IB	2026/1/21	2026/1/22	2028/1/22	500,000,000	2.63	Payment of interest annually and repayment of principal	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No

Cobalt Co., Ltd. in 2026								in one lump sum at maturity				
Ultra-short Term Commercial Paper (Phase III) of Zhejiang Huayou Cobalt Co., Ltd. in 2026	26 Huayou Cobalt SCP003	012680393.IB	2026/2/4	2026/2/5	2026/10/23	1,000,000,000	2.24	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Green Science and Technology Innovation Bonds (Phase IV) of Zhejiang Huayou Cobalt Co., Ltd. in 2026	26 Huayou Cobalt GN004 (Science and Technology Innovation Bonds)	132680026.IB	2026/3/16	2026/3/17	2029/3/17	800,000,000	2.62	Payment of interest annually and repayment of principal in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Green Science and Technology Innovation Bonds (Phase V) of Zhejiang Huayou Cobalt Co., Ltd. in 2026	26 Huayou Cobalt GN005 (Science and Technology Innovation Bonds)	132680038.IB	2026/4/8	2026/4/9	2028/4/9	600,000,000	2.44	Payment of interest annually and repayment of principal in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Ultra-short Term Commercial	26 Huayou Cobalt SCP006	012681341.IB	2026/5/29	2026/6/1	2027/2/24	1,000,000,000	1.87	Repayment of principal	Interbank market	Institutional investors in the interbank	Dialogue quotation, anonymous	No

Paper (Phase VI) of Zhejiang Huayou Cobalt Co., Ltd. in 2026								and interest in one lump sum at maturity		market	quotation, inquiry	
Science and Technology Innovation Bonds (Phase VII) of Zhejiang Huayou Cobalt Co., Ltd. in 2026	26 Huayou Cobalt MTN007 (Science and Technology Innovation Bonds)	102682175.IB	2026/6/11	2026/6/12	2028/6/12	1,000,000,000	2.18	Payment of interest annually and repayment of principal in one lump sum at 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

Description of the overdue bonds
□Applicable √Not applicable

2. Trigger and enforcement of the Company or investor option clauses and investor protection clauses
□Applicable √Not applicable

3. Adjustment of credit rating result
√Applicable □Not applicable

Entity	Rating agency	Rating adjustment time	Rating change	Rating outlook change	Reasons for change in rating result
Zhejiang Huayou			Upgraded from AA+	Outlook remains	Based on comprehensive analysis and assessment

Cobalt Co., Ltd.	China Lianhe Credit Rating Co., Ltd.	August 10, 2026	to AAA	stable	covering the Company's operational risks, financial risks, etc., the Company meets the criteria for an AAA credit rating.

Other information
None

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

□Applicable √Not applicable

Other information
None

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

□Applicable √Not applicable

(VI) 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

(VII) Violations of regulations and agreements

Violations of laws and regulations, self-regulatory rules, the Articles of Association, information disclosure affairs management systems and other provisions, as well as the agreements or commitments in the bond offering prospectus, and the impact of such violations on the rights and interests of bond investors

□Applicable √Not applicable

(VIII) Major accounting data and financial indicators

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Key indicators	End of the reporting period	End of last year	Increase/decrease compared with the end of last year (%)	Reason for the change
Current ratio	0.97	0.95	2.04%	
Quick ratio	0.61	0.59	1.82%	
Asset-liability ratio (%)	64.28%	61.85%	2.43	
	The reporting period (January to June)	The same period of last year	Increase/decrease compared with the same period last year (%)	Reason for the change
Net profit after deducting non-recurring profits and losses	3,310,746,535.95	2,587,193,981.43	27.97%	
EBITDA to total debt ratio	0.14	0.11	24.85%	
Interest coverage ratio	5.83	3.91	49.15%	
Cash interest coverage ratio	1.65	1.26	30.82%	
EBITDA interest coverage ratio	7.91	5.83	35.63%	
Loan repayment rate (%)	100	100	0	
Interest payment rate (%)	100	100	0	

II. Convertible corporate bonds

□Applicable √Not applicable

Section VIII Financial Report

I. Auditors' report

□Applicable √Not applicable

II. Financial statements

Consolidated Balance Sheet

June 30, 2026

Prepared by: Zhejiang Huayou Cobalt Co., Ltd

Monetary unit: Yuan Currency: RMB

Item	Note	June 30, 2026	December 31, 2025
Current assets:			
Cash and cash equivalents		22,043,020,193.87	17,625,647,271.67
Balances with clearing companies			
Loans to banks and other financial institutions			
Financial assets held for trading		40,000,000.00	80,000,000.00
Derivative financial assets		1,739,218,481.17	1,403,497,706.80
Notes receivable		50,000,000.00	
Accounts receivable		15,046,840,601.34	9,342,046,846.38
Financing funds receivables		810,444,152.28	1,647,571,042.81
Advances to suppliers		6,843,183,721.10	5,906,325,334.63
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables		321,580,869.44	420,695,664.15
Including: interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories		32,215,319,593.34	25,624,157,550.87
Including: data resource			
Contract assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets		6,142,050,930.02	6,004,282,129.30
Total current assets		85,251,658,542.56	68,054,223,546.61
Non-current assets:			
Disbursement of loans and advances			
Creditor's right investment			
Other creditor's right investments			
Long-term receivables		1,399,411,535.49	1,362,754,137.45
Long-term equity investment		12,141,259,364.05	11,924,720,105.31
Other equity instrument investment		399,486,682.81	393,906,682.81
Other non-current financial assets		6,573,600.00	6,573,600.00
Investment properties			

Fixed assets		51,356,690,735.67	53,416,454,130.68
Construction in progress		22,341,693,016.40	12,998,862,681.11
Productive biological assets			
Oil and gas assets			
Right-of-use assets		40,179,817.25	44,703,312.68
Intangible assets		4,946,797,225.14	4,573,099,491.95
Including: data resource			
Development expenditure			
Including: data resource			
Goodwill		594,558,404.90	595,590,622.29
Long-term deferred expenses		56,011,508.01	47,715,159.84
Deferred income tax assets		950,452,999.43	1,071,667,753.02
Other non-current assets		6,472,755,251.85	4,947,488,551.75
Total non-current assets		100,705,870,141.00	91,383,536,228.89
Total assets		185,957,528,683.56	159,437,759,775.50
Current liabilities:			
Short-term borrowings		32,711,745,664.56	25,049,841,189.68
Borrowings from central bank			
Loans from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities		19,869,781.15	
Notes payable		9,685,200,141.66	7,196,242,617.28
Accounts payable		24,101,318,870.62	18,208,994,873.11
Advances from customers			852,479,726.74
Contract liabilities		2,735,520,807.54	1,274,805,334.45
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee compensation payable		542,623,793.05	781,246,476.16
Taxes and surcharges payable		1,385,331,144.52	1,110,349,313.42
Other payables		1,359,216,789.35	1,241,610,600.62
Including: interest payable			
Dividends payable		92,864,684.15	2,956,333.52
Handling charge and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities maturing within one year		11,117,702,586.88	11,522,509,636.99

Other current liabilities		3,943,283,664.51	4,120,599,011.83
Total current liabilities		87,601,813,243.84	71,358,678,780.28
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings		18,551,138,184.01	18,054,618,081.94
Bonds payable		3,415,732,021.32	500,920,684.94
Including: preferred shares			
Perpetual bonds			
Lease liabilities		33,796,933.25	28,930,679.17
Long-term payables		5,567,763,577.33	4,145,263,634.65
Long-term employee compensation payable			
Estimated liabilities		48,412,435.41	90,293,434.73
Deferred income		789,227,518.56	772,174,047.21
Deferred income tax liabilities		111,585,805.60	71,909,982.82
Other non-current liabilities		3,405,450,000.00	3,594,200,000.00
Total non-current liabilities		31,923,106,475.48	27,258,310,545.46
Total liabilities		119,524,919,719.32	98,616,989,325.74
Owner's equity (or shareholder's equity):			
Paid-in capital (or share capital)		1,893,524,517.00	1,896,724,497.00
Other equity instruments			
Including: preferred shares			
Perpetual bonds			
Capital reserves		23,745,522,011.83	22,818,030,515.23
Less: treasury shares		93,267,484.20	220,377,564.40
Other comprehensive income		-327,137,771.94	719,128,955.45
Special reserves		62,382,607.25	57,236,574.72
Surplus reserves		555,022,999.30	555,022,999.30
General risk reserve			
Undistributed profit		25,034,721,522.68	22,469,702,243.27
Total equity attributable to owners (or shareholders) of the parent company		50,870,768,401.92	48,295,468,220.57
Minority equity		15,561,840,562.32	12,525,302,229.19
Total owner's equity (or shareholder's equity)		66,432,608,964.24	60,820,770,449.76
Total liabilities and owner's equity (or shareholder's equity)		185,957,528,683.56	159,437,759,775.50

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

Balance Sheet of the Parent Company

June 30, 2026

Prepared by: Zhejiang Huayou Cobalt Co., Ltd

Monetary unit: Yuan Currency: RMB

Item	Note	June 30, 2026	December 31, 2025
Current assets:			
Current assets:		1,507,511,833.51	1,627,632,004.88
Cash and cash equivalents			
Financial assets held for trading		190,658.85	23,316,228.41
Derivative financial assets			300,000,000.00
Notes receivable		911,544,059.79	560,552,075.03
Accounts receivable		35,216,215.00	317,739,748.11
Financing funds receivables		2,643,797,607.30	2,796,827,674.60
Advances to suppliers		10,989,999,848.30	5,046,887,464.77
Other receivables			
Including: interest receivable		467,028,308.81	
Dividends receivable		687,375,141.69	263,949,623.93
Inventories			
Including: data resource			
Contract assets			
Assets held for sale			
Non-current assets maturing within one year		63,905,855.76	788,313.45
Other current assets		16,839,541,220.20	10,937,693,133.18
Non-current assets:			
Creditor's right investment			
Other creditor's right investments			
Long-term receivables		346,217,798.61	357,294,287.52
Long-term equity investment		41,061,264,106.28	37,418,035,734.43
Other equity instrument investment		195,484,237.00	189,904,237.00
Other non-current financial assets		6,573,600.00	6,573,600.00
Investment properties			
Fixed assets		710,977,801.25	714,745,197.84
Construction in progress		537,017,213.86	69,206,642.33
Productive biological assets			
Oil and gas assets			
Right-of-use assets		25,781,901.86	29,251,592.31
Intangible assets		192,147,850.92	195,678,497.08
Including: data resource			
Development expenses			
Including: data resource			
Goodwill			
Long-term deferred expenses		39,079,607.07	45,736,819.82
Deferred income tax assets		171,406,387.81	198,642,973.87
Other non-current assets		28,855,030.78	1,246,695.44
Total non-current assets		43,314,805,535.44	39,226,316,277.64
Total assets		60,154,346,755.64	50,164,009,410.82
Current liabilities:			
Short-term borrowings		9,317,680,481.53	5,197,831,608.41
Financial liabilities held for trading			

Derivative financial liabilities			
Notes payable		102,353,774.68	1,642,814.99
Accounts payable		1,382,875,607.56	1,025,373,393.77
Advances from customers			852,320,705.33
Contract liabilities		1,003,192,649.14	386,143,870.44
Employee compensation payable		96,640,662.36	137,741,497.55
Taxes and surcharges payable		5,082,554.62	19,177,626.47
Other payables		13,009,857,710.32	9,805,161,919.35
Including: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities maturing within one year		347,867,314.46	606,803,368.34
Other current liabilities		3,627,185,499.91	4,097,388,706.40
Total current liabilities		28,892,736,254.58	22,129,585,511.05
Non-current liabilities:			
Long-term borrowings		2,213,900,379.73	1,841,843,849.85
Bonds payable		3,415,732,021.32	500,920,684.94
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		24,152,355.00	18,721,123.07
Long-term payables		49,999,999.97	66,666,666.64
Long-term employee compensation payable			
Estimated liabilities			
Deferred income		7,088,233.08	8,447,007.56
Deferred income tax liabilities		6,117,087.80	
Other non-current liabilities			
Total non-current liabilities		5,716,990,076.90	2,436,599,332.06
Total liabilities		34,609,726,331.48	24,566,184,843.11
Owner's equity (or shareholder’s equity):			
Paid-in capital (or share capital)		1,893,524,517.00	1,896,724,497.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		22,302,651,834.99	22,348,026,907.71
Less: treasury shares		93,267,484.20	220,377,564.40
Other comprehensive income		-65,436,656.11	-102,584,373.39
Special reserves			
Surplus reserves		555,022,999.30	555,022,999.30
Undistributed profit		952,125,213.18	1,121,012,101.49
Total owner’s equity (or shareholder’s equity)		25,544,620,424.16	25,597,824,567.71
Total liabilities and owner's equity (or shareholder’s equity)		60,154,346,755.64	50,164,009,410.82

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

Consolidated Income Statement

January-June 2026

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2026	Second half of 2025
I. Total operating income		55,567,528,870.01	37,196,514,112.78
Including: operating income		55,567,528,870.01	37,196,514,112.78
Interest income			
Premiums earned			
Income from handling charges and commissions			
II. Total operating cost		49,099,548,827.80	33,888,711,664.79
Including: operating cost		44,679,127,696.67	31,296,256,401.59
Interest expenditure			
Handling charge and commission expenses			
Surrender value			
Net amount of compensation payout			
Withdrawal of insurance liability reserve			
Policy dividend payment			
Reinsurance costs			
Other taxes and surtaxes		339,323,985.30	222,285,482.67
Selling expenses		52,686,266.89	66,750,792.62
General and administrative expenses		1,138,033,750.64	855,850,477.89
R&D expenditures		1,121,024,387.39	535,828,646.85
Finance costs		1,769,352,740.91	911,739,863.17
Including: interest expense		1,183,964,685.97	1,081,653,025.17
Interest income		123,227,587.13	135,597,029.16
Plus: other income		171,851,577.73	156,461,719.92
Investment income ("-" for losses)		532,164,527.36	444,730,841.10
Including: income from investment in associates and joint ventures		215,441,435.16	265,554,328.82
Income from de-recognition of financial assets measured at amortized cost			
Foreign exchange gains ("-" for losses)			
Income from net exposure hedging ("-" for losses)			
Gains from the changes in fair value ("-" for losses)		-265,279,710.23	-21,846,103.49
Losses from credit impairment ("-" for losses)		-312,855,181.75	-55,574,581.45
Losses from asset impairment		-307,259,486.81	-68,243,887.57

("-" for losses)			
Income from disposal of assets ("-" for losses)		6,801,888.93	-18,253,650.78
III. Operating profits ("-" for losses)		6,293,403,657.44	3,745,076,785.72
Plus: non-operating income		27,144,761.70	17,603,575.57
Less: non-operating expense		23,987,705.64	20,402,843.40
IV. Total profits ("-" for total losses)		6,296,560,713.50	3,742,277,517.89
Less: income tax expense		1,128,971,230.52	271,059,545.55
V. Net profit ("-" for net losses)		5,167,589,482.98	3,471,217,972.34
(I) Classified by operating sustainability			
1. Net profit from continued operation ("-" for net losses)		5,167,589,482.98	3,471,217,972.34
2. Net profit from discontinued operation ("-" for net losses)			
(II) Classified by ownership			
1. Net profit attributable to the shareholders of the parent company ("-" for net losses)		3,507,405,417.91	2,710,936,108.53
2. Minority interest income ("-" for net losses)		1,660,184,065.07	760,281,863.81
VI. Other comprehensive income, net of tax		-1,168,808,532.56	378,888,117.00
VI. Other comprehensive income, net of tax		-1,046,266,727.39	208,030,193.22
(I) Other comprehensive income, net of tax attributable to owners of the parent company			
1. Other comprehensive income that cannot be reclassified into profit or loss			
(1) Changes in re-measurement of the defined benefit plan			
(2) Other comprehensive income that cannot be transferred to profits or losses under the equity method			
(3) Changes in fair value of other equity instruments investment			
2. Other comprehensive income that will be reclassified into profit or loss		-1,046,266,727.39	208,030,193.22
(1) Other comprehensive income that can be transferred to profits or losses under the equity method		29,511,815.21	-1,818,865.86
(2) Changes in the fair value of investment in other creditor's rights			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment			

of investment in other creditor's rights			
(5) Cash flow hedging reserves			
(6) Translation differences of financial statements denominated in foreign currency		-1,075,778,542.60	209,849,059.08
(7) Others			
(II)Other comprehensive income, net of tax attributable to minority shareholders		-122,541,805.17	170,857,923.78
VII. Total comprehensive income		3,998,780,950.42	3,850,106,089.34
(I) Total comprehensive income attributable to owners of the parent company		2,461,138,690.52	2,918,966,301.75
(II) Total comprehensive income attributable to minority shareholders		1,537,642,259.90	931,139,787.59
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)		1.86	1.61
(II) Diluted earnings per share (Yuan/share)		1.86	1.51

In the event of business combination under the common control during the current period, net profit of the combined party recognized before the combination was RMB 0, and net profit of the combined party recognized in the prior period was RMB 0.
Person in charge of the Company: Chen Hongliang Accounting Principal: Wang Jun
Head of the Accounting Dept.: Ma Xiao

Income Statement of the Parent Company

January-June 2026

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2026	Second half of 2025
I. Operating income		3,148,006,747.10	2,170,814,100.80
Less: operating cost		2,604,169,568.08	2,042,154,602.84
Taxes and surcharges		5,403,847.53	3,266,832.99
Selling expenses		61,494.11	2,038,114.44
General and administrative expenses		308,420,888.85	251,253,118.80
R&D expenditures		113,836,718.58	84,548,548.94
Financial expenses		589,439,202.93	522,309,286.24
Including: interest expense		543,318,134.43	516,121,266.50
Interest income		7,388,749.52	6,803,092.51
Plus: other income		7,111,997.75	38,613,118.21
Investment income ("-" for losses)		1,309,262,032.45	917,919,700.19
Including: income from investment in associates and joint ventures		-2,594,391.53	3,605,622.24
Income from de-recognition of financial assets			

measured at amortized cost ("-" for losses)			
Income from net exposure hedging ("-" for losses)			
Gains from the changes in fair value ("-" for losses)		-23,125,569.56	-25,816,422.66
Losses from credit impairment ("-" for losses)		-21,386,358.47	1,817,577.12
Losses from asset impairment ("-" for losses)		-	44,197.79
Income from disposal of assets ("-" for losses)		-266,978.87	-15,113.77
II. Operating profits ("-" for losses)		798,270,150.32	197,806,653.43
Plus: non-operating income		1,040,337.20	10,990,833.76
Less: non-operating expense		-1,984,467.21	466,793.63
III. Total profits ("-" for total losses)		801,294,954.73	208,330,693.56
Less: income tax expense		27,795,704.54	-65,453,218.31
IV. Net profit ("-" for net losses)		773,499,250.19	273,783,911.87
(I) Net profit from continued operation ("-" for net losses)		773,499,250.19	273,783,911.87
(II) Net profit from discontinued operation ("-" for net losses)			
V. Net amount of other comprehensive income after tax		37,147,717.28	-204,635.72
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Changes in re-measurement of the defined benefit plan			
2. Other comprehensive income that cannot be transferred to profits or losses under the equity method			
3. Changes in fair value of other equity instruments investment			
4. Changes in the fair value of the company's own credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss		37,147,717.28	-204,635.72
1. Other comprehensive income that can be transferred to profits or losses under the equity method		37,147,717.28	-204,635.72
2.Changes in the fair value of investment in other creditor's rights			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of investment in other creditor's rights			
5. Cash flow hedging reserves			
6. Translation differences of financial statements denominated in foreign currency			

7. Others			
VI. Total comprehensive income		810,646,967.47	273,579,276.15
VII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)			
(II) Diluted earnings per share (Yuan/share)			

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

Consolidated Statement of Cash Flows

January-June 2026

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2026	Second half of 2025
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		59,097,716,896.65	41,472,039,975.94
Net increase in deposits from customers and due from banks and other financial institutions			
Net increase in borrowings from central bank			
Net increase in loans from other financial institutions			
Cash received from insurance premium under original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interests, handling charges and commissions			
Net increase in loans from banks and other financial institutions			
Net capital increase in repurchase business			
Net cash received from vicariously traded securities			
Refunds of taxes and surcharges		1,090,572,284.21	826,706,930.92
Cash received from other operating activities		2,106,185,475.12	3,063,006,949.78
Sub-total of cash inflows from operating activities		62,294,474,655.98	45,361,753,856.64
Cash paid for goods purchased and services received		51,326,895,664.32	36,836,237,325.43
Net increase in loans and advances to customers			
Net increase in deposits in central bank and other banks and			

financial institutions			
Cash paid for original insurance contract claims			
Net increase in loans to banks and other financial institutions			
Cash paid for interests, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		2,610,892,761.59	2,261,571,637.26
Cash paid for taxes and surcharges		2,083,526,558.89	833,994,577.54
Other cash paid related to operating activities		4,125,072,152.60	3,811,879,475.21
Sub-total of cash outflows from operating activities		60,146,387,137.40	43,743,683,015.44
Net cash flows from operating activities		2,148,087,518.58	1,618,070,841.20
II. Cash flows from investing activities			
Cash received from disposal of investments		80,000,000.00	314,751,609.40
Cash received from returns on investments		88,084,183.07	676,955,304.69
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		43,213,262.83	86,951,285.80
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities		162,554,561.88	101,104,563.82
Sub-total of cash inflows from investing activities		373,852,007.78	1,179,762,763.71
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		9,959,341,002.11	4,561,227,710.03
Cash paid for investments		707,338,972.22	732,125,959.13
Net increase in pledge loans			
Net cash paid for the acquisition of subsidiaries and other business entities			
Cash paid for other investing activities		565,395,872.08	766,148,373.37
Sub-total of cash outflows from investing activities		11,232,075,846.41	6,059,502,042.53
Net cash flows from investing activities		-10,858,223,838.63	-4,879,739,278.82
III. Cash flows from financing activities:			
Cash received from investors		2,600,000,000.00	146,278,600.50
Including: cash received by subsidiaries from investments by minority shareholders		2,600,000,000.00	5,478,142.50
Cash received from borrowings		38,683,510,727.68	17,681,095,673.61

Cash received from other financing activities		5,945,203,576.66	2,399,593,137.63
Sub-total of cash inflows from financing activities		47,228,714,304.34	20,226,967,411.74
Cash paid for debts repayments		29,360,701,377.32	15,175,956,419.38
Cash paid for distribution of dividends and profits or payment of interests		2,244,568,389.57	1,792,506,244.64
Including: dividends and profits paid to minority shareholders by subsidiaries		34, 501, 675.33	
Cash paid for other financing activities		2,998,340,701.53	2,242,958,592.42
Sub-total of cash outflows from financing activities		34,603,610,468.42	19,211,421,256.44
Net cash flows from financing activities		12,625,103,835.92	1,015,546,155.30
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		-282,294,411.35	101,780,537.50
V. Net increase in cash and cash equivalents		3,632,673,104.52	-2,144,341,744.82
Plus: beginning balance of cash and cash equivalents		11,229,352,870.58	15,516,940,793.04
VI. Ending balance of cash and cash equivalents		14,862,025,975.10	13,372,599,048.22

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

Statement of Cash Flows of the Parent Company

January-June 2026

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2026	Second half of 2025
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		2,197,523,876.76	2,810,044,220.02
Refunds of taxes and surcharges		1,696,449.01	123,079,981.83
Cash received from other operating activities		1,005,686,052.32	1,529,406,841.67
Sub-total of cash inflows from operating activities		3,204,906,378.09	4,462,531,043.52
Cash paid for goods purchased and services received		3,900,669,383.85	3,545,778,521.40
Cash paid to and on behalf of employees		344,463,741.75	307,022,322.34
Cash paid for taxes and surcharges		84,706,972.34	31,917,306.89
Cash paid for other operating activities		537,738,584.09	135,625,768.69
Sub-total of cash outflows from operating activities		4,867,578,682.03	4,020,343,919.32

Net cash flows from operating activities		-1,662,672,303.94	442,187,124.20
II. Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from returns on investments		265,488,995.84	122,216,790.56
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		38,035.79	1,688,511.46
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities		37,267,207,977.49	16,422,648,898.75
Sub-total of cash inflows from investing activities		37,532,735,009.12	16,546,554,200.77
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		480,777,000.87	7,837,527.90
Cash paid for investments		3,992,497,588.93	1,442,044,980.00
Net cash paid for the acquisition of subsidiaries and other business entities			
Cash paid for other investing activities		37,358,634,409.72	17,439,407,005.81
Sub-total of cash outflows from investing activities		41,831,908,999.52	18,889,289,513.71
Net cash flows from investing activities		-4,299,173,990.40	-2,342,735,312.94
III. Cash flows from financing activities:			
Cash received from investors			140,800,458.00
Cash received from borrowings		17,202,065,888.22	6,285,196,493.58
Cash received from other financing activities		4,068,412,325.69	5,684,023,400.53
Sub-total of cash inflows from financing activities		21,270,478,213.91	12,110,020,352.11
Cash paid for debts repayments		10,225,406,005.08	5,596,948,302.62
Cash paid for distribution of dividends and profits or payment of interests		1,172,219,966.00	1,053,981,919.25
Cash paid for other financing activities		4,221,109,447.36	3,317,999,920.90
Sub-total of cash outflows from financing activities		15,618,735,418.44	9,968,930,142.77
Net cash flows from financing activities		5,651,742,795.47	2,141,090,209.34
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		8,705,502.80	4,902,898.04

V. Net increase in cash and cash equivalents		-301,397,996.07	245,444,918.64
Plus: beginning balance of cash and cash equivalents		973,308,917.83	1,139,228,965.27
VI. Ending balance of cash and cash equivalents		671,910,921.76	1,384,673,883.91

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

Consolidated Statement of Changes in Owner's Equity

January-June 2026

Monetary unit: Yuan Currency: RMB

Item	First half of 2026														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Sub-total		
		Preferred shares	Perpetual bonds	Others											
I. Ending balance of last year	1,896,724,497.00				22,818,030,515.23	220,377,564.40	719,128,955.45	57,236,574.72	555,022,999.30		22,469,702,243.27		48,295,468,220.57	12,525,302,229.19	60,820,770,449.76
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior periods															
Others															
II. Beginning balance of this year	1,896,724,497.00				22,818,030,515.23	220,377,564.40	719,128,955.45	57,236,574.72	555,022,999.30		22,469,702,243.27		48,295,468,220.57	12,525,302,229.19	60,820,770,449.76
III. Increases/decreases in the current period (“-” for decreases)	-3,199,980.00				927,491,496.60	-127,110,080.20	-1,046,266,727.39	5,146,032.53			2,565,019,279.41		2,575,300,181.35	3,036,538,333.13	5,611,838,514.48
(I)Total comprehensive income							-1,046,266,727.39				3,507,405,417.91		2,461,138,690.52	1,537,642,259.90	3,998,780,950.42
(II) Capital contributed or reduced by owners	-3,199,980.00				927,491,496.60	-127,110,080.20							1,051,401,596.80	1,623,397,748.56	2,674,799,345.36
1. Common stock contributed by owners														2,600,000,000.00	2,600,000,000.00
2. Capital invested by holders of other equity instruments															
3. Amounts of share-based payments recognized in owners' equity					28,582,230.68								28,582,230.68		28,582,230.68

4. Others	-3,199,980.00				898,909,265.92	-127,110,080.20							1,022,819,366.12	-976,602,251.44	46,217,114.68
(III) Profit distribution											-942,386,138.50		-942,386,138.50	-124,501,675.33	-1,066,887,813.83
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)											-942,386,138.50		-942,386,138.50	-124,501,675.33	-1,066,887,813.83
4. Others															
(IV) Internal carry-forward of owner's equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of capital reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Carry-forward of changes in the defined benefit plan for retained earnings															
5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserves								5,146,032.53					5,146,032.53		5,146,032.53
1. Amount withdrawn in the current period								77,142,005.22					77,142,005.22		77,142,005.22
2. Amount used in the current period								71,995,972.69					71,995,972.69		71,995,972.69

Item	Paid-in capital (or share capital)	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Sub-total	Minority equity	Total owners' equity
(VI) Others															
IV. Ending balance in the current period	1,893,524,517.00				23,745,522,011.83	93,267,484.20	-327,137,771.94	62,382,607.25	555,022,999.30		25,034,721,522.68		50,870,768,401.92	15,561,840,562.32	66,432,608,964.24

Item	Second half of 2025														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Sub-total		
		Preferred shares	Perpetual bonds	Others											
I. Ending balance of last year	1,692,178,088.00			1,490,043,939.84	15,394,817,790.36	892,829,631.62	1,461,436,658.05	50,835,475.00	440,135,820.74		17,308,989,342.99		36,945,607,483.36	11,715,018,033.79	48,660,625,517.15
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior periods															
Others															
II. Beginning balance of this year	1,692,178,088.00			1,490,043,939.84	15,394,817,790.36	892,829,631.62	1,461,436,658.05	50,835,475.00	440,135,820.74		17,308,989,342.99		36,945,607,483.36	11,715,018,033.79	48,660,625,517.15
III. Increases/decreases in the current period ("-" for decreases)	9,367,015.00			-121,776.54	173,336,615.45	133,201,861.10	208,030,193.22	6,378,170.45			1,871,513,659.53		2,135,302,016.01	846,617,930.09	2,981,919,946.10
(I)Total comprehensive income							208,030,193.22				2,710,936,108.53		2,918,966,301.75	931,139,787.59	3,850,106,089.34
(II) Capital contributed or reduced by owners	9,367,015.00			-121,776.54	173,336,615.45	140,798,541.10							41,783,312.81	5,478,142.50	47,261,455.31
1. Common stock contributed by owners	9,349,300.00				131,451,158.00	140,800,458.00								5,478,142.50	5,478,142.50
2. Capital invested by holders of other equity instruments															
3. Amounts of share-based payments recognized in owners' equity					41,214,096.92								41,214,096.92		41,214,096.92

4. Others	17,715.00			-121,776.54	671,360.53	-1,916.90							569,215.89		569,215.89
(III) Profit distribution						-7,596,680.00					-839,422,449.00		-831,825,769.00	-90,000,000.00	-921,825,769.00
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)						-7,596,680.00					-839,422,449.00		-831,825,769.00	-90,000,000.00	-921,825,769.00
4. Others															
(IV) Internal carry-forward of owner's equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of capital reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Carry-forward of changes in the defined benefit plan for retained earnings															
5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserves								6,378,170.45					6,378,170.45		6,378,170.45
1. Amount withdrawn in the current period								72,755,820.22					72,755,820.22		72,755,820.22
2. Amount used in the current period								66,377,649.77					66,377,649.77		66,377,649.77
(VI) Others															

IV. Ending balance in the current period	1,701,545,103.00			1,489,922,163.30	15,568,154,405.81	1,026,031,492.72	1,669,466,851.27	57,213,645.45	440,135,820.74		19,180,503,002.52		39,080,909,499.37	12,561,635,963.88	51,642,545,463.25

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

Statement of Changes in Owner's Equity of the Parent Company

January-June 2026

Monetary unit: Yuan Currency: RMB

Item	First half of 2026										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
I. Ending balance of last year	1,896,724,497.00				22,348,026,907.71	220,377,564.40	-102,584,373.39		555,022,999.30	1,121,012,101.49	25,597,824,567.71
Plus: adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior periods											
Others											
II. Beginning balance of this year	1,896,724,497.00				22,348,026,907.71	220,377,564.40	-102,584,373.39		555,022,999.30	1,121,012,101.49	25,597,824,567.71
III. Increases/decreases in the current period (“-” for decreases)	-3,199,980.00				-45,375,072.72	-127,110,080.20	37,147,717.28			-168,886,888.31	-53,204,143.55
(I) Total comprehensive income							37,147,717.28			773,499,250.19	810,646,967.47
(II) Capital contributed or reduced by owners	-3,199,980.00				-45,375,072.72	-127,110,080.20					78,535,027.48
1. Common stock contributed by owners											
2. Capital invested by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity					28,582,230.68						28,582,230.68
4. Others	-3,199,980.00				-73,957,303.40	-127,110,080.20					49,952,796.80

(III) Profit distribution										-942,386,138.50	-942,386,138.50
1. Withdrawal of surplus reserves											
2. Profit distributed to owners (or shareholders)										-942,386,138.50	-942,386,138.50
3. Others											
(IV) Internal carry-forward of owner's equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of capital reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserves											
1. Amount withdrawn in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance in the current period	1,893,524,517.00				22,302,651,834.99	93,267,484.20	-65,436,656.11		555,022,999.30	952,125,213.18	25,544,620,424.16

Item	Second half of 2025										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
I. Ending balance of last year	1,692,178,088.00			1,490,043,939.84	14,524,587,372.13	892,829,631.62	-108,610,597.16		440,135,820.74	921,806,173.45	18,067,311,165.38
Plus: adjustments for changes in accounting policies											

Adjustments for correction of accounting errors in prior periods											
Others											
II. Beginning balance of this year	1,692,178,088.00			1,490,043,939.84	14,524,587,372.13	892,829,631.62	-108,610,597.16		440,135,820.74	921,806,173.45	18,067,311,165.38
III. Increases/decreases in the current period (“-” for decreases)	9,367,015.00			-121,776.54	173,336,615.45	133,201,861.10	-204,635.72			-565,638,537.13	-516,463,180.04
(I) Total comprehensive income							-204,635.72			273,783,911.87	273,579,276.15
(II) Capital contributed or reduced by owners	9,367,015.00			-121,776.54	173,336,615.45	140,798,541.10					41,783,312.81
1. Common stock contributed by owners	9,349,300.00				131,451,158.00	140,800,458.00					
2. Capital invested by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity					41,214,096.92						41,214,096.92
4. Others	17,715.00			-121,776.54	671,360.53	-1,916.90					569,215.89
(III) Profit distribution						-7,596,680.00				-839,422,449.00	-831,825,769.00
1. Withdrawal of surplus reserves											
2. Profit distributed to owners (or shareholders)						-7,596,680.00				-839,422,449.00	-831,825,769.00
3. Others											
(IV) Internal carry-forward of owner's equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of capital reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											

6. Others											
(V) Special reserves											
1. Amount withdrawn in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance in the current period	1,701,545,103.00			1,489,922,163.30	14,697,923,987.58	1,026,031,492.72	-108,815,232.88		440,135,820.74	356,167,636.32	17,550,847,985.34

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

III. Basic information of the Company

1. Company profile

√Applicable □Not applicable

Zhejiang Huayou Cobalt Co., Ltd. was established by Great Mountain Enterprise Pte. Ltd. ("Great Mountain Company"), Huayou Holding Group Co., Ltd. ("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 RMB 1,893,524,517, total share of 1,893,524,517 shares (each with par value of RMB 1, of which, 5,917,320 shares are restricted outstanding A shares, and 1,887,607,197 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, lithium products, ternary precursors, cathode materials, nickel intermediates, etc.

The financial statements were approved and authorized for issue by the 4th meeting of the seventh Board of Directors dated August 18, 2026.

The Company has brought subsidiaries including Huayou Quzhou, Huayou Hong Kong, CDM, New energy Quzhou, Guangxi Lithium Industry, Guangxi B&M, Guangxi Huayou New Materials, Huayou Singapore, Chengdu B&M, Huayue Company, and Indonesia Huafei into the consolidation scope. Please refer to item X of this section for details.

IV. Basis for preparing the financial statements

1. Basis for preparing

The Company prepares its financial statements on a going concern basis.

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. Major accounting policies and accounting estimates

Remark to the detailed accounting policies and accounting estimates:

□Applicable √Not applicable

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

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

2. Accounting period

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

3. Operating cycle

√Applicable □Not applicable

The Company has a relatively short operating cycle 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 RMB, while the functional currency of subsidiaries engaged in overseas operations is the currency of the primary economic environment in which they operate.

5. Methods for determining and basis for selecting significance criteria

√Applicable □Not applicable

Item	Significance criteria
Significant accounts receivable with provision for bad debts made on an individual basis	Single amount exceeds 0.5% of total assets
Significant provisions for bad debts of accounts receivable collected or reversed	Single amount exceeds 0.5% of total assets
Significant accounts receivable written off	Single amount exceeds 0.5% of total assets
Significant other receivables with provision for bad debts made on an individual basis	Single amount exceeds 0.5% of total assets
Significant provisions for bad debts of other receivables collected or reversed	Single amount exceeds 0.5% of total assets
Significant advances paid with age over one year	Single amount exceeds 0.5% of total assets
Significant other receivables written off	Single amount exceeds 0.5% of total assets
Significant construction in progress	Single amount of construction in progress exceeds 0.5% of total assets
Significant accounts payable with age over one year	Single amount exceeds 0.5% of total assets
Significant other payables with age over one year	Single amount exceeds 0.5% of total assets
Significant contract liabilities with age over one year	Single amount exceeds 0.5% of total assets
Significant cash flows from investing activities	Single amount exceeds 10% of total assets
Significant foreign operating entities	Total assets or total revenue exceeds 10% of the group’s total assets or total revenue
Significant subsidiaries, not wholly-owned subsidiaries	Total assets or total revenue exceeds 10% of the group’s total assets or total revenue
Significant joint ventures, associates	The carrying amount of single long-term equity investment exceeds 5% of the group’s total assets or the amount of investment income under single equity method exceeds 5% of the group’s total profit

6. Accounting treatment methods for business combinations under common control and those 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. Criteria of control and methods for preparing the 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 venture arrangements and accounting treatment methods for joint operation

√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. Criteria for recognizing cash and cash equivalents

Cash presented in the cash flow statement refers to cash on hand and deposits that can be used for payment at any time. Cash equivalents refer to the short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

10. Foreign currency transactions and translation of foreign currency statements

√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 portfolio basis. When the Company adopts the portfolio 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 receivables

√Applicable □Not applicable

Combination type of provision for bad debt in accordance with credit risk features and basis for determination

√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.

Methods for calculating aging when credit risk feature combination is determined based on aging

√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

Accounts receivable are aged from the month in which they are actually incurred.

Criteria of individual provision for individual provisions for bad debts

√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. Financing funds receivables

√Applicable □Not applicable

Combination type of provision for bad debt in accordance with credit risk features and basis for determination

√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	Ages	Based on historical credit loss experience, the current situation and

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
		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.
Financial company acceptance receivable	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 notes receivable, so as to calculate expected credit loss.

Methods for calculating aging when credit risk feature combination is determined based on aging
√Applicable □Not applicable

Ages	Expected credit loss rate of trade acceptance receivable and financial company 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

Criteria of individual provision for individual provisions for bad debts
√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
Combination type of provision for bad debt in accordance with credit risk features and basis for determination
√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	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 interest receivable	Nature of receivables	Based on historical credit loss experience, the current situation and

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
		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 dividend 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 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.

Methods for calculating aging when credit risk feature combination is determined based on aging
√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

Other receivables are aged from the month in which they are actually incurred.

Criteria of individual provision for individual provisions for bad debts
√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
Inventory category, issue valuation method, inventory system, amortization method for low-value consumables and packaging
√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.

Criteria for determining and methods for provision for inventory depreciation
√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.

Combination type of provision for inventory depreciation based on combination and basis for determination, basis for determining net realizable value of different inventories
□Applicable √Not applicable

Methods for calculating and basis for determining net realizable value of each inventory aging combination when net realizable value of inventories is determined based on aging
□Applicable √Not applicable

17. Contract assets

√Applicable □Not applicable

Recognition methods and standards for contract assets

√Applicable □Not applicable
The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance 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.

Combination type of provision for bad debt in accordance with credit risk features and basis for determination
□Applicable √Not applicable

Methods for calculating aging when credit risk feature combination is determined based on aging
□Applicable √Not applicable

Criteria of individual provision for individual provisions for bad debts
□Applicable √Not applicable

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

□Applicable √Not applicable

Recognition standard and accounting treatment method for non-current assets or disposal groups held for sale
□Applicable √Not applicable

Criteria for identifying and methods for reporting the termination of business 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 properties

Not applicable

21. Fixed assets

(1) Recognition criteria

√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

Category	Depreciation method	Depreciation life (year)	Residual value rate	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
Transportation equipment	Straight-line method	5-10	0-10	20.00-9.00
Other equipment	Straight-line method	5-10	0-10	20.00-9.00

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 and gas assets

□Applicable √Not applicable

26. Intangible assets

(1) Useful life and its basis for determination, estimate, amortization method or review procedure

√Applicable □Not applicable

1. Intangible assets include mining right, land use right, software, pollution discharge right, software copyright, patent right, know-how, energy rights, 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:

Item	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
Software copyright, patent right and know-how	5-10 years；estimated economic life	Straight-line method
Energy rights	10 years； estimated economic life	Straight-line method

(2) Scope of R&D expenditure and related accounting treatment method

√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. Long-term asset impairment

√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 deferred expenses

√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 compensation

Employee compensation includes short-term compensation, post-employment benefits, dismissal welfare and other long-term employee benefits.

(1) Accounting treatment of short-term compensation

√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) Accounting treatment of 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) Accounting treatment of dismissal welfare

√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) Accounting treatment of 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. Estimated liabilities

√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. Preferred shares, perpetual bonds and other financial instruments

□Applicable √Not applicable

34. Income

(1) Accounting policies used in recognizing and measuring income disclosed by business type

√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 methods for recognizing and measuring income involved in the adoption of different business models for similar businesses

□Applicable √Not applicable

35. Contract costs

□Applicable √Not applicable

36. Government subsidies

√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 income tax assets/deferred income 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. Lease

√Applicable □Not applicable

Criteria and accounting treatment method for the lessee to simplify the treatment of short-term lease and low-value asset lease

√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.

Standard and accounting treatment method for the lessor to classify leases
√Applicable □Not applicable
1. 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.
2. 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 accounting 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. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

√Applicable □Not applicable

Content and reasons for changes in accounting policies	Significantly-affected items in the financial statement	Affected amount
The Ministry of Finance released the *Interpretation of*	None	0

Accounting Standards for Business Enterprises No. 19 (Cai Kuai [2025] No.32) on December 5, 2025, which sets forth provisions on "accounting treatment of compensatory assets in business combinations not under common control", "accounting treatment of relevant capital reserves upon disposal of a subsidiary originally obtained through a business combination under common control", "de-recognition of financial liabilities settled via electronic payment systems", "assessment of contractual cash flow characteristics of financial assets and related disclosures", and "disclosures for equity instruments designated as measured at fair value through other comprehensive income", effective as of January 1, 2026.		
The Ministry of Finance released the *Interpretation of Accounting Standards for Business Enterprises No. 20* (Cai Kuai [2026] No.7) on June 4, 2026, which provides that the "assessment of contractual cash flow characteristics of financial assets" and "accounting treatment where a currency lacks convertibility and related disclosures " shall be effective as of January 1, 2026.	None	0

Other remarks:
None

(2) Changes in significant accounting estimates

□Applicable √Not applicable

(3) Adjustments on the financial statements of the beginning of the earliest period in which the Company adopts the revised standards or interpretations since 2026

□Applicable √Not applicable

41. Others

□Applicable √Not applicable

VI. Taxation

1. Main taxes and tax rates

Details of main taxes and tax rates

√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%, 12%, 11%, 9% and 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 enterprises enjoy the preferential policy of “exemption, refund”, and the tax refund rate is from 0% to 13%

Taxes	Tax bases	Tax rates
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%
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Enterprise income tax	Taxable income	Please refer to the following different enterprise income tax rates applicable to different taxpayers

Information about taxpayers applying different enterprise income tax rates:
√Applicable □Not applicable

Taxpayers	Income tax rate
The Company, New Energy Quzhou, Tianjin B&M, Zhejiang B&M, Chengdu B&M, Guangxi B&M, Guangxi Lithium Industry, Guangxi Huayou New Materials, and Yulin Times Green Water Environmental Technology Co., Ltd. ("Yulin Times Green Water")	15%
Beijing Huashan Yongsheng Technology Co., Ltd. ("Beijing Huashan"), Beijing Youhong Yongsheng Technology Co., Ltd. ("Beijing Youhong"), Shanghai Feicheng Metal Materials Co., Ltd. ("Shanghai Feicheng"), Guangxi Huayou Enterprise Investment Management Co., Ltd. ("Guangxi Huayou Enterprise Investment"), Shanghai Huayou Xinsheng Metal Co., Ltd. ("Shanghai Xinsheng") and Zhejiang Huayou New Materials Co., Ltd. ("Zhejiang New Materials"), Zhejiang Huayou Recycling Lithium Technology Co., Ltd. ("Huayou Recycling Lithium"), Zhejiang Huayou Catering Management Co., Ltd. ("Huayou Catering Management"), and Zhejiang Huayou Property Management Co., Ltd. ("Huayou Property Management")	20%
Taxpayers other than the above-mentioned	25%

2. Tax preference

√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 and Zhejiang 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 Economic and Information Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of STA on December 6, 2024, 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 Economic and Information Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of STA on December 6, 2024, Zhejiang B&M is accredited as a high-tech enterprise. Pursuant to the "Enterprise Income Tax Law of the People's Republic of China", Zhejiang 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 "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 Industry, Guangxi Huayou New Materials and Yulin Times Green Water 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, Beijing Youhong, Shanghai Feicheng, Guangxi Huayou Enterprise Investment, Shanghai Xinsheng, Zhejiang New Materials, Huayou Recycling Lithium, Huayou Catering Management and Huayou Property Management 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 Industry, Guangxi Huayou New Materials and Yulin Times Green Water, 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 Industry, Guangxi Huayou New Materials and Yulin Times Green Water are exempted for the fourth year, while the subsidiary Guangxi B&M is exempted for the fifth year.

Pursuant to the "Notice of the Guangxi Autonomous Region Local Taxation Bureau on Issuing Several Tax Policy and Service Measures to Support Guangxi in Building a New Strategic Support Point for Open Development in the Southwest and Central South Regions" (Gui Di Shui Fa [2014] No. 30), the subsidiary Yulin Times Juneng Thermal Energy Co., Ltd. ("Yulin Times Juneng") meets the criteria for a newly established legal person industrial enterprise in Guangxi. It is 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 subsidiary Yulin Times Juneng is exempted for the fifth year.
According to Article 88 of the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (Order of the State Council No. 512 of the People's Republic of China), the income derived by the subsidiary Yulin Times Green Water from engaging in qualified environmental protection and energy conservation and water conservation projects shall be exempt from enterprise income tax for the first three years starting from the tax year in which it obtains its first business income, and the enterprise income tax shall be halved from the fourth to the sixth year. This period marks the second year for the subsidiary Yulin Times Green Water to have its income tax halved.
(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 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 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 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 AMI Company", AMI Company is exempted from enterprise income tax for 7 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 PT. Huaxiang Refining Indonesia ("Huaxiang Indonesia")", Huaxiang Indonesia is exempted from enterprise income tax for 7 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 the Items in the Consolidated Financial Statements

1. Cash and cash equivalents

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Cash in hand	5,624,768.76	8,189,591.81
Deposit in bank	11,826,394,124.55	10,212,598,488.34
Other cash and cash equivalents	10,211,001,300.56	7,404,859,191.52
Deposit in finance company		
Total	22,043,020,193.87	17,625,647,271.67
Including: total amount of overseas deposits	3,781,519,581.59	3,388,174,234.53

Other remarks

Ending balance of other cash and cash equivalents included deposits for bank acceptance of RMB 4,491,963,034.32, deposited investments of RMB 3,012,003,019.67, deposits for borrowings of RMB 2,230,704,749.67, deposits for letters of credit of RMB 301,065,080.13, deposits for letters of guarantee of RMB 100,649,428.77, balances frozen due to lawsuits of RMB 20,000,000.00, deposits for environmental impact assessment of RMB 5,668,710.30, deposits for future foreign exchange settlement of RMB 28,218,855.58 and others of RMB 20,728,422.12.

2. Financial assets held for trading

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance	Specified reason and basis
Financial assets measured at fair value through current profit or loss	40,000,000.00	80,000,000.00	/
Including:			
Short-term financial products	40,000,000.00	80,000,000.00	/
Total	40,000,000.00	80,000,000.00	/

Other remarks:

□Applicable √Not applicable

3. Derivative financial assets

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Hedged futures contracts	1,739,218,481.17	1,392,328,142.64
Forward foreign exchange contracts		11,169,564.16
Total	1,739,218,481.17	1,403,497,706.80

Other remarks:

None

4. Notes receivable

(1) Notes receivable presented by categories

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Bank acceptance		
Trade acceptance	50,000,000.00	
Total	50,000,000.00	

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

□Applicable √Not applicable

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

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount de-recognized as at the end of the period	Amount not de-recognized as at the end of the period
Bank acceptance		

Trade acceptance		50,000,000.00
Total		50,000,000.00

(4) Classification according to different methods of provision for bad debts

□Applicable √Not applicable

Provision for bad debt made on an individual basis:
□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:
□Applicable √Not applicable

Provision for bad debt made according to the general model of expected credit loss:
□Applicable √Not applicable

Basis for the division of each phase and proportion of provisions for bad debts
None

Changes in book balance of notes receivable with significant change in the amount of provision for loss in the current period:
□Applicable √Not applicable

(5) Details of the provision for bad debts

□Applicable √Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:
None

(6) Notes receivable actually written off in the current period

□Applicable √Not applicable

In which, significant amount of notes receivable written off:
□Applicable √Not applicable

Remarks to write-offs of notes receivable:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

5. Accounts receivable

(1) Disclosure by aging

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	15,581,974,002.45	9,600,538,697.25
1 to 2 years	250,234,102.51	250,247,296.45
2 to 3 years	87,556,034.00	43,176,993.67
More than 3 years	83,655,172.00	82,228,581.19
Total	16,003,419,310.96	9,976,191,568.56

(2) Classification according to different methods of provision for bad debts

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt made on an individual basis	904,548.00	0.01	904,548.00	100.00		904,548.00	0.01	904,548.00	100.00	
Including:										
Receivables of individually insignificant amount but with provision made on an individual basis	904,548.00	0.01	904,548.00	100.00		904,548.00	0.01	904,548.00	100.00	
Provision for bad debt made on a portfolio basis	16,002,514,762.96	99.99	955,674,161.62	5.97	15,046,840,601.34	9,975,287,020.56	99.99	633,240,174.18	6.35	9,342,046,846.38
Including:										
Portfolio grouped with ages	16,002,514,762.96	99.99	955,674,161.62	5.97	15,046,840,601.34	9,975,287,020.56	99.99	633,240,174.18	6.35	9,342,046,846.38
Total	16,003,419,310.96	/	956,578,709.62	/	15,046,840,601.34	9,976,191,568.56	/	634,144,722.18	/	9,342,046,846.38

Provision for bad debt made on an individual basis:
□Applicable √Not applicable

No significant accounts receivable with provision made on an individual basis at the end of the period.

Provision for bad debt made on a portfolio basis:
√Applicable □Not applicable
Items with provision made on a portfolio basis:

Monetary unit: Yuan Currency: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Proportion of provision (%)
Within 1 year	15,581,974,002.45	779,098,700.12	5.00
1-2 years	250,234,102.51	50,046,820.50	20.00
2-3 years	87,556,034.00	43,778,017.00	50.00
Over 3 years	82,750,624.00	82,750,624.00	100.00
Total	16,002,514,762.96	955,674,161.62	5.97

Description of the provision for bad debts made on a portfolio basis:
□Applicable √Not applicable

Provision for bad debt made according to the general model of expected credit loss
□Applicable √Not applicable

Basis for the division of each phase and proportion of provisions for bad debts
None

Changes in book balance of accounts receivable with significant change in the amount of provision for loss in the current period:
□Applicable √Not applicable

(3) Details of the provision for bad debts

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovery or reversal	Write-off or charge off	Other change	
Provision for bad debt made on an individual basis	904,548.00					904,548.00
Provision for bad debt made on a portfolio basis	633,240,174.18	322,433,987.44				955,674,161.62
Total	634,144,722.18	322,433,987.44				956,578,709.62

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:
Other changes are variations in provision for bad debt resulting from changes in the scope of consolidation.

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

□Applicable √Not applicable

In which, significant amount of accounts receivable written off:
□Applicable √Not applicable

Remarks to write-offs of accounts receivable:
√Applicable □Not applicable
No write-offs of significant accounts receivable during the current period.

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

□Applicable √Not applicable

Other remarks
√Applicable □Not applicable
Ending balance of top 5 debtors totaled RMB 6,974,566,939.45, accounting for 43.58% of the total ending balance of accounts receivable, and provision for bad debts made thereon totaled RMB 348,737,963.16.

6. Contract assets

(1) Details of contract assets

□Applicable √Not applicable

(2) Amount of and reason for major changes in the book value during the reporting period

□Applicable √Not applicable

(3) Classification according to different methods of provision for bad debts

□Applicable √Not applicable

Provision for bad debt made on an individual basis:
□Applicable √Not applicable

Description of the provision for bad debt made on an individual basis:
□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:
□Applicable √Not applicable

Provision for bad debt made according to the general model of expected credit loss:
□Applicable √Not applicable

Basis for the division of each phase and proportion of provisions for bad debts
None

Changes in book balance of contract assets with significant change in the amount of provision for loss in the current period:
□Applicable √Not applicable

(4) Details of the provision for bad debts with contract assets in the current period

□Applicable √Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:
None

(5) Contract assets actually written off in the current period

□Applicable √Not applicable

In which, significant amount of contract assets written off:
□Applicable √Not applicable

Remarks to write-offs of contract assets:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

7. Accounts receivable financing

(1) Accounts receivable financing presented by categories

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Bank acceptance	810,444,152.28	1,647,571,042.81
Total	810,444,152.28	1,647,571,042.81

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

□Applicable √Not applicable

(3) Accounts receivable financing endorsed or discounted by the Company as at the end of the period but not expired on the balance sheet date

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount de-recognized as at the end of the period	Amount not de-recognized as at the end of the period
Bank acceptance	14,942,862,836.32	
Total	14,942,862,836.32	

(4) Classification according to different methods of provision for bad debts

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt made on an individual basis										
Including:										
Provision for bad debt made on a portfolio basis	810,444,152.28	100			810,444,152.28	1,647,571,042.81	100			1,647,571,042.81
Including:										
Bank acceptance	810,444,152.28	100			810,444,152.28	1,647,571,042.81	100			1,647,571,042.81
Total	810,444,152.28	/		/	810,444,152.28	1,647,571,042.81	/		/	1,647,571,042.81

Provision for bad debt made on an individual basis:

□Applicable √Not applicable

Description of the provision for bad debt made on an individual basis:

□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:

□Applicable √Not applicable

Provision for bad debt made according to the general model of expected credit loss:

□Applicable √Not applicable

Basis for the division of each phase and proportion of provisions for bad debts

None

Description of significant changes in the book balance of accounts receivable financing that have changed the provision for losses in the current period:

□Applicable √Not applicable

(5) Details of the provision for bad debts

□Applicable √Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:
None

(6) Accounts receivable financing actually written off in the current period

□Applicable √Not applicable

In which, significant amount of accounts receivable financing written off:
□Applicable √Not applicable

Remarks to write-offs of accounts receivable financing:
√Applicable □Not applicable

———

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

□Applicable √Not applicable

(8) Other remarks:

□Applicable √Not applicable

8. Advances to suppliers

(1) Advances to suppliers presented by aging

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	6,500,406,856.15	94.99	5,541,948,640.76	93.84
1 to 2 years	116,997,515.39	1.71	149,063,350.85	2.52
2 to 3 years	218,964,126.87	3.20	211,505,213.40	3.58
More than 3 years	6,815,222.69	0.10	3,808,129.62	0.06
Total	6,843,183,721.10	100.00	5,906,325,334.63	100.00

Remarks to reasons for failure in timely settling the advances to supplier with the aging over 1 year and major amount:
No advances to supplier with the aging over 1 year and major amount at the end of the period

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

□Applicable √Not applicable

Other remarks:
√Applicable □Not applicable
Ending balance of top 5 debtors totaled RMB 2,929,350,631.28, accounting for 42.65% of the total ending balance of advances to suppliers.

9. Other receivables

Presented by items

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance

Interests receivable		
Dividends receivable		
Other receivables	321,580,869.44	420,695,664.15
Total	321,580,869.44	420,695,664.15

Other remarks:
□Applicable √Not applicable

Interests receivable

(1) Classification of interests receivable

□Applicable √Not applicable

(2) Significant overdue interests

□Applicable √Not applicable

(3) Classification according to different methods of provision for bad debts

□Applicable √Not applicable

Provision for bad debt made on an individual basis:
□Applicable √Not applicable

Description of the provision for bad debt made on an individual basis:
□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:
□Applicable √Not applicable

(4) Provision for bad debt made according to the general model of expected credit loss:
□Applicable √Not applicable

(5) Details of the provision for bad debts

□Applicable √Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:
None

(6) Interests receivable actually written off in the current period

□Applicable √Not applicable

In which, significant amount of interests receivable written off:
□Applicable √Not applicable

Remarks to write-offs of interests receivable:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

Dividends receivable

(1) Dividends receivable

□Applicable √Not applicable

(2) Major dividends receivable with aging over 1 year

□Applicable √Not applicable

(3) Classification according to different methods of provision for bad debts

□Applicable √Not applicable

Provision for bad debt made on an individual basis:
□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:
□Applicable √Not applicable

(4) Provision for bad debt made according to the general model of expected credit loss:
□Applicable √Not applicable

(5) Details of the provision for bad debts

□Applicable √Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:
None

(6) Dividends receivable actually written off in the current period

□Applicable √Not applicable

In which, significant amount of dividends receivable written off:
□Applicable √Not applicable

Remarks to write-offs of dividends receivable:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

Other receivables

(1) Disclosure by aging

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	198,229,832.06	300,220,537.30
1 to 2 years	111,641,768.87	112,353,954.50
2 to 3 years	87,898,227.78	83,159,740.24
More than 3 years	19,163,448.72	29,892,645.79
Total	416,933,277.43	525,626,877.83

(2) Classification by nature of funds

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Nature of funds	Ending book balance	Beginning book balance
Security deposits	396,281,750.51	425,729,612.56

Export tax refund		80,462,399.60
Petty cash	18,336,148.29	13,623,067.57
Temporary borrowings	681,090.00	702,880.00
Others	1,634,288.63	5,108,918.10
Total	416,933,277.43	525,626,877.83

(3) Provision for bad debt

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without credit impairment)	Expected credit loss over the entire existence (with credit impairment)	
Balance as at January 1, 2026	10,987,906.87	22,470,790.90	71,472,515.91	104,931,213.68
Balance as at January 1, 2026 in the current period				
--Transferred to Phase II	-5,582,088.44	5,582,088.44		
--Transferred to Phase III		-17,579,645.56	17,579,645.56	-
--Reversed to Phase II				
--Reversed to Phase I				
Provision made in the current period	4,505,673.18	11,855,120.00	-25,939,598.86	-9,578,805.69
Reversal in the current period				
Write-off in the current period				
Charge off in the current period				
Other change				
Balance as at June 30, 2026	9,911,491.60	22,328,353.77	63,112,562.61	95,352,407.99

Basis for the division of each phase and proportion of provisions for bad debts

Basis for the division of each phase: Phase I is where credit risk of other receivables with ages within one year and portfolio of related parties grouped within the scope of receivable consolidation has not increased significantly since initial recognition. Phase II 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. Phase III is where other receivables with ages over 2 years are considered credit-impaired since initial recognition.

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

□Applicable √Not applicable

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

□Applicable √Not applicable

(4) Details of the provision for bad debts

□Applicable √Not Applicable

Significant amount of provision for bad debt recovered 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

In which, significant amount of other receivables written off:
□Applicable √Not applicable

Remarks to write-offs of other receivables
□Applicable √Not applicable

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

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Unit name	Ending balance	Proportion in the total ending balance of other receivables (%)	Nature of funds	Aging	Ending balance of provision for bad debt
SINO IC Leasing Co., Ltd.	104,000,000.00	24.94%	Security deposits	Within 1 year: RMB 40,000,000.00, 1-2 years: RMB 24,000,000.00, 2-3 years: RMB 40,000,000.00	26,800,000.00
Changjiang United Financial Leasing Co., Ltd.	50,000,000.00	11.99%	Security deposits	1-2 years: RMB 25,000,000.00, 2-3 years: RMB 25,000,000.00	17,500,000.00
Taiping & Sinopec Financial Leasing Co., Ltd.	33,000,000.00	7.91%	Security deposits	Within 1 year: RMB 9,000,000.00, 1-2 years: RMB 24,000,000.00	5,250,000.00
EverBright Financial Leasing Co., Ltd.	28,000,000.00	6.72%	Security deposits	Within 1 year	1,400,000.00
China National Foreign Trade Financial Leasing Co., Ltd.	24,800,000.00	5.95%	Security deposits	Within 1 year	1,240,000.00
Total	239,800,000.00	57.52%	/	/	52,190,000.00

(7) Other receivables presented due to centralized management of funds

□Applicable √Not applicable

Other remarks:

□Applicable √Not applicable

10. Inventories

(1) Classification of inventories

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Book value
Raw materials	13,938,037,915.89	116,444,699.68	13,821,593,216.21	16,323,094,811.35	14,606,242.58	16,308,488,568.77
Goods in production	5,508,879,489.61	136,777,130.08	5,372,102,359.53	3,383,148,994.88	276,927.79	3,382,872,067.09
Goods in stock	13,063,194,959.00	56,988,023.09	13,006,206,935.91	5,932,634,939.09	19,699,173.13	5,912,935,765.96
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Materials on consignment for further processing	15,417,081.69		15,417,081.69	19,861,149.05		19,861,149.05
Total	32,525,529,446.19	310,209,852.85	32,215,319,593.34	25,658,739,894.37	34,582,343.50	25,624,157,550.87

Ending balance includes recognized profits on changes in fair value of hedged inventories of RMB 1,492,329,185.28. Please refer to item XII 2 of this section for details.

(2) Data resource recognized as inventory

□Applicable √Not applicable

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

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision made	Others	Reversed or charged-off	Others	
Raw materials	14,606,242.58	115,600,185.59		13,761,728.49		116,444,699.68
Goods in	276,927.79	136,777,130.08		276,927.79		136,777,130.08

production						
Goods in stock	19,699,173.13	53,849,953.75		16,561,103.79		56,988,023.09
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Materials on consignment for further processing						
Total	34,582,343.50	306,227,269.42		30,599,760.07		310,209,852.85

Reason for reversal or charge off of the provision for inventory depreciation in the current period
√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 depreciation made on a portfolio basis:
□Applicable √Not applicable

Standard of provision for inventory depreciation made on a portfolio basis:
□Applicable √Not applicable

(4) Capitalized amount of borrowing costs contained in the ending balance of inventories and standard and basis for its calculation
□Applicable √Not applicable

(5) Remarks to the amortization amount of contract performance cost
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

11. Assets held for sale
□Applicable √Not applicable

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

Debt investments maturing within one year
□Applicable √Not applicable

Other debt investments maturing within one year

□Applicable √Not applicable

Other remarks to non-current assets maturing within one year
None

13. Other current assets

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Input VAT to be credited or refunded	5,922,448,557.11	5,851,597,364.01
Prepaid enterprise income tax	34,646,161.11	72,049,653.77
Prepaid resources tax	184,956,211.80	80,635,111.52
Total	6,142,050,930.02	6,004,282,129.30

Information related to compensatory assets:
□Applicable √Not applicable

Other remarks:
None

14. Debt investments

(1) Details of debt investments

□Applicable √Not applicable

Changes in the provision for impairment of debt investments in the current period
□Applicable √Not applicable

(2) Major debt investments as at the end of the period

□Applicable √Not applicable

(3) Provision for impairment

□Applicable √Not applicable

Basis for the division of each phase and proportion of provisions for impairment
None

Changes in book balance of debt investments with significant change in the amount of provision for loss in the current period
□Applicable √Not applicable

Amount of provision for impairments in the current period and the basis for evaluating whether the credit risk of the financial instruments has significantly increased:
□Applicable √Not applicable

(4) Debt investments actually written off in the current period

□Applicable √Not applicable

In which, significant amount of debt investments written off:
□Applicable √Not applicable

Remarks to write-offs of debt investments:
□Applicable √Not applicable

Other remarks:
None

15. Other debt investments

(1) Details of other debt investments

□Applicable √Not applicable

Changes in the provision for impairment of other debt investments in the current period
□Applicable √Not applicable

(2) Major other debt investments as at the end of the period

□Applicable √Not applicable

(3) Provision for impairment

□Applicable √Not applicable

(4) Other debt investments actually written off in the current period

□Applicable √Not applicable

In which, significant amount of other debt investments written off:
□Applicable √Not applicable

Remarks to write-offs of other debt investments:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

16. Long-term receivables

(1) Details of long-term receivables

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance			Range of discount rate
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Finance lease payments							
Including: unrealized financing income							
Installment proceeds from sale of goods							
Installment proceeds from rendering of services							
La Societe Immobiliere du Congo	1,201,953.58		1,201,953.58	1,240,407.48		1,240,407.48	N/A
La Sino-Congolaise Des Mines S. A. ("SGM")	58,395,412.39		58,395,412.39	60,263,647.60		60,263,647.60	N/A
Gecamines	2,003,255.96		2,003,255.96	2,067,345.80		2,067,345.80	N/A
La Province du Lualaba	15,412,585.30		15,412,585.30	15,905,677.60		15,905,677.60	N/A
Indonesia Weda Bay Industrial Park Co., Ltd. ("IWIP Company")	131,995,242.00		131,995,242.00	195,260,064.00		195,260,064.00	N/A
Veinstone Investment	111,480,808.7		111,480,808.7	115,047,398.4		115,047,398.4	N/A

Limited (“Veinstone”)	4		4	0		0	
PT. ETERNAL NICKEL INDUSTRY (“Eternal Nickel”)	345,312,630.00		345,312,630.00	356,360,160.00		356,360,160.00	N/A
PT. SURELYRICH POWERPLANT INDONESIA (“SURELYRICH Company”)	733,609,647.52		733,609,647.52	616,609,436.57		616,609,436.57	N/A
Total	1,399,411,535.49		1,399,411,535.49	1,362,754,137.45		1,362,754,137.45	/

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 RMB 2,003,255.96 according to the exchange rate as at June 30, 2026) and USD 176,475.00 (equivalent to RMB 1,201,953.58 according to the exchange rate as at June 30, 2026) to Gecamines and La Societe Immobiliere du Congo for their contributions to SGM, and rendered borrowings of USD 8,573,817.38 (equivalent to RMB 58,395,412.39 according to the exchange rate as at June 30, 2026) 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 June 30, 2026, the subsidiary CDM Company has paid USD 2,262,929.32 (equivalent to RMB 15,412,585.30 according to the exchange rate as at June 30, 2026).

3) IWIP Company

Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huachuang International Investment Co., Ltd. (“Huachuang International”) and the associate IWIP Company based on the resolution of the 5th meeting of the sixth Board of Directors in 2023, Huachuang International, as shareholder of IWIP Company, rendered shareholder borrowings of USD 19,380,000.00 (equivalent to RMB 131,995,242.00 according to the exchange rate as at June 30, 2026) 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 INTERNATIONAL MINING (HONG KONG) LIMITED (“Huayou Mining Hong Kong”) and the associate Veinstone based on the resolution of the 5th meeting of the sixth Board of Directors in 2023, Huayou Mining Hong Kong, as shareholder of Veinstone, rendered shareholder borrowings of USD 16,368,000.00 (equivalent to RMB 111,480,808.74 according to the exchange rate as at June 30, 2026) to Veinstone. Such shareholder borrowings were rendered together with other shareholders based on holding proportions.

5) Eternal Nickel

Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huajun International Investment Co., Ltd. (“Huajun International Investment”) and the associate Eternal Nickel based on the resolution of the 20th meeting of the sixth Board of Directors in 2024, Huajun International Investment, as shareholder of Eternal Nickel, rendered shareholder borrowings of USD 7,800,000.00 (equivalent to RMB 53,125,020.00 according to the exchange rate as at June 30, 2026) to Eternal Nickel. Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huajun International Investment and the associate Eternal Nickel based on the resolution of the 36th meeting of the sixth Board of Directors in 2025, Huajun International Investment, as shareholder of Eternal Nickel, rendered shareholder borrowings of USD 42,900,000.00 (equivalent to RMB 292,187,610.00 according to the exchange rate as at June 30, 2026) to Eternal Nickel. Such shareholder borrowings were rendered together with other shareholders based on holding proportions.

6) Surelyrich Company

Pursuant to the "Electricity Purchase Agreement" signed by the subsidiary PT.KOLAKA GREEN ENERGY ("Kolaka Green Energy") and Surelyrich Company in January 2025, the subsidiary Kolaka Green Energy would purchase electricity from Surelyrich Company on a long-term basis for the normal operation of the park. To guarantee the performance of the contract, the subsidiary Kolaka Green Energy should pay a performance bond of USD 248.75 million to Surelyrich Company, and Surelyrich Company should repay the bond in installments within the period stipulated in the contract. As of June 30, 2026, the subsidiary Kolaka Green Energy has paid IDR 1,930,551,704,000.00 (equivalent to RMB 733,609,647.52 according to the exchange rate as at June 30, 2026).

As there was no obvious evidence indicating impairment of the above long-term receivables, no provision for impairment was made thereon.

(2) Classification according to different methods of provision for bad debts

□Applicable √Not Applicable

Provision for bad debt made on an individual basis:

□Applicable √Not Applicable

Description of the provision for bad debt made on an individual basis:

□Applicable √Not Applicable

Provision for bad debt made on a portfolio basis:

□Applicable √Not Applicable

Provision for bad debt made according to the general model of expected credit loss

□Applicable √Not Applicable

(3) Details of the provision for bad debts

□Applicable √Not Applicable

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

□Applicable √Not Applicable

Other remarks:

None

(4) Long-term receivables actually written off in the current period

□Applicable √Not Applicable

In which, significant amount of long-term receivables written off:

□Applicable √Not Applicable

Remarks to write-offs of long-term receivables:

□Applicable √Not Applicable

Other remarks:

□Applicable √Not Applicable

17. Long-term equity investments

(1) Details of long-term equity investments

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
			Additional investment	Reduced investment	Profit/loss on investment recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared for distribution	Provision for impairment	Others		
I. Joint ventures												
PT CELEBES MINERAL INVESMENT ("CMI Company")	216,118,058.37		5,301,771.36		-1,705,324.18	-248,149.54					219,466,356.01	
Quzhou Zhiyou International Trade Co., Ltd. ("Quzhou Zhiyou")	102,336,573.37		200,000,000.00		871,297.77						303,207,871.14	
Sub-total	318,454,631.74		205,301,771.36		-834,026.41	-248,149.54					522,674,227.15	
II. Associates												
PT.ALAM HIJAU ENVIRONMENTAL SERVICES ("Alam Hijau")	66,115,343.65		43,937,192.00		-7,791,641.29	-3,796,059.58					98,464,834.78	
NEWSTRIDE TECHNOLOG	1,348,986,387.30				20,053,360.3	941,338.57					1,369,981,086.25	

Y LIMITED (“Newstride Technology”)					8							
Quzhou Minfu Woneng New Energy Vehicle Technology Co., Ltd. (“Minfu Woneng”)		1,161,307.33										1,161,307.33
AVZ Minerals Limited (“AVZ Company”)	58,764,948.53										58,764,948.53	
Puhua Company	562,025,100.39				16,864,463.15						578,889,563.54	
Leyou Company	1,325,329,263.19				-22,413,580.00						1,302,915,683.19	
RUIYOU INVESTMENT COMPANY LIMITED (“Ruiyou Company)	44,210.83										44,210.83	
Veinstone	319,672,235.02				3,016,106.44	-46,674.06					322,641,667.40	
IWIP Company	608,249,614.98				77,686,748.87	-1,221,852.24					684,714,511.61	
PT.HUA PIONEER INDONESIA (“Indonesia Huatuo”)		3,479,194.09										3,479,194.09
Quzhou Anyou Equity	591,614,731.24				9,947,497.05						601,562,228.29	

Investment Partnership (LP) ("Quzhou Anyou")												
Hunan Yacheng New Energy Co., Ltd. ("Hunan Yacheng")	90,470,067.13				-4,172,515.16						86,297,551.97	
Guangxi Times Li-ion New Energy Materials Investment Management Center (LP) (Guangxi Times Li-ion Investment Management Center")	713,245,382.35				7,544,666.76						720,790,049.11	
Guangxi Times Li-ion New Materials Industry Development Fund Partnership (LP) ("Guangxi Times Li-ion Industry Fund")	675,975,443.25				13,412,740.91						689,388,184.16	
Quzhou Xinhua Equity Investment Partnership	1,178,454,892.32				19,658,148.93						1,198,113,041.25	

(LP) ("Quzhou Xinhua")												
Zhejiang Power Investment Huayou Intelligent Energy Co., Ltd. ("Zhejiang Power Investment")	15,985,586.10				229,248.92						16,214,835.02	
Tongxiang Lithium Times Equity Investment Partnership (LP) (Tongxiang Lithium Times")	177,037,414.86				37,558.18						177,074,973.04	
Ningbo Ruihua International Trade Co., Ltd. ("Ningbo Ruihua")	1,637,290.84										1,637,290.84	
Zhejiang Haigang Pingyou Port Co., Ltd. ("Haigang Pingyou")	83,384,666.96				-5,217,023.20						78,167,643.76	
BCM Company	677,645,158.33			380,713,326.37	-51,240,987.02	37,147,717.28					282,838,562.22	
Quzhou Hangyang Huayou Gas Co., Ltd.	84,935,853.36				2,715,452.83						87,651,306.19	

("Quzhou Hangyang")												
Changchun Zongxu Huayou Energy Technology Co., Ltd. ("Zongxu Huayou")	6,370,212.08				325,825.54						6,696,037.62	
ASKARI METALS LIMITED ("ASKARI Company")	5,777,034.22										5,777,034.22	
PT. IWIP GREEN INDUSTRY	211,393,839.87				26,173,000.19	-412,082.40					237,154,757.66	
PT Merdeka Battery Materials ("MBM Company")	564,075,521.07				15,646,546.31	-762,188.17					578,959,879.21	
PT.WANA KENCANA MINERAL ("WKM Company")	1,042,520,645.10				46,717,062.05	-1,941,511.00					1,087,296,196.15	
Eternal Nickel Industry	250,275,527.15				42,288,923.68	-660,206.01					291,904,244.82	
Chengdu Huantou Resource Recycling Co., Ltd. ("Chengdu Huantou")	6,093,123.15				9,119.81						6,102,242.96	

NA CHENG LIMITED	365,451,193.88				-81,015.98	-91,114.59					365,279,063.31	
JOH CO.,LTD	3,048,441.47										3,048,441.47	
PT Tambang Nikel Permai (“TNP Company”)	466,566,289.30				-961,887.10	-218,385.30					465,386,016.90	
PT.BOSOWA MINING (“BM Company”)	65,014,881.03				2,351,907.72	-138,294.17					67,228,494.58	
PT. Indonesia Huali Industry Park (“Huali Industry Park”)	8,018,458.64										8,018,458.64	
PT.CIPTA DJAYA SURYA (“CDS Company”)	32,086,715.98		7,221,659.98		-143,788.90	-559,147.41					38,605,439.65	
Tongxiang Daoran Metal Mineral Co., Ltd.(“Daoran Metal”)			30,545,635.23		3,619,522.50						34,165,157.73	
PT. Indonesia Hangyang Huayou Gas			66,811,500.00								66,811,500.00	
Sub-total	11,606,265,473.57	4,640,501.42	148,515,987.21	380,713,326.37	216,275,461.57	28,241,540.92					11,618,585,136.90	4,640,501.42
Total	11,924,720,105.31	4,640,501.42	353,817,758.57	380,713,326.37	215,441,435.16	27,993,391.38					12,141,259,364.05	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 of other equity instrument investments

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase/decrease in the current period					Ending balance	Dividend income recognized in the current period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for the designation of measuring at fair value with changes included in other comprehensive income
		Additional investment	Capital reduction	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Others					
Inner Mongolia Sinuo New Material Technology Co., Ltd. (“Inner Mongolia Sinuo”)	36,894,737.00						36,894,737.00				
Hanaq Argentina S.A. (“Hanaq Company”)	4,002,445.81						4,002,445.81				
Zhejiang Shengyan Technology Co., Ltd. (hereinafter referred to as "Shengyan Technology")	129,482,700.00						129,482,700.00				
China General Nuclear New Energy (Yulin) Co., Ltd. (hereinafter referred to as "CGN New Energy")	21,420,300.00	5,580,000.00					27,000,300.00				
Zhejiang Guanyu Battery Co., Ltd. (“Zhejiang Guanyu”)	200,000,000.00						200,000,000.00				
Yulin Hualong Electric Power Co., Ltd. (“Hualong Electric”)	2,106,500.00						2,106,500.00				
Total	393,906,682.81	5,580,000.00					399,486,682.81				/

(2) Explanation for de-recognition in the current period

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

19. Other non-current financial assets

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Financial assets classified as at fair value through profit or loss	6,573,600.00	6,573,600.00
Including: Equity instrument investments	6,573,600.00	6,573,600.00
Total	6,573,600.00	6,573,600.00

Other remarks:

Invested entity	Amount at the beginning of period	Increase in the current period	Decrease in the current period	Ending balance
SCM	6,573,600.00			6,573,600.00
Total	6,573,600.00			6,573,600.00

20. Investment properties

Measurement method for investment properties
Not applicable

21. Fixed assets

Presented by items

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Fixed assets	51,356,690,735.67	53,416,454,130.68
Disposal of fixed assets		
Total	51,356,690,735.67	53,416,454,130.68

Other remarks:
None

Fixed assets

(1) Details of fixed assets

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery	Transportation equipment	Other equipment	Total
I. Original book value:					
1.Beginning balance	21,636,807,280.90	45,936,981,310.44	1,679,632,982.69	1,030,443,333.79	70,283,864,907.82
2. Increase in the current period	586,636,228.78	642,635,973.26	81,863,186.46	108,248,694.34	1,419,384,082.84
(1) Purchase	209,489,558.51	327,034,795.18	62,122,837.13	107,865,929.75	706,513,120.57
(2) Transfer from construction-in-progress	377,146,670.27	315,601,178.08	19,740,349.33	382,764.59	712,870,962.27
(3) Increase from the business combination					
(4) Translation reserve					
3. Decrease in the current period	272,792,105.62	1,013,815,638.33	127,005,067.02	102,988,731.63	1,516,601,542.60
(1) Disposal or	29,679,041.97	390,686,222.28	55,844,753.58		572,939,501.65

scrapping				96,729,483.82	
(2) Transfer to construction-in-progress		2,962,909.48		385,702.65	3,348,612.13
(3) Translation reserve	243,113,063.65	620,166,506.57	71,160,313.44	5,873,545.16	940,313,428.82
4.Ending balance	21,950,651,404.06	45,565,801,645.37	1,634,491,102.13	1,035,703,296.50	70,186,647,448.06
II. Accumulated depreciation					
1.Beginning balance	3,434,323,688.07	12,213,056,892.23	610,941,374.41	586,369,852.00	16,844,691,806.71
2. Increase in the current period	586,523,920.55	1,701,466,235.09	95,325,380.31	64,679,311.84	2,447,994,847.79
(1) Provision	586,523,920.55	1,701,466,235.09	95,325,380.31	64,679,311.84	2,447,994,847.79
(2) Translation reserve					
3. Decrease in the current period	86,427,332.13	330,830,191.09	34,991,003.68	32,858,254.30	485,106,781.20
(1) Disposal or scrapping	3,175,586.97	129,299,903.60	13,554,337.95	29,895,041.74	175,924,870.26
(2) Transfer to construction-in-progress					
(3) Translation reserve	83,251,745.16	201,530,287.49	21,436,665.73	2,963,212.56	309,181,910.94
4. Ending balance	3,934,420,276.49	13,583,692,936.23	671,275,751.04	618,190,909.54	18,807,579,873.30
III. Provision for impairment					
1.Beginning balance	2,828,719.33	18,506,487.90		1,383,763.20	22,718,970.43
2. Increase in the current period					
(1) Provision					
(2) Translation reserve					
3. Decrease in the current period	87,693.20	251,202.83		3,235.31	342,131.34
(1) Disposal or scrapping					
(2) Translation reserve	87,693.20	251,202.83		3,235.31	342,131.34
4. Ending balance	2,741,026.13	18,255,285.07		1,380,527.89	22,376,839.09
IV. Book value					
1. Ending book value	18,013,490,101.44	31,963,853,424.07	963,215,351.09	416,131,859.07	51,356,690,735.67
2. Beginning book value	18,199,654,873.50	33,705,417,930.31	1,068,691,608.28	442,689,718.59	53,416,454,130.68

(2) Temporarily idle fixed assets

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remarks
Buildings and structures	5,967,264.66	2,826,886.53	2,741,026.13	399,352.00	
Machinery	42,234,590.17	24,105,742.35	16,866,981.48	1,261,866.34	
Other equipment	672,393.15	120,351.43	484,802.40	67,239.32	
Sub-total	48,874,247.99	27,052,980.31	20,092,810.02	1,728,457.66	

(3) Fixed assets leased out under operating lease

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending book value

Buildings and structures	3,009,158.36
Machinery	485,951.33
Transportation equipment	629,976.06
Other equipment	7,218,766.55
Sub-total	11,343,852.30

(4) Fixed assets with the title certificate not obtained

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Book value	Reasons for the failure to obtain title certificate
Buildings and structures	731,489,950.44	In process

(5) Impairment test of fixed assets

□Applicable √Not applicable

Other remarks:

□Applicable √Not applicable

Disposal of fixed assets

□Applicable √Not applicable

22. Construction in progress

Presented by items

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Construction in progress	22,231,744,157.14	12,493,916,752.12
Project materials	109,948,859.26	504,945,928.99
Total	22,341,693,016.40	12,998,862,681.11

Other remarks:

None

Construction in progress

(1) Details of construction in progress

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Huayou Technology Innovation Center construction project	185,853,564.18		185,853,564.18	189,767,664.26		189,767,664.26
Power-type lithium battery new energy precursor materials project with an annual output of 30,000 tons	105,457,715.74		105,457,715.74	75,643,101.40		75,643,101.40
Integration project of ternary cathode materials for high-nickel power batteries with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons	1,959,434,251.52		1,959,434,251.52	1,887,194,665.19		1,887,194,665.19
New high-performance power battery ternary precursor project with an annual output of 50,000 tons	549,711,634.58		549,711,634.58	551,009,898.49		551,009,898.49
Battery-grade nickel sulfate project with an annual output of 50,000 tons (nickel metal quantity)	32,218,341.57		32,218,341.57	29,191,151.69		29,191,151.69
Power battery ternary precursor material construction project with an annual output of 50,000 tons	507,263,623.39		507,263,623.39	279,317,424.11		279,317,424.11
Newly added 7000t/a (cobalt metal amount) of high voltage cobaltosic oxide green smart manufacturing project	158,690,178.14		158,690,178.14	158,242,307.43		158,242,307.43
Ternary cathode project for high-nickel power batteries	2,065,966,486.88		2,065,966,486.88	1,666,875,012.63		1,666,875,012.63
Indonesia Pomalaa Industrial Park project	1,205,530,874.67		1,205,530,874.67	1,217,357,391.01		1,217,357,391.01
Nickel-cobalt hydroxide HPAL project with an annual output of 120,000 tons of nickel metal quantity	9,902,100,423.31		9,902,100,423.31	2,048,286,981.64		2,048,286,981.64
Lithium sulfate construction project with an annual output of 50,000 tons	1,312,025,217.72		1,312,025,217.72	1,072,990,446.67		1,072,990,446.67
Nickel matte project with an output of 40,000 tons of nickel metal	1,146,348,254.05		1,146,348,254.05	612,214,102.75		612,214,102.75
Wharf Project of the IPIP Industry Park	915,212,456.24		915,212,456.24	589,399,519.89		589,399,519.89
Other sporadic projects	2,185,931,135.15		2,185,931,135.15	2,116,427,084.96		2,116,427,084.96
Total	22,231,744,157.14		22,231,744,157.14	12,493,916,752.12		12,493,916,752.12

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Budget	Opening balance	Increased amount in the current period	Amount transferred to fixed assets in current period	Other decreased amount in the current period	Ending balance	Proportion of accumulated project investment to budget (%)	Progress of works	Accumulated amount of interest capitalization	Including: Amount of interest capitalization in the current period	Interest capitalization rate in the current period (%)	Capital source
Integration project of ternary cathode materials for high-nickel power batteries with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons	5,617,770,000.00	1,887,194,665.19	72,988,075.81	748,489.48		1,959,434,251.52	97.53	98.00	631,361,104.64	22,802,317.35	4.00	Funds raised, loans from financial institutions, and other sources
Ternary cathode project for high-nickel power batteries	1,844,270,000.00	1,666,875,012.63	399,091,474.25			2,065,966,486.88	112.76	86.00	55,665,306.81	28,918,235.19	4.15	Loans from financial institution and other sources
Indonesia Pomalaa Industrial Park project	1,796,420,704.00	1,217,357,391.01	593,822,944.76	605,649,461.10		1,205,530,874.67	80.91	71.00				Other sources
Nickel-cobalt hydroxide HPAL project with an annual output of 120,000 tons of nickel metal quantity	24,364,323,052.80	2,048,286,981.64	7,853,813,441.67			9,902,100,423.31	41.10	78.00				Other sources
Lithium sulfate construction project with an annual output of 50,000 tons	1,524,616,100.00	1,072,990,446.68	245,379,534.17	6,344,763.13		1,312,025,217.72	104.15	97.00				Other sources
Nickel matte project with an output of 40,000 tons of nickel metal	1,764,234,237.90	612,214,102.75	534,134,151.30			1,146,348,254.05	41.05	41.05				Other sources
Total	36,911,634,094.70	8,504,918,599.90	9,699,229,621.96	612,742,713.71		17,591,405,508.15	/	/	687,026,411.45	51,720,552.54	/	/

(3) Provision for impairment of construction in progress in the current period

□Applicable √Not applicable

(4) Impairment test of construction in progress

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

Project materials

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Project materials	109,948,859.26		109,948,859.26	504,945,928.99		504,945,928.99
Total	109,948,859.26		109,948,859.26	504,945,928.99		504,945,928.99

Other remarks:
None

23. Productive biological assets

(1) Productive biological assets measured at cost

□Applicable √Not applicable

(2) Impairment test of productive biological assets measured at fair value

□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 of oil and gas assets

□Applicable √Not applicable

(2) Impairment test of oil and gas assets

□Applicable √Not applicable

Other remarks:
None

25. Right-of-use assets

(1) Details of right-of-use assets

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Buildings and structures	Land use right	Total
I. Original book value			

1. Beginning balance	86,812,992.15	12,849,363.54	99,662,355.69
2. Increased in the current period	6,350,499.96		6,350,499.96
(1) Leased in	6,350,499.96		6,350,499.96
3. Decrease in the current period	25,988,330.26		25,988,330.26
(1) Expiration of lease	13,476,763.00		13,476,763.00
(2) Early termination of lease	12,511,567.26		12,511,567.26
4. Ending balance	67,175,161.85	12,849,363.54	80,024,525.39
II. Accumulated depreciation			
1. Beginning balance	51,685,726.87	3,273,316.14	54,959,043.01
2. Increase in the current period	5,992,306.77	292,312.20	6,284,618.97
(1) Provision made	5,992,306.77	292,312.20	6,284,618.97
3. Decrease in the current period	21,398,953.84		21,398,953.84
1)Disposal			
2) Expiration of lease	13,476,763.00		13,476,763.00
3) Early termination of lease	7,922,190.84		7,922,190.84
4. Ending balance	36,279,079.80	3,565,628.34	39,844,708.14
III. Provision for impairment			
1. Beginning balance			
2. Increase in the current period			
1) Provision made			
3. Decrease in the current period			
1) Disposal			
4. Ending balance			
IV. Book Value			
1. Ending book value	30,896,082.05	9,283,735.20	40,179,817.25
2. Beginning book value	35,127,265.28	9,576,047.40	44,703,312.68

(2) Impairment test of right-of-use assets
□Applicable √Not applicable

Other remarks:
None

26. Intangible assets

(1) Details of intangible assets

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Land use rights	Software copyright and patents and technical know-how	Software	Mining rights	Emission rights	Energy rights	Total
I. Original book value							
1. Beginning balance	1,247,006,966.03	604,617,023.35	130,003,912.75	3,411,817,856.12	28,026,648.33	1,014,335,562.40	6,435,807,968.98
2. Increase in the current period	522,957,578.88		5,113,821.11		571,023.35		528,642,423.34
(1) Purchase	522,957,578.88		5,113,821.11		571,023.35		528,642,423.34
(2) Internal R&D							
(3) Increase from the business combination							
(4) Translation reserve							
3. Decrease in the current period	12,154,409.39	10,454,842.00	133,568.50	88,745,091.76		29,752,066.00	141,239,977.65
(1) Disposal			17,699.12				17,699.12
(2) Translation reserve	12,154,409.39	10,454,842.00	115,869.38	88,745,091.76		29,752,066.00	141,222,278.53
4.Ending balance	1,757,810,135.52	594,162,181.35	134,984,165.36	3,323,072,764.36	28,597,671.68	984,583,496.40	6,823,210,414.67
II. Accumulated amortization							
1.Beginning balance	163,523,871.73	257,714,459.78	49,448,582.82	1,175,571,807.04	22,231,318.16	194,218,437.50	1,862,708,477.03
2. Increase in the current period	14,886,535.07	40,584,153.15	7,114,557.10	117,293,681.79	1,615,739.39	47,241,815.95	228,736,482.45
(1) Provision made	14,886,535.07	40,584,153.15	7,114,557.10	117,293,681.79	1,615,739.39	47,241,815.95	228,736,482.45
(2) Translation reserve							
3. Decrease in the current period	2,029,065.88	4,704,678.90	75,604.67	189,834,347.58		18,388,072.92	215,031,769.95
(1)Disposal			294.99	157,407,133.19			157,407,428.18
(2) Decrease from business combination							
(3) Translation reserve	2,029,065.88	4704678.9	75,309.68	32,427,214.39		18,388,072.92	57,624,341.77
4.Ending balance	176,381,340.92	293,593,934.03	56,487,535.25	1,103,031,141.25	23,847,057.55	223,072,180.53	1,876,413,189.53

III. Provision for impairment							
1.Beginning balance							
2. Increase in the current period							
(1) Provision made							
3. Decrease in the current period							
(1) Disposal							
4.Ending balance							
IV. Book value							
1. Ending book value	1,581,428,794.60	300,568,247.32	78,496,630.11	2,220,041,623.11	4,750,614.13	761,511,315.87	4,946,797,225.14
2. Beginning book value	1,083,483,094.30	346,902,563.57	80,555,329.93	2,236,246,049.08	5,795,330.17	820,117,124.90	4,573,099,491.95

The intangible assets of the Company generated via internal R&D account for 0% of the intangible assets balance as at the end of the current period.

(2) Data resource recognized as intangible assets

□Applicable √Not applicable

(3) Land use rights with the title certificate not obtained

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Book value	Reason for not obtaining the title certificate
Land use right	188,799,938.79	In progress

(4) Impairment test of intangible assets

□Applicable √Not applicable

Other remarks:

□Applicable √Not applicable

27. Goodwill

(1) Original book value of goodwill

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Formed due to business combination		Disposal		
Huahai New Energy	95,136,198.86					95,136,198.86
Tianjin B&M	366,245,456.38					366,245,456.38
Zhongjing Holdings	336,378,756.43					336,378,756.43
Total	797,760,411.67					797,760,411.67

(2) Provision for impairment of goodwill

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision made		Disposal		
Huahai New Energy	95,136,198.86					95,136,198.86
Tianjin B&M	107,033,590.52	1,032,217.39				108,065,807.91
Total	202,169,789.38	1,032,217.39				203,202,006.77

Goodwill of B&M Technology included: 1) the core goodwill of RMB 336,004,594.11; and 2) the goodwill of RMB 30,240,862.27 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) Relevant information of asset group or combination of asset groups related to the goodwill

√ Applicable □Not applicable

Name	Composition of the asset group or portfolio and basis	Operating segment and basis	Consistent with previous years or not
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	Its products are cathode materials.	Yes

	independent cash flows, therefore, such asset group can be determined as an independent asset group.		
Zhongjing Holdings 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 nickel materials.	Yes

Changes in asset group or portfolio
□Applicable √Not applicable

Other remarks
□Applicable √Not applicable

(4) Specific method for determining the recoverable amount
Determination of recoverable amount by deducting the disposal cost from the fair value
√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Book value	Recoverable amount	Amount of impairment	Method for determining fair value and disposal expenses	Key parameters	Basis for determining key parameters
Tianjin B&M asset group	3,597,748,569.14	5,150,000,000.00		5 years	Determined based on historical experience and market development forecasts.	9.65%, based on the weighted average cost of capital calculation model
Zhongjing Holdings asset group	2,196,812,536.27	2,993,000,000.00		5 years	Determined based on historical experience and market development forecasts.	10.14%, based on the weighted average cost of capital calculation model
Total	5,794,561,105.41	8,143,000,000.00		/	/	/

Determination of recoverable amount based on the present value of projected future cash flow
□Applicable √Not applicable

Reason for the discrepancy between the foregoing information and the information used in the previous year’s impairment test or external information
□Applicable √Not applicable

Reason for the discrepancy between the information used in the previous year's impairment test of the Company and the actual situation of the year

√ Applicable □Not applicable

(5) Performance commitment and corresponding goodwill impairment

When goodwill is formed, there is a performance commitment and the reporting period or the period preceding the reporting period is within the performance commitment period

□Applicable √Not applicable

Other remarks:

□Applicable √Not applicable

28. Long-term deferred expenses

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Amortization in the current period	Other decreases	Ending balance
Renovation cost of fixed assets	9,873,081.14	29,546,511.07	15,672,564.94		23,747,027.27
Aircraft usage fees	37,842,078.70		5,577,597.96		32,264,480.74
Total	47,715,159.84	29,546,511.07	21,250,162.90		56,011,508.01

Other remarks:

None

29. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets before offset

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	710,768,001.86	134,697,792.58	528,541,358.19	105,475,511.32
Unrealized profits of internal transactions				
Deductible loss				
Uncovered losses	2,182,480,368.67	405,500,458.84	2,749,713,584.00	524,054,033.68
Deferred income	768,263,639.65	155,276,878.87	748,060,425.13	154,970,988.43
Unrealized profit from inventories	3,210,859,656.74	281,249,515.27	2,688,734,677.59	421,343,032.50
Long-term assets				
Gains or losses on changes in fair value	245,535,313.82	22,606,195.64		
Expenses related to share-based payment	267,859,662.33	40,178,949.35	267,859,662.31	40,178,949.35
Lease liabilities	42,225,265.62	6,530,152.85	40,937,762.89	6,353,895.49
Total	7,427,991,908.70	1,046,039,943.41	7,023,847,470.11	1,252,376,410.77

(2) Deferred income tax liabilities before offset

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Asset valuation appreciation arising from business combination not under common control				
Changes in fair value of other debt investments				
Changes in fair value of other equity instrument investments				
Temporary differences included in long-term assets	307,968,079.91	48,787,949.09	363,335,422.62	85,678,838.00
Depreciation of fixed assets	737,311,622.50	152,429,218.52	1,092,091,596.07	159,080,498.42
Profits and losses of changes in fair values			12,167,210.04	1,575,941.21
Right-of-use assets	40,029,146.90	5,955,581.97	40,113,936.26	6,283,362.94
Total	1,085,308,849.31	207,172,749.58	1,507,708,164.99	252,618,640.57

(3) Deferred income tax assets/liabilities presented by net amount after offset

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	95,586,943.98	950,452,999.43	180,708,657.75	1,071,667,753.02
Deferred income tax liabilities	95,586,943.98	111,585,805.60	180,708,657.75	71,909,982.82

(4) Details of unrecognized deferred income tax assets

□Applicable √Not applicable

(5) Deductible loss of unrecognized deferred income tax assets to be due in the following years

□Applicable √Not applicable

Other remarks:

□Applicable √Not applicable

30. Other non-current assets

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for	Book value	Book balance	Provision for	Book value

		impairment			impairment	
Contract acquisition cost						
Contract performance cost						
Cost of returned goods						
Contract assets						
Compensatory assets						
Prepayments for acquisition of land and engineering equipment	4,070,179,356.92	10,904,514.52	4,059,274,842.40	2,733,540,309.37	10,904,514.52	2,722,635,794.85
Prepayments for equity investments	1,051,300,409.45		1,051,300,409.45	819,092,756.90		819,092,756.90
Prepayments for goods	1,362,180,000.00		1,362,180,000.00	1,405,760,000.00		1,405,760,000.00
Total	6,483,659,766.37	10,904,514.52	6,472,755,251.85	4,958,393,066.27	10,904,514.52	4,947,488,551.75

Information related to compensatory assets:
□Applicable √Not applicable

Other remarks:
According to the purchase contract signed by the subsidiary Huachi (Hong Kong) Limited ("Huachi Hong Kong") in June 2025, the Company made a prepayment of RMB 1,362,180,000.00 to secure the supply of goods in advance. The corresponding amount will be deducted from the purchase price starting from 2027. Considering the liquidity of the prepayment, it is proposed to list it as other non-current assets at the end of the period.

31. Assets with restricted ownership or use right

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending				Beginning			
	Book balance	Book value	Type of restriction	Restriction condition	Book balance	Book value	Type of restriction	Restriction condition
Cash and cash equivalents	7,180,994,218.77	7,180,994,218.77	Others	Being bank acceptance bill deposits of RMB 4,491,963,034.32, letter of credit deposits of RMB 301,065,080.13, guarantee letter deposits of RMB 100,649,428.77, loan collateral deposits of RMB 2,230,704,749.67, forward settlement and sale of foreign exchange deposits of RMB 28,218,855.58, environmental impact assessment deposits of RMB 5,668,710.30, litigation frozen funds of RMB 20,000,000.00, and other restricted deposits of RMB 2,724,360.00, all of which are restricted in use and do not meet the criteria for cash and cash equivalents.	6,396,294,401.09	6,396,294,401.09	Others	Other cash and cash equivalents amount to RMB 6,396,294,401.09, including bank acceptance margin of RMB 3,286,208,836.55, letter of credit margin of RMB 223,970,067.39, guarantee letter margin of RMB 100,804,608.58, loan margin of RMB 2,435,050,533.15 forward foreign exchange settlement margin of RMB 168,662,400.00, environmental assessment margin of RMB 9,883,772.19, and litigation frozen funds of RMB 171,714,183.23
Receivables financing	0.00	0.00			1,300,000.00	1,300,000.00	Pledge	Being used as pledge guarantees for bank financing
Inventory	3,015,194,104.22	3,015,194,104.22	Pledge	Being used as pledge	3,075,697,402.25	3,075,697,40	Pledge	Being used as pledge

				guarantees for bank financing		2.25		guarantees for bank financing
Including: data resource								
Fixed assets	30,036,757,569.09	22,443,659,540.03	Others	Being used as mortgage guarantees for bank financing and the fixed assets for after-sales leaseback	32,770,306,837.05	25,047,370,163.15	Others	Being used as mortgage guarantees for bank financing and the fixed assets for after-sales leaseback
Intangible assets	32,390,952.50	30,231,555.67		Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required	32,390,952.50	30,555,465.19	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required
Including: data resource								
Construction in progress	627,562,540.11	627,562,540.11		Being used as mortgage guarantees for bank financing and the construction in progress for after-sales leaseback	2,314,405.63	2,314,405.63	Others	Being used as construction in progress for after-sales leaseback
Financial assets held for trading	40,000,000.00	40,000,000.00	Pledge	Being used as pledge guarantees for bank financing				
Accounts receivable	937,795,968.73	909,018,571.28	Pledge	Being used as pledge guarantees for bank financing	787,523,412.50	748,147,241.87	Pledge	Being used as pledge guarantees for bank financing
Fixed assets	212,558,002.09	67,426,768.08	Others	Due to a dispute over a construction project	212,498,629.45	86,916,436.03	Others	Due to a dispute over a construction project

				contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required				contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required
Intangible assets	280,852,922.47	237,824,713.42	Others	Being used as mortgage guarantees for bank financing and the intangible assets for after-sales leaseback	294,888,855.56	245,157,807.74	Others	Being used as mortgage guarantees for bank financing and the intangible assets for after-sales leaseback
Construction in progress	301,559,292.21	301,559,292.21	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required	301,559,292.21	301,559,292.21	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required
Long-term equity investment	291,904,244.82	291,904,244.82	Pledge	Being used as pledge guarantees for bank financing of Eternal Nickel Industry	250,275,527.15	250,275,527.15	Pledge	Being used as pledge guarantees for bank financing of Eternal Nickel Industry
Total	42,957,569,815.01	35,145,375,548.61			44,125,049,715.39	36,185,588,142.31	/	/

Other remarks:

1) Indonesia Huafei

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. Huafei Indonesia made external payments in accordance with the payment priority stipulated in the loan agreement, and the closing balance of the above pledged accounts was RMB 551,187,560.87.

2) PT. Huaneng New Materials Indonesia ("Huaneng Indonesia")

Pursuant to the account pledge agreement entered into between Huaneng Indonesia and PT. Bank ICBC Indonesia, Huaneng Indonesia pledged part of its accounts opened with such bank as security for the Term Loan Agreement. Huaneng Indonesia made external payments in accordance with the payment priority stipulated in the loan agreement, and the closing balance of the above pledged accounts was RMB 130,730,090.85.

3) Others

At the end of the period, the Company pledged 36.86% of equity of Tianjin B&M, 40.00% of equity of CDM Company, 100.00% of equity of Huayuan Copper Co., Ltd. ("Huayuan Copper"), 51.00% of equity of Huafei Indonesia, 100% of equity of Huaneng Indonesia, 100% of equity of Yulin Times Juneng, 100% of equity of Yulin Times Green Water, 100% of equity of Huayou Recycling, and 100% of equity of New Energy Quzhou for the Company's financing.

32. Short-term borrowings

(1) Classification of short-term borrowings

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	3,583,844,544.41	6,562,262,800.01
Mortgaged borrowing	615,495,000.00	20,000,000.00
Guaranteed borrowing	25,295,118,044.19	15,969,815,672.03
Credit borrowing	2,672,186,908.40	2,181,179,382.24
Guaranteed and pledged borrowings	430,789,425.00	273,867,280.00
Guaranteed and mortgaged borrowings		
Interest on short-term borrowings	114,311,742.56	42,716,055.40
Total	32,711,745,664.56	25,049,841,189.68

Remarks to the classification of short-term borrowings:
None

(2) Overdue and outstanding short-term borrowings

□Applicable √Not applicable

Other remarks:
□Applicable √ Not applicable

33. Financial liabilities held for trading

□Applicable √ Not applicable

Other remarks:
□Applicable √Not applicable

34. Derivative financial liabilities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Type	Ending balance	Beginning balance
Forward foreign exchange contracts	19,869,781.15	
Total	19,869,781.15	

Other remarks:
None

35. Notes payable

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Type	Ending balance	Beginning balance
Commercial acceptance bill	751,308,043.65	118,664,039.37
Bank acceptance bill	8,933,892,098.01	7,077,578,577.91

Total	9,685,200,141.66	7,196,242,617.28

The total amount of notes payable that become due but unpaid yet at the end of current period is RMB 0. The reason for failure to pay on schedule is N/A

36. Accounts payable

(1) Details of accounts payable

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Payments for goods	13,849,707,474.37	12,959,215,969.04
Payments for engineering and equipment	9,928,334,724.90	5,070,311,072.90
Others	323,276,671.35	179,467,831.17
Total	24,101,318,870.62	18,208,994,873.11

(2) Major account payable with aging over 1 year or overdue

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

37. Advance from customers

(1) Details of advance from customers

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Lease payment		159,021.41
Payment for equity transfer		852,320,705.33
Total		852,479,726.74

(2) Major advance from customers with aging over 1 year

□Applicable √Not applicable

(3) Amount of and reason for major changes in the book value during the Reporting Period

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

38. Contract liabilities

(1) Details of contract liabilities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Payments for goods	2,732,209,914.62	1,270,366,660.17
Service fees	3,310,892.92	4,438,674.28
Total	2,735,520,807.54	1,274,805,334.45

(2) Major contract liabilities with aging over 1 year

□Applicable √Not applicable

(3) Amount of and reason for major changes in the book value during the Reporting Period

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

39. Employee compensation payable

(1) Details of employee compensation payable

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term employee compensation	768,516,000.52	2,351,840,406.90	2,587,975,930.39	532,380,477.03
II. Post-employment benefits - defined contribution plan	12,730,475.64	133,675,559.01	136,162,718.63	10,243,316.02
III. Dismissal welfare		394,200.00	394,200.00	
IV. Other welfare maturing within one year				
Total	781,246,476.16	2,485,910,165.91	2,724,532,849.02	542,623,793.05

(2) Details of short-term employee compensation

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Salary, bonus, allowance and subsidy	754,254,147.46	2,117,227,543.78	2,354,284,404.73	517,197,286.51
II. Employee welfare expenses		94,527,468.57	94,481,995.07	45,473.50
III. Social insurance premiums	6,948,719.79	82,968,577.33	81,982,068.12	7,935,229.00
Including: medical insurance	6,383,972.59	76,417,124.01	75,365,809.00	7,435,287.60
Work-related injury insurance	564,747.20	6,551,453.32	6,616,259.12	499,941.40
Maternity insurance fee	0.00	0.00	0.00	0.00
IV. Housing provident funds	4,522,532.17	43,585,439.40	43,962,669.43	4,145,302.14
V. Labor union expenditures and employee education expenses	2,790,601.10	13,531,377.82	13,264,793.04	3,057,185.88
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
Total	768,516,000.52	2,351,840,406.90	2,587,975,930.39	532,380,477.03

(3) Details of defined contribution plans

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	12,369,423.61	129,882,395.68	132,348,816.67	9,903,002.62
2. Unemployment insurance	361,052.03	3,793,163.33	3,813,901.96	340,313.40
3. Enterprise annuity payment				
Total	12,730,475.64	133,675,559.01	136,162,718.63	10,243,316.02

Other remarks:

□Applicable √Not applicable

40. Taxes payable

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
VAT	361,563,872.32	155,390,570.90
Consumption tax		
Business tax		
Enterprise income tax	746,887,138.02	707,745,074.91
Individual income tax	15,915,799.55	14,905,211.67
Urban maintenance and construction tax	7,297,923.82	8,067,567.03
Housing property tax	18,612,171.32	35,030,482.55
Land use tax	7,173,444.23	15,324,180.47
Education surcharge	4,369,934.44	4,792,086.40
Local education surcharge	2,913,289.65	3,194,724.27
Mineral tax	109,771,766.03	65,048,946.65
Others	110,825,805.14	100,850,468.57
Total	1,385,331,144.52	1,110,349,313.42

Other remarks:

None

41. Other payables

(1) Presented by items

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interests payable		
Dividends payable	92,864,684.15	2,956,333.52
Other payables	1,266,352,105.20	1,238,654,267.10
Total	1,359,216,789.35	1,241,610,600.62

(2) Interests payable

□Applicable √Not applicable

(3) Dividends payable

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Dividend payable – Quzhou Cobalt New	90,000,000.00	
Dividend payable –Zhongjing Holdings	2,825,226.09	2,915,613.08
Dividend payable –AMI Company	39,458.06	40,720.44
Total	92,864,684.15	2,956,333.52

Other remarks (including remarks to the major dividend payable unpaid over 1 year with the reasons for non-payment disclosed)

None

(4) Other payables

Other payables presented by nature of funds

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Inter-bank loans and interests	771,383,044.52	863,066,893.76
Repurchase obligation of restricted shares	100,880,262.81	220,377,564.40
Security deposits	347,695,182.20	86,681,495.01
Funds raised under sale-and-repurchase arrangements	3,883,736.37	
Others	42,509,879.30	68,528,313.93
Total	1,266,352,105.20	1,238,654,267.10

Major other payables with aging over 1 year or overdue

□Applicable √Not applicable

Other remarks:

√Applicable □Not applicable

1) There were no significant other payables with an account age of more than one year at the end of the period.

2) The ending balance of inter-bank loans and interests mainly include funds borrowed from GLAUCOUS INTERNATIONAL PTE. LTD, STRIVE INVESTMENT CAPITAL PTE. LTD etc.

42. Liabilities held for sale

□Applicable √Not applicable

43. Non-current liabilities maturing within one year

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Long-term borrowings maturing within one year	8,598,702,928.50	8,965,303,293.84
Bonds payable maturing within one year		
Long-term payables maturing within one year		
Lease liabilities maturing	9,442,964.29	17,249,353.63

within one year		
Long-term interbank loans maturing within one year		352,772,542.82
Leaseback payment received due within one year	2,509,556,694.09	2,187,184,446.70
Total	11,117,702,586.88	11,522,509,636.99

Other remarks:
None

44. Other current liabilities

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable	3,627,185,499.91	4,048,417,332.13
Payable refunds		
Tax on items to be resold	316,098,164.60	66,831,736.70
Estimated liabilities		5,349,943.00
Total	3,943,283,664.51	4,120,599,011.83

Increase/decrease of short-term bonds payable:
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Bond	Nominal value	Nominal interest rate (%)	Issuance date	Maturity period	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by face value	Amortization of premiums or discounts	Amount repaid off in the current period	Ending balance	Default or not
25 Huayou Cobalt SCP002 (Science and Technology Notes)	100	3.24	2025.04.14	269 days	600,000,000.00	613,817,671.23		479,342.47	-30,000.00	614,327,013.70		No
25 Huayou Cobalt SCP003 (Science and Technology Bonds)	100	2.90	2025.05.22	259 days	700,000,000.00	712,202,960.42		2,057,808.22	-143,888.89	714,404,657.53		No

25 Huayou Cobalt SCP004 (Science and Technology Bonds)	100	2.70	2025.06.09	269 days	700,000,000.00	710,336,509.89		3,365,753.43	-226,777.78	713,929,041.10		No
25 Huayou Cobalt SCP005 (Science and Technology Bonds)	100	2.50	2025.07.09	270 days	600,000,000.00	606,830,684.93		3,945,205.48	-320,000.00	611,095,890.41		No
25 Huayou Cobalt SCP007 (Science and Technology Bonds)	100	2.41	2025.09.04	270 days	700,000,000.00	704,812,643.83		7,071,534.25	-595,000.00	712,479,178.08		No
25 Huayou Cobalt SCP008 (Science and Technology Bonds)	100	2.40	2025.12.08	269 days	700,000,000.00	700,416,861.83		8,376,986.30	-436,411.11		709,230,259.24	No

26 Huayou Cobalt SCP001 (Science and Technology Bonds)	100	2.21	2026.01.06	260 days	900,000,000.00		900,000,000.00	9,536,301.37	531,250.00		909,005,051.37	No
26 Huayou Cobalt SCP003	100	2.24	2026.02.04	260 days	1,000,000,000.00		1,000,000,000.00	8,960,000.00	213,335.89		1,008,746,664.11	No
26 Huayou Cobalt SCP006	100	1.87	2026.05.29	268 days	1,000,000,000.00		1,000,000,000.00	1,536,986.30	1,333,461.11		1,000,203,525.19	No
Total	/	/	/	/	6,900,000,000.00	4,048,417,332.13	2,900,000,000.00	45,329,917.82	325,969.22	3,366,235,780.82	3,627,185,499.91	/

Other remarks:

□Applicable √Not applicable

45. Long-term borrowings

(1) Classification of long-term borrowings

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	534,800,000.00	406,200,000.00
Mortgaged borrowing	394,800,000.00	46,666,666.68
Guaranteed borrowing	8,771,225,251.42	6,259,755,667.80
Credit borrowing	577,708,490.22	747,160,288.51
Guaranteed, pledged and mortgaged borrowings	0.00	73,401,190.76
Guaranteed and mortgaged borrowings	2,172,990,000.00	2,616,750,000.00
Guaranteed and pledged borrowings	6,047,856,892.22	7,865,471,945.35
Interest on short-term borrowings	51,757,550.15	39,212,322.84
Total	18,551,138,184.01	18,054,618,081.94

Remarks to the classification of long-term borrowings:

None

Other remarks

□Applicable √Not applicable

46. Bonds payable

(1) Bonds payable

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Long-term bonds payable	3,415,732,021.32	500,920,684.94
Total	3,415,732,021.32	500,920,684.94

(2) Details of bonds payable: (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Bond	Nominal value (Yuan)	Nominal interest rate (%)	Issuance date	Maturity period	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by face value	Amortization of premiums or discounts	Amount repaid off in the current period	Ending balance	Default or not
26 Huayou Cobalt MTN002 (Science and Technology Bonds)	100	2.63	2026/1/21	2 years	500,000,000		500,000,000	5,764,383.56	-1,606,507.04		504,157,876.52	No
26 Huayou Cobalt GN004 (Science and Technology Bonds)	100	2.62	2026/3/16	2+1 years	800,000,000		800,000,000	6,087,013.70	-2,154,497.87		803,932,515.83	No
26 Huayou Cobalt GN005 (Science and Technology Bonds)	100	2.44	2026/4/8	2 years	600,000,000		600,000,000	3,329,095.89	-2,707,612.28		600,621,483.61	No

26 Huayou Cobalt MTN007 (Science and Technology Bonds)	100	2.18	2026/6/11	2 years	1,000,000,000		1,000,000,000	1,134,794.52	-2,696,840.94		998,437,953.58	No
25 Huayou Cobalt MTN001 (Science and Technology Bonds)	100	2.89	2025/10/22	2 years	500,000,000	500,920,684.94		7,205,205.48	456,301.36		508,582,191.78	No
Total	/	/	/	/	3,400,000,000	500,920,684.94	2,900,000,000	23,520,493.15	-8,709,156.77		3,415,732,021.32	/

(3) Remarks to convertible corporate bonds

□Applicable √Not applicable

Accounting treatment and criteria of the right to convert

□Applicable √Not applicable

(4) Remark to other financial instruments classified as financial liabilities

Basic information of the preferred shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period:

□Applicable √Not applicable

Table of changes in preferred shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period

□Applicable √Not applicable

Basis for classifying other financial instruments into financial liabilities

□Applicable √Not applicable

Other remarks:

□Applicable √Not applicable

47. Lease liabilities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Unpaid lease payments	36,996,814.30	30,963,935.65

Less: Unrecognized financing expenses	3,199,881.05	2,033,256.48
Total	33,796,933.25	28,930,679.17

Other remarks:

None

48. Long-term payables

Presented by items

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Long-term payables	5,567,763,577.33	4,145,263,634.65
Special payables		
Total	5,567,763,577.33	4,145,263,634.65

Other remarks:
None

Long-term payables

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Funds from sale and leaseback	3,732,554,265.92	2,077,282,089.97
Long-term call loans and interests thereon	1,835,209,311.41	2,067,981,544.68
Total	5,567,763,577.33	4,145,263,634.65

Other remarks:
1) Funds from sale and leaseback refer to funds from financial institutions such as Taiping & Sinopec Financial Leasing Co., Ltd., Xinxin Financial Leasing Co., Ltd., Bank of Beijing Financial Leasing Co., Ltd. through the sale and leaseback of fixed assets.
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, Eve Asia Co., Limited, etc.

Special payables

□Applicable √Not applicable

49. Long-term employee compensation payable

□Applicable √Not applicable

50. Estimated liabilities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Begining balance	Reason for formation
Environment restoration expenses	48,412,435.41	90,293,434.73	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	48,412,435.41	90,293,434.73	/

Other remarks (including remarks to major assumptions and estimations with respect to the major estimated liabilities)

None

51. Deferred income

Details of deferred income

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government subsidies	772,174,047.21	102,013,543.90	84,960,072.55	789,227,518.56	Granted by the government free of charge.
Total	772,174,047.21	102,013,543.90	84,960,072.55	789,227,518.56	/

Other remarks:

□Applicable √Not applicable

52. Other non-current liabilities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Contract liabilities	3,405,450,000.00	3,594,200,000.00
Total	3,405,450,000.00	3,594,200,000.00

Other remarks:

None

53. Share capital

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

	Beginning balance	Increase or decrease (+, -)					Ending balance
		Share newly issued	Shares donated	Shares transferred from reserve funds	Others	Sub-total	
Total number of shares	1,896,724,497.00	0.00	0.00	0.00	-3,199,980.00	-3,199,980.00	1,893,524,517.00

Other remarks:

The total share capital decreased by RMB 3,199,980 during the current period. For relevant details, please see the particulars contained in item VII 55 of this section.

54. Other equity instruments

(1) Basic information of the preferred shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period:

□Applicable √Not applicable

(2) Table of changes in preferred shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period

□Applicable √Not applicable

Changes in other equity instruments during the current period and the reasons therefor, as well as the basis for the accounting treatment:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

55. Capital reserves

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Capital premium (share capital premium)	22,289,000,802.89	1,021,627,398.92	73,957,303.40	23,236,670,898.41
Other capital reserves	529,029,712.34	28,582,230.68	48,760,829.60	508,851,113.42
Total	22,818,030,515.23	1,050,209,629.60	122,718,133.00	23,745,522,011.83

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor):
(1) Movements of share premium
Current increase of RMB 1,021,627,398.92 was due to the following events: ①The subsidiary Guangxi Huayou New Materials introduced new investors, resulting in a change in the Company's shareholding ratio. The difference between the net asset share calculated based on the changed equity ratio and the net asset share calculated based on the equity ratio before the change increases the capital reserve (share premium) by RMB 972,448,063.04 accordingly. ②The difference between the consideration paid for the acquisition of the minority shareholders' equity of the subsidiary Shanghai Feicheng and the net asset share calculated based on the new shareholding ratio reduces the capital reserve (share premium) by RMB 44,967.91 accordingly. ③The difference between the consideration paid for the acquisition of the minority shareholders' equity of the subsidiary Shanghai Xinsheng and the net asset share calculated based on the new shareholding ratio increases the capital reserve (share premium) by RMB 373,538.37 accordingly. ④In accordance with the authorization of the Company's first extraordinary general meeting of shareholders in 2025 and upon the resolution of the 38th meeting of the sixth Board of Directors, the conditions for unlocking during the first unlocking period of the first grant under the Company's 2024 Restricted Stock Incentive Plan had been met, and 3,528,280 shares granted to 1,070 incentive recipients could be unlocked. The share-based payment was recognized as RMB 48,760,829.60, which was transferred from the capital reserve (other capital reserve) to the capital reserve (share premium). At the same time, the treasury shares decreased by RMB 1,371,756.80, and other payables decreased by RMB 1,371,756.80.
Current decrease of RMB 73,957,303.40 was due to the following event: In accordance with the authorization of the Company's second extraordinary general meeting of shareholders in 2023 and the first extraordinary general meeting of shareholders in 2025, and upon the resolution of the 38th meeting of the sixth Board of Directors, the Company repurchased and canceled 596,880 restricted shares that have been granted to 163 incentive recipients but have not yet been unlocked, and repurchased and canceled 2,603,100 restricted shares that have been granted but not yet unlocked due to the failure to meet the company-level performance assessment standards during the third unlocking period of the first grant under the 2023 Restricted Stock Incentive Plan, thus reducing the share capital by RMB 3,199,980, the capital reserve (share premium) by RMB 73,957,303.40, the treasury shares by RMB 71,179,673.40, and other payables by RMB 71,179,673.40. The above-mentioned capital reduction was verified by Tianjian Certified Public Accountants (Special General Partnership), which issued a Capital Verification Report (Tian Jian Yan [2026] No. 265).
(2) Current movements of other capital reserve

Current increase of RMB 28,582,230.68 was due to the following event: According to the Company's equity incentive plan, expenses related to share-based payment for restricted shares of 2026 were recognized at RMB 28,582,230.68, which were included in the capital reserve (other capital reserve).
Current decrease of RMB 48,760,829.60 was due to the following event: The shares first granted under the Company's 2024 Restricted Stock Incentive Plan were unlocked. The share-based payment was recognized as RMB 48,760,829.60, which was transferred from the capital reserve (other capital reserve) to the capital reserve (share premium).

56. Treasury shares

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Restricted shares	220,377,564.40		127,110,080.20	93,267,484.20
Total	220,377,564.40		127,110,080.20	93,267,484.20

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor)
In the current period, restricted shares were decreased by RMB 127,110,080.20. Please refer to item VII 55 and 60 of this section for details.

57. Other comprehensive income

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: amount included in other comprehensive income previously and then transferred into current profits and losses	Less: amount recorded in other comprehensive incomes in the prior period and converted into retained earnings in the current period	Less: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive incomes that cannot be reclassified into profit and loss	-49,068,581.76							-49,068,581.76
Including: change in re-measurement of the defined benefit plan								
Other comprehensive income that cannot be transferred to profit or loss under the equity method								
Changes in fair value of the other equity instrument investment	-49,068,581.76							-49,068,581.76
Changes in the fair value of the Company's own credit risk								
II. Other comprehensive income that will be reclassified to profit and loss	768,197,537.21	-1,168,808,532.56				-1,046,266,727.39	-122,541,805.17	-278,069,190.18
Including: other comprehensive income that	21,250,391.96	27,993,3				29,511,	-1,51	50,762,2

can be transferred to profit and loss under the equity method		91.38				815.21	8,423.83	07.17
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other creditor's rights investments								
Cash flow hedge reserves								
Differences arising from translation of foreign-currency financial statements	746,947,145.25	-1,196,801,923.94				-1,075,778,542.60	-121,023,381.34	-328,831,397.35
Total other comprehensive income	719,128,955.45	-1,168,808,532.56				-1,046,266,727.39	-122,541,805.17	-327,137,771.94

Other remarks (including remarks to the adjustment converting effective part of profit and loss of cash flow hedges to the initial recognition amount of the hedged item):

None

58. Special reserves

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Safety production fee		73,631,847.38	71,995,972.69	1,635,874.69
Mine development fund	57,236,574.72	3,510,157.84		60,746,732.56
Total	57,236,574.72	77,142,005.22	71,995,972.69	62,382,607.25

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor):

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 reserves

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	555,022,999.30			555,022,999.30
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Others				
Total	555,022,999.30			555,022,999.30

Notes to the surplus reserves (including remarks to the increase/decrease in the current period and the reason therefor)

None

60. Undistributed profit

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in last year
Undistributed profit as at December 31, 2020 before adjustment	22,469,702,243.27	17,308,989,342.99
Total adjustment to undistributed profit as at the begging of the period ("+" for increase, "-" for decrease)		
Undistributed profit as at the beginning of the current period after adjustment	22,469,702,243.27	17,308,989,342.99
Plus: net profit attributable to owners of the parent company in the current period	3,507,405,417.91	6,110,378,757.84
Less: withdrawal of statutory surplus reserves		114,887,178.56
Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Ordinary share dividends payable	942,386,138.50	834,778,679.00
Ordinary share dividends transferred to share capital		
Undistributed profits as at the end of the period	25,034,721,522.68	22,469,702,243.27

According to the profit distribution plan approved at the Company's 2025 annual general meeting, based on a total share capital of 1,896,727,497 shares, a cash dividend of RMB 5.00 (tax-inclusive) will be distributed by the Company for every 10 shares. Due to the distribution of dividends on restricted stocks, treasury shares decreased by RMB 4,558,650.00, and other payables decreased by RMB 4,558,650.00. Later, due to the repurchase and cancellation of restricted stocks, the cash dividends distributed were reclaimed, amounting to RMB 5,977,610, with a total ordinary share dividend of RMB 942,386,138.50.

Details of the adjustment of undistributed profit at the beginning of period:

1). Due to retroactive adjustment under the *Accounting Standard for Business Enterprises* and relevant new regulations, the undistributed profit at the beginning of the period is affected by RMB 0.

2). Due to change in accounting policy, the undistributed profit at the beginning of the period is affected by RMB 0.

3). Due to correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB 0.

4) Due to changes in consolidation scope caused by business combination under common control, the undistributed profits at the beginning of the period are affected by RMB 0.

5). Due to other adjustments, the undistributed profit at the beginning of the period is affected by RMB 0.

61. Operating income and operating cost

(1) Details of operating income and operating cost

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost

Primary business	54,662,858,874.55	44,038,244,170.88	36,381,912,360.29	30,780,499,743.18
Other businesses	904,669,995.46	640,883,525.79	814,601,752.49	515,756,658.41
Total	55,567,528,870.01	44,679,127,696.67	37,196,514,112.78	31,296,256,401.59

(2) Breakdown of operating income and operating cost

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Classification of contracts	Division 1		Total	
	Operating income	Operating cost	Operating income	Operating cost
By commodity type				
Cobalt products	3,682,875,182.67	2,213,971,493.44	3,682,875,182.67	2,213,971,493.44
Copper products	1,976,201,106.39	1,197,544,931.83	1,976,201,106.39	1,197,544,931.83
Nickel products	10,796,293,086.36	8,688,024,081.58	10,796,293,086.36	8,688,024,081.58
Lithium products	4,025,262,307.92	2,967,147,741.30	4,025,262,307.92	2,967,147,741.30
Ternary precursors	3,768,291,385.77	3,075,805,676.06	3,768,291,385.77	3,075,805,676.06
Cathode materials	12,245,218,004.09	10,368,589,923.75	12,245,218,004.09	10,368,589,923.75
Nickel intermediates	9,510,162,128.87	8,127,877,367.11	9,510,162,128.87	8,127,877,367.11
Trade and others	9,558,363,995.54	8,036,145,228.85	9,558,363,995.54	8,036,145,228.85
Sub-total	55,562,667,197.61	44,675,106,443.92	55,562,667,197.61	44,675,106,443.92
By business area				
Domestic	35,116,537,079.26	28,020,886,482.59	35,116,537,079.26	28,020,886,482.59
Overseas	20,446,130,118.35	16,654,219,961.33	20,446,130,118.35	16,654,219,961.33
Sub-total	55,562,667,197.61	44,675,106,443.92	55,562,667,197.61	44,675,106,443.92
By market or customer type				
By contract type				
By time of commodity transfer				
Recognized at a point in time	55,562,698,716.44	44,675,106,443.92	55,562,698,716.44	44,675,106,443.92
Sub-total	55,562,698,716.44	44,675,106,443.92	55,562,698,716.44	44,675,106,443.92
By contract term				
By sales channel				
Total	55,562,667,197.61	44,675,106,443.92	55,562,667,197.61	44,675,106,443.92

Other remarks

√Applicable □Not applicable

Among them: The revenue generated from the contracts with customers was RMB 55,562,667,197.61, and the cost was RMB 44,675,106,443.92. The difference from the total operating income was the lease income in other business income.

(3) Information related to performance obligations:

□Applicable √Not applicable

(4) Information related to transaction prices apportioned to the remaining performance obligations:

□Applicable √Not applicable.

(5) Major contract changes or major transaction price adjustments
□Applicable √Not applicable

Other remarks:
None

62. Taxes and surcharges
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Business tax		
Urban maintenance and construction tax	27,988,043.26	6,575,236.49
Educational surcharges	16,416,528.56	3,861,181.28
Resource tax		
Property tax	26,799,460.31	26,130,948.47
Land use tax	11,773,004.29	14,378,700.85
Vehicle and vessel use tax	43,826.34	47,570.01
Stamp tax	40,260,896.34	22,042,450.74
Local education surcharge	10,944,352.36	2,574,120.83
Mineral tax	200,777,309.64	144,166,301.16
Other taxes and surcharges	4,320,564.21	2,508,972.84
Total	339,323,985.30	222,285,482.67

Other remarks:
None

63. Selling and distribution expenses
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	39,046,210.49	40,057,827.37
Share-based payments	2,493,639.69	2,151,286.01
Others	11,146,416.71	24,541,679.24
Total	52,686,266.89	66,750,792.62

Other remarks:
None

64. General and administrative expenses
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	566,525,338.86	383,431,214.61
Office expenses	118,074,947.75	84,761,957.42
Service fees	188,146,489.60	119,298,848.98
Business entertainment expenses	33,924,125.60	22,782,071.76
Depreciation and amortization	148,992,322.13	133,267,859.43
Insurance premiums	23,336,409.72	30,906,592.80

Aircraft usage fees	11,227,850.66	11,227,850.66
Share-based payments	18,075,553.97	30,879,259.48
Others	29,730,712.35	39,294,822.75
Total	1,138,033,750.64	855,850,477.89

Other remarks:
None

65. R&D expenses

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	222,626,782.12	182,195,164.00
Materials consumption	648,962,832.05	206,503,946.69
Depreciation and amortization	122,183,502.61	85,071,401.31
Share-based payments	4,366,590.60	2,732,890.51
Others	122,884,680.01	59,325,244.34
Total	1,121,024,387.39	535,828,646.85

Other remarks:
None

66. Financial expenses

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	1,183,964,685.97	1,081,653,025.17
Interest income	-123,227,587.13	-135,597,029.16
Gains or losses on foreign exchange	615,011,141.19	-117,244,842.31
Handling fees and others	93,604,500.88	82,928,709.47
Total	1,769,352,740.91	911,739,863.17

Other remarks:
None

67. Other incomes

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Classification by nature	Amount incurred in the current period	Amount incurred in the previous period
Government grants related to assets	39,164,474.75	29,223,027.09
Government grants related to income	92,726,080.74	58,043,403.21
Refund of handling fees for withholding individual income tax	3,292,967.81	3,468,981.15
VAT extra deductions	36,668,054.43	65,726,308.47
Total	171,851,577.73	156,461,719.92

Other remarks:
None

68. Investment income

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the	Amount incurred in the

	current period	previous period
Long-term equity investment income accounted by equity method	215,441,435.16	265,554,328.82
Income from disposal of long-term equity investments	474,600,979.05	121,172,925.30
Investment income from available-for-sale financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from creditor's right investments during the holding period		
Interest income from other creditor's right investments during the holding period	42,458,125.94	4,516,473.11
Income from disposal of financial assets held for trading	-68,702,933.18	31,833,623.02
Income from disposal of other equity instruments		
Income from disposal of creditor's right investments		
Income from disposal of other creditor's right investments		
Income from debt restructuring		
Gains or losses on ineffective hedging	-60,563,459.05	-15,414,943.41
Losses on discounting of receivables financing	-67,463,017.55	-13,150,503.70
Losses on derecognition of accounts receivable	-49,232,660.14	-45,363,990.20
Investment income from other non-current financial assets during the holding period	45,626,057.13	95,582,928.16
Total	532,164,527.36	444,730,841.10

Other remarks:

None

69. Gains from net exposure hedge

□Applicable √Not applicable

70. Gains from changes in fair value

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Sources for gains from change in fair value	Amount incurred in the current period	Amount incurred in the previous period
Financial assets held for trading	-28,211,353.06	-15,813,684.83
Including: income from changes in fair value arising from derivative financial instruments	-28,211,353.06	-12,680,562.76
Financial liabilities held for trading		-3,133,122.07
Investment properties measured at fair value		
Gains on changes in fair value of		

financial products		
Gains or losses on ineffective hedging	-237,068,357.17	-6,032,418.66
Total	-265,279,710.23	-21,846,103.49

Other remarks:

None

71. Loss from credit impairment

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss from bad debts of notes receivable		
Loss from bad debts of accounts receivable	-312,855,181.75	-55,574,581.45
Loss from bad debts of other receivables		
Losses from impairment of creditor's right investments		
Losses from impairment of other creditor's right investments		
Loss from bad debts of long-term receivables		
Loss from impairment of financial guarantee		
Total	-312,855,181.75	-55,574,581.45

Other remarks:

None

72. Asset impairment loss

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Loss from impairment of contract assets		
II. Loss from depreciation of inventories and impairment of contract performance costs	-306,227,269.42	-67,211,670.18
III. Loss from impairment of long-term equity investments		
IV. Loss from impairment of investment properties		
V. Loss from impairment of fixed assets		
VI. Loss from impairment of project materials		
VII. Loss from impairment of construction in progress		
VIII. Loss from impairment of productive biological assets		
IX Loss from impairment of oil and gas assets		
X. Loss from impairment of		

intangible assets		
XI. Loss from impairment of goodwill	-1,032,217.39	-1,032,217.39
XII. Others		
Total	-307,259,486.81	-68,243,887.57

Other remarks:

None

73. Gains from disposal of assets

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Gains on disposal of fixed assets	6,801,888.93	-18,253,650.78
Total	6,801,888.93	-18,253,650.78

Other remarks:
□Applicable √Not applicable

74. Non-operating income

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit or loss
Total gains or losses from disposal of non-current assets		298,360.26	
Including: gain from disposal of fixed assets		298,360.26	
Gain from disposal of intangible assets			
Gain from debt restructuring			
Gain from exchange of non-monetary assets			
Donations received			
Government subsidies			
Liquidated damages income	19,067,896.03	11,322,683.32	19,067,896.03
Others	8,076,865.67	5,982,531.99	8,076,865.67
Total	27,144,761.70	17,603,575.57	27,144,761.70

Other remarks:
□Applicable √Not applicable

75. Non-operating expenses

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring

			profit or loss
Total losses from disposal of non-current assets	1,256,473.86	875,266.35	1,256,473.86
Including: loss from disposal of fixed assets	1,256,473.86	875,266.35	1,256,473.86
Loss from disposal of intangible assets			
Loss from debt restructuring			
Loss from exchange of non-monetary assets			
Donations made	6,652,686.67	14,469,133.60	6,652,686.67
Others	16,078,545.11	5,058,443.45	16,078,545.11
Total	23,987,705.64	20,402,843.40	23,987,705.64

Other remarks:

None

76. Income tax expense

(1) Statement of income tax expense

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense	968,809,710.16	369,816,140.20
Deferred income tax expense	160,161,520.36	-98,756,594.65
Total	1,128,971,230.52	271,059,545.55

(2) Adjustment process of accounting profit and income tax expense

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	6,296,560,713.50
Income tax expense calculated according to statutory/applicable tax rate	944,484,107.03
Effect of applying different tax rates to subsidiaries	300,507,335.83
Effect of adjustment on income tax in previous periods	4,906,681.84
Effect of non-taxable income	-115,509,113.82
Impact from non-deductible costs, expenses and losses	-42,475,023.51
Effect of using the deductible losses from deferred income tax assets unrecognized in the previous periods	-21,987,898.01
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	59,045,141.16
Income tax expense	1,128,971,230.52

Other remarks:
□Applicable √Not applicable

77. Other comprehensive income
√Applicable □Not applicable
See item VII 57 of this section for details.

78. Items in the Statement of Cash Flows
(1) Cash related to operating activities
Cash received from other operating activities
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Withdrawal of monetary funds that do not belong to cash and cash equivalents	1,694,882,531.24	2,832,406,910.55
Government subsidies received and related to operating activities	152,236,994.65	77,399,434.50
Interest income	123,227,587.13	135,597,029.16
Others	135,838,362.10	17,603,575.57
Total	2,106,185,475.12	3,063,006,949.78

Remarks to cash received from other operating activities:
None

Cash paid for other operating activities
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of monetary funds that do not belong to cash and cash equivalents	3,136,085,343.06	3,218,840,392.34
Expenses paid in cash	808,238,009.54	593,039,082.87
Payment of performance bond to Surelyrich Company	180,748,800.00	
Total	4,125,072,152.60	3,811,879,475.21

Remarks to cash paid for other operating activities:
None

(2) Cash related to investing activities
Cash received from important investing activities
□Applicable √Not applicable

Cash paid for important investing activities
□Applicable √Not applicable

Cash received from other investing activities
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Withdrawal of monetary funds that do not belong to cash and cash equivalents	104,427,821.88	101,104,563.82
Repayment of loans received	58,126,740.00	
Total	162,554,561.88	101,104,563.82

Remarks to cash received from other investing activities:

None

Cash paid for other investing activities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of monetary funds that do not belong to cash and cash equivalents	565,395,872.08	766,148,373.37
Total	565,395,872.08	766,148,373.37

Remarks to cash paid for other investing activities:

None

(3) Cash related to financing activities

Cash received from other financing activities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Withdrawal of monetary funds that do not belong to cash and cash equivalents	2,128,457,195.48	810,843,545.76
Funds obtained under sale and repurchase arrangements	3,883,736.37	
Funds obtained from sale and leaseback	3,812,862,644.81	1,588,749,591.87
Total	5,945,203,576.66	2,399,593,137.63

Remarks to cash received from other financing activities:

None

Cash paid for other financing activities

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of monetary funds that do not belong to cash and cash equivalents	1,010,986,151.14	1,020,471,860.73
Funds paid for sale and leaseback	1,835,218,221.47	1,198,516,545.06
Payment amount of lease liabilities	12,490,615.22	20,622,231.08
Issue expenses	13,635,099.99	3,347,955.55
Payment for share repurchase	122,274,931.59	
Payment for the acquisition of minority interests	3,735,682.12	

Total	2,998,340,701.53	2,242,958,592.42

Remarks to cash paid for other financing activities:

None

Changes in liabilities arising from financing activities

□Applicable √Not applicable

(4) Remarks to cash flow presented by net amount

□Applicable √Not applicable

(5) Major activities that do not involve cash receipts and payments in the current period but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future and their financial impact

□Applicable √Not applicable

79. Supplementary information to the Statement of Cash Flows

(1) Supplementary information to the Statement of Cash Flows

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Supplementary information	Amount in the current period	Amount in the previous period
1. Net profit adjusted to cash flows from operating activities:		
Net profit	5,167,589,482.98	3,471,217,972.34
Plus: provision for asset impairment	307,259,486.81	68,243,887.57
Loss from credit impairment	312,855,181.75	55,574,581.45
Depreciation of fixed assets, oil and gas assets and productive biological assets	2,447,954,806.50	2,246,865,211.09
Depreciation of right-of-use assets	6,284,618.97	14,918,735.45
Amortization of intangible assets	228,736,482.45	206,906,121.83
Amortization of long-term deferred expenses	21,250,162.90	7,019,415.62
Loss from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-6,801,888.93	18,253,650.78
Loss from scrapping of fixed assets ("-" for gains)	1,256,473.86	875,266.35
Loss on changes in fair value ("-" for gains)	265,279,710.23	21,846,103.49
Financial expenses ("-" for gains)	1,798,975,827.16	964,408,182.86
Investment loss ("-" for gains)	-645,866,604.96	-505,509,774.71
Decrease in deferred income tax assets ("-" for increase)	120,485,697.58	-178,053,070.21
Increase in deferred income tax liabilities ("-" for decrease)	39,675,822.78	79,296,475.56
Decrease in inventories ("-" for increase)	-7,178,295,486.53	-2,548,613,305.84
Decrease in operating receivables ("-" for increase)	-7,896,448,610.92	-3,023,283,577.73

Increase in operating payables ("-" for decrease)	7,124,168,092.74	670,512,697.93
Others	33,728,263.21	47,592,267.37
Net cash flow from operating activities	2,148,087,518.58	1,618,070,841.20
2.Significant investing and financing activities that do not involve in cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds maturing within 1 year		
Fixed assets acquired under financing leases		
3．Net changes in cash and cash equivalents:		
Ending balance of cash	14,862,025,975.10	13,372,599,048.22
Less: beginning balance of cash	11,229,352,870.58	15,516,940,793.04
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	3,632,673,104.52	-2,144,341,744.82

(2) Net cash paid for acquisition of subsidiaries in the current period

□Applicable √Not applicable

(3) Net cash received from disposal of subsidiaries in the current period

□Applicable √Not applicable

(4) Composition of cash and cash equivalents

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
I. Cash	14,862,025,975.10	11,229,352,870.58
Including: cash in hand	5,624,768.76	8,189,591.81
Unrestricted bank deposit available for payment	11,826,394,124.55	10,212,598,488.34
Other unrestricted cash and cash equivalents	3,030,007,081.79	1,008,564,790.43
Unrestricted deposits in central bank		
Deposits with banks and other financial institutions		
Loans from banks and other financial institutions		
II. Cash equivalents		
Including: bond investments maturing within 3 months		
III. Ending balance of cash and cash equivalents	14,862,025,975.10	11,229,352,870.58
Including: restricted cash and cash equivalents of the parent company or		

subsidiaries within the group		

(5) Those limited in use but still presented as cash and cash equivalents

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Reason
Bank deposits	20,428, 755.42	Closing balance refers to 30% of export income from natural resources deposited in Indonesia by the subsidiaries Huayue Company, Indonesia Huafei, Huake Indonesia, and AMI 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.
Bank deposits	681,917,651.72	Closing balance refers to balance in the borrowing pledge accounts of the subsidiaries Indonesia Huafei and Huaneng Indonesia. Even though these accounts are under use restrictions subject to bank supervision, the subsidiaries can use such cash for payments at any time. Therefore, it is considered as cash and cash equivalents.
Total	702, 346, 407.14	/

(6) Monetary funds which are not cash and cash equivalents

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance	Reason
Other monetary funds	7,180,994,218.77	6,396,294,401.09	Including deposits for bank acceptance of RMB 4,491,963,034.32, deposits for letters of credit of RMB 301,065,080.13, deposits for letters of guarantee of RMB 100,649,428.77, deposits for borrowings of RMB 2,230,704,749.67, deposits for future foreign exchange settlement of RMB 28,218,855.58, deposits for environmental impact assessment of RMB 5,668,710.30, balances frozen due to lawsuits of RMB 20,000,000.00, and others of RMB 2,724,360.00, which are

			subject to use restrictions and not considered as cash and cash equivalents.
Total	7,180,994,218.77	6,396,294,401.09	/

Other remarks:

□Applicable √Not applicable

80. Notes to items in the Statement of Changes in Equity

Specify the name, adjustment amount and other matters of "Others" item with ending balance in last year adjusted:

□Applicable √Not applicable

81. Monetary items in foreign currency

(1) Monetary items in foreign currency

√Applicable □Not applicable

Monetary unit: Yuan

Item	Ending balance in foreign currency	Conversion rate	Ending balance translated in RMB
Cash and cash equivalents			9,285,170,059.69
Including: USD	1,128,661,704.76	6.8109	7,687,202,004.95
EUR	50,265,042.76	7.7671	390,413,613.62
HKD	864,817,853.74	0.8686	751,137,546.87
IDR	751,272,048,383.91	0.0004	286,084,396.02
SGD	12,799.39	5.2605	67,331.19
ZWL	614,855,689.08	0.2539	156,111,859.46
HUF	200,485,912.20	0.0220	4,402,906.61
ARS	410,943.13	0.0039	1,601.37
JPY	29,005,027.00	0.0420	1,219,516.36
CDF	92,129,385.94	0.0029	267,175.22
MAD	7,207,335.78	0.7257	5,230,132.94
ZAR	7,316,542.18	0.4144	3,031,975.08
Accounts receivable			2,758,009,722.20
Including: USD	338,090,809.39	6.8109	2,302,702,693.67
EUR	76,435.77	7.7671	593,684.27
IDR	89,943,950,131.30	0.0004	34,250,656.2100
HKD	453,599,533.59	0.8686	393,973,874.90
ZAR	63,920,881.15	0.4144	26,488,813.15
Other receivables:			70,508,720.18
Including: USD	6,225,862.87	6.8109	42,403,729.42
EUR	230,338.33	7.7671	1,789,060.84
HKD	24,627,568.43	0.8686	21,390,274.56
IDR	1,108,188,274.86	0.0004	421,998.10
HUF	3,797,200.00	0.0220	83,390.98
CDF	11,854,329.66	0.0029	34,377.56
MAD	18,240.00	0.7257	13,236.18
ZAR	10,551,767.72	0.4144	4,372,652.54
Long-term receivables			1,399,411,535.49
Including: USD	97,755,346.28	6.8109	665,801,887.97
IDR	1,926,495,923,109.24	0.0004	733,609,647.52
Short-term borrowings			1,001,320,909.01
Including: USD	113,373,512.90	6.8109	772,175,659.01

JPY	5,450,000,000.00	0.0420	229,145,250.00
Accounts payable			9,595,339,848.00
Including: USD	1,357,702,601.22	6.8109	9,247,176,646.65
EUR	1,380,987.68	7.7671	10,726,269.41
AUD	29,760.00	4.6804	139,288.70
IDR	415,894,366,292.02	0.0004	158,372,574.68
ZWL	86,817,433.57	0.2539	22,042,946.38
ZWG	236,135.50	0.0220	5,185.81
HUF	152,913,931.79	0.8686	132,813,395.46
HKD	58,068,390.23	0.4144	24,063,540.91
ZAR			1,067,636,097.57
Other payables	154,767,788.41	6.8109	1,054,107,930.07
Including: USD	903.41	7.7671	7,016.88
EUR	34,228,197,268.91	0.0004	13,034,097.52
IDR	22,177,914.14	0.0220	487,053.10
Non-current liabilities maturing within one year			720,252,675.00
Including: USD	105,750,000.00	6.8109	720,252,675.00
Long-term borrowings			2,540,919,750.08
Including: USD	373,066,665.21	6.8109	2,540,919,750.08
Long-term payables			1,835,209,311.41
Including: USD	269,451,806.87	6.8109	1,835,209,311.41

Other remarks:
None

(2) Nature of the lack of convertibility of currency and its financial impact, the spot exchange rate adopted and its estimation process, as well as the risks faced by the Company due to the lack of convertibility of currency

□Applicable √Not applicable

(3) Remarks to overseas business entities, including its principal place of business overseas, the functional currency and selection basis therefor, as well as the reason for the change of the functional currency (if any)

√Applicable □Not applicable

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 operating currency
Huayue Company	Republic of Indonesia	USD	The local primary operating currency
Huafei Indonesia	Republic of Indonesia	USD	The local primary operating currency

(4) Lack of convertibility between the recording currency used for overseas operations and the reporting currency of the Company

□Applicable √Not applicable

82. Lease

(1) As lessee

√Applicable □Not applicable

Variable lease payments not included in the measurement of the lease liability

□Applicable √Not applicable

Rental expense on short-term leases and leases of low-value assets with simplified treatment
√Applicable □Not applicable

Item	Current period cumulative	Preceding period comparative
Expense relating to short-term leases	34,666,280.94	39,008,351.93
Expense relating to leases of low-value assets (excluding short-term leases)	0.00	197,390.99
Total	34,666,280.94	39,205,742.92

Leaseback transaction and criteria
□Applicable √Not applicable

Total cash outflows related to lease: 29,300,114.32 (Monetary unit: Yuan Currency: RMB)

(2) As lessor
Operating lease as lessor
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Lease income	Including: income related to variable lease payments not included in lease receipts
Lease income	4,861,672.40	
Total	4,861,672.40	

Finance lease as lessor
□Applicable √Not applicable

Table of adjustment of undiscounted lease receipts and net lease investments
□Applicable √Not applicable

Undiscounted lease receipts for the next five years
√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Item	Undiscounted lease receipts for each year	
	Ending amount	Beginning amount
First Year		291,333.33
Second Year		19,666.67
Third Year		
Fourth Year		
Fifth Year		
Total undiscounted lease receipts for the next five years	0.00	311,000.00

(3) Recognition of finance lease and sales profit and loss as manufacturer or distributor
□Applicable √Not applicable

Other remarks
None

83. Data resource
□Applicable √Not applicable

84. Others
□Applicable √Not applicable

VIII. R&D expenditure

1. Presented by nature of expenses

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
R&D expenses	1,121,024,387.39	535,828,646.85
Total	1,121,024,387.39	535,828,646.85
Including: expensed R&D expenditure	1,121,024,387.39	535,828,646.85
Capitalized R&D expenditure		

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 expenditure of R&D projects eligible for capitalization

□Applicable √Not applicable

Important capitalized R&D projects
□Applicable √Not applicable

Provision for impairment of development expenditure
□Applicable √Not applicable

Other remarks
None

3. Important outsourced ongoing projects

□Applicable √Not applicable

IX. Changes in Consolidation Scope

1. Business combination not under common control

□Applicable √Not applicable

2. Business combination under the common control

□Applicable √Not applicable

3. Counter purchase

□Applicable √Not applicable

4. Disposal of subsidiaries

Whether there is a transaction or event resulting in loss of control over the subsidiaries in the current period
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

Whether there is a loss of control due to disposal of investment in subsidiaries through multiple transactions step by step
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

5. Change in consolidation scope for other reasons

Specify the change of consolidation scope caused by other reasons (such as establishment of new subsidiaries and liquidation of subsidiaries) and other related situations.
√Applicable □Not applicable

Name of company	Method of equity acquisition	Date of equity acquisition	Amount of contribution	Contribution ratio (%)
Huatu (Hong Kong) Limited	Establishment	April 2026	USD300,000	100.00
Huashi (Hong Kong) Limited	Establishment	April 2026	USD700,000	100.00
Huaxin Resources Recycling (Hong Kong) Limited	Establishment	March 2026	USD150,000	100.00
Huarong Resources Recycling (Hong Kong) Limited	Establishment	March 2026	USD36,000	100.00
Huacan (Hong Kong) Limited	Establishment	March 2026	USD9,810,000	100.00
Lantian Consulting Indonesia Co., Ltd.	Establishment	March 2026	USD600,000	79.00
Huayou Indonesia Resource Recycling Co., Ltd.	Establishment	June 2026	USD150,000	100.00

6. Others

□Applicable √Not applicable

X. Equity in other entities

1. Equity in subsidiaries

(1) Structure of the enterprise group

√Applicable □Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Subsidiary's name	Principal place of business	Registered capital	Registration place	Business nature	Shareholding ratio (%)		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	HKD55,099.20	Hong Kong SAR	Trade and wholesale	100.00		Establishment
Huayue Company	Republic of Indonesia	USD26,000.00	Republic of Indonesia	Manufacturing	60.00		Establishment
Chengdu B&M	Jintang County, Sichuan Province	103,000.00	Jintang County, Sichuan Province	Manufacturing	36.86		Business combination not under common control
Indonesia Huafei	Republic of Indonesia	USD54,000.00	Republic of Indonesia	Manufacturing	51.00		Business combination not under common control
Guangxi Huayou New Materials	Yulin City, Guangxi Zhuang Autonomous Region	258,855.25	Yulin City, Guangxi Zhuang Autonomous Region	Manufacturing industry	79.37		Establishment
Guangxi B&M	Yulin City, Guangxi Zhuang Autonomous Region	350,000	Yulin City, Guangxi Zhuang Autonomous Region	Manufacturing industry	100.00		Establishment

Remarks to the subsidiaries in which the ownership ratio is different from the voting right ratio:
None

Basis for determining the control over an investee while holding its half or less than half voting rights, and non-control over an investee while holding its more than half voting rights:
None

Basis for determining control in case of the important structured entities included in the scope of consolidation:
None

Basis for determining whether the Company is an agent or a principal:
None

Other remarks:
The Company directly holds 36.86% of the equity in Tianjin B&M. Meanwhile, Huayou Holding has entrusted the voting rights and other rights of 25.20% of the equity it holds in Tianjin B&M to the Company for exercise. Therefore, Tianjin B&M is included in the scope of consolidation. Chengdu B&M is a wholly-owned subsidiary of Tianjin B&M.

(2) Major non-wholly owned subsidiaries

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Subsidiary's name	Ownership ratio of minority shareholders (%)	Profit and loss attributable to minority shareholders in the current period	Dividend declared to minority shareholders in the current period	Ending balance of minority equity
Huayue Company	40.00	624,811,137.45		3,958,094,773.29
Chengdu B&M	63.14	149,836,495.43		2,076,872,024.19
Huayou Quzhou	16.04	78,076,001.01	90,000,000.00	1,078,780,541.38
Indonesia Huafei	49.00	533,651,431.63		3,247,566,163.03
Guangxi Huayou New Materials	20.63	29,696,084.99		1,621,485,102.82

Remarks to the subsidiaries in which the minority shareholder's ownership ratio is different from its voting right ratio:

□Applicable √Not applicable

Other remarks:

□Applicable √Not applicable

(3) Main financial information of major non-wholly owned subsidiaries

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Subsidiary's name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Huayue Company	4,529,510,317.19	7,741,042,848.54	12,270,553,165.73	1,125,772,886.53	1,249,543,345.97	2,375,316,232.50	4,304,341,249.14	7,783,999,548.66	12,088,340,797.80	1,767,340,107.05	1,934,427,934.79	3,701,768,041.84
Chengdu B&M	13,600,561,525.87	3,351,147,521.86	16,951,709,047.73	13,450,471,252.60	211,925,118.24	13,662,396,370.84	10,346,122,252.30	3,238,018,329.38	13,584,140,581.68	10,323,221,416.65	201,713,524.21	10,524,934,940.86
Huayou Quzhou	19,373,558,222.70	7,278,140,618.14	26,651,698,840.84	17,967,493,170.37	1,958,641,198.04	19,926,134,368.41	16,662,362,984.80	7,309,408,829.46	23,971,771,814.26	14,155,439,685.88	3,016,441,395.46	17,171,881,081.34
Indonesia Huafei	5,228,981,536.93	12,362,260,671.18	17,591,242,208.11	3,694,180,163.54	7,269,375,997.56	10,963,556,161.10	5,073,294,646.48	13,266,928,247.62	18,340,222,894.10	5,804,400,281.86	6,802,329,811.55	12,606,730,093.41
Guangxi Huayou New	19,134,862,786.65	1,912,855,347.58	21,047,718,134.23	11,920,018,202.19	1,256,413,025.16	13,176,431,227.35	16,957,447,719.12	1,936,264,055.30	18,893,711,774.42	13,961,794,831.64	993,943,244.24	14,955,738,075.88

Materials												

Subsidiary's name	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Huayue Company	5,228,128,538.55	1,562,027,843.62	1,562,027,843.62	1,591,692,264.59	3,843,631,182.66	798,360,579.20	798,360,579.20	1,040,535,916.54
Chengdu B&M	11,385,328,912.79	237,315,510.91	237,315,510.91	69,632,734.92	5,633,107,248.44	164,084,832.11	164,084,832.11	145,555,809.18
Huayou Quzhou	13,105,434,603.89	486,673,740.40	486,673,740.40	-3,939,412,754.96	10,428,110,171.67	447,861,849.43	447,861,849.43	-3,619,659,821.45
Indonesia Huafei	7,876,426,180.83	1,089,084,554.34	1,089,084,554.34	594,754,948.35	6,801,427,313.59	458,444,393.95	458,444,393.95	-721,774,774.77
Guangxi Huayou New Materials	13,030,685,816.76	1,493,313,208.34	1,493,313,208.34	741,642,274.08	20,356,718,685.18	1,865,982,767.77	1,865,982,767.77	2,032,179,600.27

Other remarks:
None

(4) Major restriction on using the assets of the enterprise group and repaying the debts of the enterprise group:

□Applicable √Not applicable

(5) Financial or other supports provided for structured entities included in the consolidated financial statement:

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

2. Transactions which results in changes in owner's equity in a subsidiary and remain in control of the subsidiary

√ Applicable □ Not Applicable

(1) Explanation of changes in owner's equity in subsidiaries

√ Applicable □ Not Applicable

Name of subsidiary	Time of change	Shareholding ratio before change	Shareholding ratio after change
Shanghai Feicheng	January 2026	70.00%	80.00%
Shanghai Xinsheng	January 2026	70.00%	80.00%
Guangxi Huayou New Materials	March 2026	100.00%	79.37%

(2) The impact of transactions on minority shareholders' equity and the equity attributable to the parent company

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

	Shanghai Feicheng	Shanghai Xinsheng	Guangxi Huayou New Materials
Purchase cost/disposal consideration			
--Cash	1,280,506.53	2,455,175.59	2,600,000,000.00
--Fair value of non-cash assets			
Total purchase cost/disposal consideration	1,280,506.53	2,455,175.59	2,600,000,000.00
Less: The net asset share of a subsidiary calculated according to the proportion of the equity acquired/disposed of	1,325,474.44	2,828,713.96	1,627,551,936.96
Difference	-44,967.91	-373,538.37	972,448,063.04
Including: adjustment of capital reserves	44,967.91	373,538.37	972,448,063.04
Adjusted surplus reserve			
Undistributed profits after adjustment			

Other remarks:
□Applicable √Not applicable

3. Equity in joint ventures or associates

√Applicable □Not applicable

(1) Major joint ventures or associates

□Applicable √Not applicable

(2) Main financial information of major joint ventures

□Applicable √Not applicable

(3) Main financial information of associates

□Applicable √Not applicable

(4) Summary of the financial information for those minor joint venture and associates

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

	Ending balance/ amount incurred in current period	Beginning balance/ amount incurred in last period
Joint ventures:		
Total book value of investments	522,674,227.15	318,454,631.74
Totals of the following items calculated as per shareholding ratio		
--Net profit	-834,026.41	11,259,610.07
--Other comprehensive income	-248,149.54	-116,681.38
--Total comprehensive income	-1,082,175.95	11,142,928.69
Associates:		
Total book value of investments	11,618,585,136.90	11,606,265,473.57
Totals of the following items calculated as per shareholding ratio		
--Net profit	216,275,461.57	254,294,718.75
--Other comprehensive income	-6,434,187.67	-1,702,184.48

--Total comprehensive income	209,841,273.90	252,592,534.27

Other remarks:
None

(5) Major restrictions on capital transferring from joints ventures or associates to the Company:

□Applicable √Not applicable

(6) Excess losses incurred to joint ventures or associates

□Applicable √Not applicable

(7) Unrecognized commitments related to investments in joint ventures

□Applicable √Not applicable

(8). Contingent liabilities relevant to investment in joint ventures or associates

□Applicable √Not applicable

4. Major joint operation

□Applicable √Not applicable

5. Equity in structured entities not included in the consolidated financial statements

Remark to the structured entities not included in the consolidated financial statement:
□Applicable √Not applicable

6. Others

□Applicable √Not applicable

XI. Government subsidies

1. Government subsidy recognized as amount receivable at the end of the reporting period

□Applicable √Not applicable

Reason for failure to receive government subsidy of the expected amount at the expected time
□Applicable √Not applicable

2. Liabilities involving government subsidy

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Financial statement item	Beginning balance	Amount of subsidy increase in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other change in the current period	Ending balance	Related to assets/income
Deferred income	765,794,954.89	53,856,600.00		39,164,474.75		780,487,080.14	Related to assets
Deferred income	6,379,092.32	48,156,943.90		45,795,597.80		8,740,438.42	Related to income
Total	772,174,047.21	102,013,543.90		84,960,072.55		789,227,518.56	/

3. Government subsidy included in current profit and loss

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Type	Amount incurred in the current period	Amount incurred in the previous period
Related to income	92,726,080.74	58,043,403.21
Related to assets	39,164,474.75	29,223,027.09
Others	2,424,600.00	
Total	134,315,155.49	87,266,430.30

Other remarks:
None

XII. Risks Relating 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 portfolio 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 beginning balance and ending 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 and contract assets

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 June 30, 2026, the Company has certain concentration of credit risk, and 43.58% (December 31, 2025: 39.23%) 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 receivables and balance.

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

Item	Ending balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	59,861,586,777.07	62,102,652,291.98	40,285,785,223.87	12,281,642,888.53	9,535,224,179.58
Notes payable	9,685,200,141.66	9,685,200,141.66	9,685,200,141.66		
Accounts payable	24,101,318,870.62	24,101,318,870.62	24,101,318,870.62		
Other payables	1,359,216,789.35	1,359,216,789.35	1,359,216,789.35		
Other current liabilities	3,627,185,499.91	3,627,185,499.91	3,627,185,499.91		
Bonds payable	3,415,732,021.32	3,528,735,750.00	575,502,777.78	2,953,232,972.22	
Lease liabilities	43,239,897.54	44,413,097.61	19,804,551.48	16,480,581.32	8,127,964.81
Long-term payables	8,077,320,271.42	8,708,313,693.14	5,054,721,630.37	3,101,286,883.57	552,305,179.20
Sub-total	110,170,800,268.89	113,157,036,134.27	84,708,735,485.04	18,352,643,325.64	10,095,657,323.59

(Continued)

Item	Beginning balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	52,069,762,565.46	54,545,880,212.26	35,125,197,451.47	11,635,514,355.55	7,785,168,405.24
Notes payable	7,196,242,617.28	7,196,242,617.28	7,196,242,617.28		
Accounts payable	18,208,994,873.11	18,208,994,873.11	18,208,994,873.11		
Other payables	1,241,610,600.62	1,279,860,859.38	1,279,860,859.38		
Other current liabilities	4,048,417,332.13	4,048,417,332.13	4,048,417,332.13		
Bonds payable	500,920,684.94	529,820,684.94	14,450,000.00	515,370,684.94	
Lease liabilities	46,180,032.80	48,264,259.86	15,657,894.83	17,430,712.12	15,175,652.91
Long-term payables	6,685,220,624.17	7,453,454,528.24	2,703,032,138.92	2,652,600,868.79	2,097,821,520.53
Sub-total	89,997,349,330.51	93,310,935,367.20	68,591,853,167.12	14,820,916,621.40	9,898,165,578.68

(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 June 30, 2026, balance of borrowings with interest accrued at floating interest rate totaled RMB 28,000,244,755.41 (December 31, 2025: RMB 22,438,359,688.89). 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 RMB 140.0012 million (December 31, 2025: a/an decrease/increase of RMB 112.1918 million) in equity, a/an decrease/increase of RMB 140.0012 million (2025: a/an decrease/increase of RMB 112.1918 million) 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) The Company carries out hedging business for risk management

√Applicable □Not applicable

Item	Corresponding risk management strategies and objectives	Qualitative and quantitative information on hedged risk	Economic relationship between the hedged items and the related hedging instruments	Expected effective realization of risk management objectives	Impact 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) The Company carries out conforming hedging business and applies hedge accounting
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Book value related to hedged items and hedging instruments	Cumulative fair value hedge adjustment of the hedged item included in the recognized book value of the hedged item	Hedging validity and source of the invalid hedging part	Impact of hedge accounting on the financial statements of the Company
Type of hedging risk				
Price fluctuation risks of nickel, lithium and cobalt		1,882,213,804.27	Whether the hedging instrument and hedged item fluctuate in the opposite directions	Losses on hedging instruments in the current period were RMB 2,179,845,620.49, gains on the hedged items arising from hedging risks were RMB 1,882,213,804.27, and losses on ineffective hedges were RMB 297,631,816.22 (including losses from close position of RMB 60,563,459.05and losses from open position of RMB 237,068,357.17).
Hedging category				
Fair value hedging		1,882,213,804.27	Whether the hedging instrument and hedged item	losses on hedging instruments in the current period were RMB

			fluctuate in the opposite directions	2,179,845,620.49, 1 Gains on the hedged items arising from hedging risks were RMB 1,882,213,804.27, and losses on ineffective hedges were RMB 297,631,816.22 (including losses from close position of RMB 60,563,459.05and losses from open position of RMB 237,068,357.17).

Other remarks
√Applicable □Not applicable
For relevant details of the book value of hedged items and hedging instruments, please see the particulars contained in item VII 3 and 10 of this section.

(3) The Company carries out hedging business for risk management and expects to achieve risk management objectives, but does not apply hedge accounting

□Applicable √Not applicable

Other remarks
□Applicable √Not applicable

3. Transfer of financial assets

(1) Classification of transfer method

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition situation	Basis for determining derecognition
Notes discount	Receivables financing	9,716,777,343.89	Derecognition	Nearly all the risks and rewards have been transferred
Notes endorsement	Receivables financing	5,226,085,492.43	Derecognition	Nearly all the risks and rewards have been transferred
Notes discount	Notes receivable	50,000,000.00	Non-derecognition	Nearly all the risks and rewards are retained, making it not meet the conditions for the derecognization of financial assets
Total	/	14,992,862,836.32	/	/

(2) Financial assets de-recognized due to transfer

√ Applicable □ Not Applicable

Monetary unit: Yuan Currency: RMB

Item	Transfer method of financial assets	Amount of financial assets with termination of recognition	Gains or losses related to termination recognition
Receivables financing	Endorsement/discount	14,942,862,836.32	-67,463,017.55
Total	/	14,942,862,836.32	-67,463,017.55

(3) Transferred financial assets further involved

□Applicable √Not applicable

Other remarks

□Applicable √Not applicable

XIII. Disclosure of Fair Value

1. Ending fair value of the assets and liabilities measured at fair value

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending fair value			
	First level of fair value measurement	Second level of fair value measurement	Third level of fair value measurement	Total
I. Continuous fair value measurement				
(I) Financial assets held for trading	1,739,218,481.17		40,000,000.00	1,779,218,481.17
1. Financial assets measured at fair value through current profit or loss	1,739,218,481.17		40,000,000.00	1,779,218,481.17
(1) Debt instrument investments				
(2) Equity instrument investments				
(3) Derivative financial assets	1,739,218,481.17			1,739,218,481.17
(4) Financial products			40,000,000.00	40,000,000.00
2. Financial asset designated to be measured at fair value through current profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments			393,906,682.81	393,906,682.81
(IV) Investment properties				
1. Right to use the land for lease				

2. Leased buildings				
3. Land use right held for transfer upon appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing			810,444,152.28	810,444,152.28
(VII) Other non-current financial assets			6,573,600.00	6,573,600.00
(VIII) Inventories - Changes in fair value of hedged items		1,492,329,185.28		1,492,329,185.28
Total amount of assets measured at fair value on a continuous basis	1,739,218,481.17	1,492,329,185.28	1,250,924,435.09	4,482,472,101.54
(IX) Financial liabilities held for trading			19,869,781.15	19,869,781.15
1. Financial liabilities measured at fair value through profit or loss			19,869,781.15	19,869,781.15
Including: Trading bonds issued				
Derivative financial liabilities			19,869,781.15	19,869,781.15
Others				
2. Financial liabilities designated to be measured at fair value through profit or loss				
Total amount of liabilities measured at fair value on a continuous basis			19,869,781.15	19,869,781.15
II. Non-continuous fair value measurement				
(I) Assets held for sale				
Total amount of assets measured at fair value not on a continuous basis				
Total amount of liabilities measured at fair value not on a continuous basis				

2. Basis for determining the market price for the items subject to the first level of continuous and non-continuous fair value measurement

√Applicable □Not applicable

Item	Closing fair value	Valuation technique
Derivative financial assets	1,739,218,481.17	The fair value of futures contracts is determined based on the closing settlement price

		determined in futures transactions.

3. Valuation techniques adopted and qualitative and quantitative information of important parameters for the items subject to the second level of continuous and non-continuous fair value measurement

√Applicable □Not applicable

Item	Closing fair value	Valuation technique
Inventory - Changes in the fair value of hedged items	1,492,329,185.28	The fair value of hedged items is determined based on closing quoted price in spot market.

4. Valuation techniques adopted and qualitative and quantitative information of important parameters for the items subject to the third level of continuous and non-continuous fair value measurement

√Applicable □Not applicable

Item	Closing fair value	Valuation technique
Derivative financial assets		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)
Short-term bank financial products	40,000,000.00	The principal plus expected income as of the balance sheet date.
Other equity instrument investments	393,906,682.81	For Inner Mongolia Sinuo, Hanaq Company, Shengyan Technology, Guanyu Battery and China General Nuclear New Energy, the carrying amount is used as the fair value as there is little difference between them.
Receivables financing	810,444,152.28	The carrying amount is used as the fair value as there is little difference between them.
Other non-current financial assets	6,573,600.00	The carrying amount is used as the fair value as there is little difference between them.
Derivative financial liabilities	19,869,781.15	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)

5. Adjustment between book values at beginning and ending and sensitivity analysis of unobservable parameters for the items subject to the third level of continuous fair value measurement

□Applicable √Not applicable

6. Conversion causes and policy to determine the conversion time point in case of conversion between levels in current period for the items subject to continuous fair value measurement

□Applicable √Not applicable

7. Changes in valuation techniques in the current period and the reason therefor

□Applicable √Not applicable

8. Fair value of the financial assets and liabilities not measured at fair value

□Applicable √Not applicable

9. Others

□Applicable √Not applicable

XIV.Related Party and Related-party Transactions

1. Information of the parent company of the Company

√Applicable □Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Name of the parent company	Registration place	Business nature	Registered capital	Percentage of the Company's equities held by the parent company (%)	Ratio of voting right of the parent company in the Company (%)
Huayou Holding	Tongxiang City, Zhejiang Province	Business services	7,500.00	16.30	16.30

Information of the parent company

None

The ultimate controller of the Company is Chen Xuehua, who holds 20.66% of the Company’s equity by direct holding and indirect holding through Huayou Holding

Other remarks:

None

2. Information of subsidiaries of the Company

For the details on subsidiaries of the Company, please see the particulars contained in “X. Equity in other entities”, “Section VIII Financial Report”.

□Applicable √Not applicable

3. Information of joint ventures and associates of the Company

For details of significant joint ventures and associates of the Company, please see the particulars contained in “X. Equity in other entities”, “Section VIII Financial Report”.

□Applicable √Not applicable

Information of other joint ventures and associates that have related party transactions with the Company in the current period or had related party transactions with the Company in the previous period and generated balances:

√Applicable □Not applicable

Joint ventures or associates	Relationships with the Company
Quzhou Zhiyou	Joint venture
Qingshan Lvshui	Associate
Puhua Company	Associate
Leyou Company	Associate
Zhejiang Times Li-ion Material Co., Ltd. (“Times Li-ion”)	The associates Quzhou Xinhua and Quzhou Anyou hold 35.30% and 17.88% of Times Li-ion Company, respectively, making them the first and second largest shareholders of Times Li-ion Company.
Zhejiang Huayou Li-ion Material Co., Ltd. (“Huayou Li-ion”)	Subsidiary of the associate Tongxiang Lithium Times
Quzhou Electric Investment Huayou Smart Energy Co., Ltd. (“Quzhou Electric Investment”)	Subsidiary of the associate Zhejiang Electric Investment.

Joint ventures or associates	Relationships with the Company
Tongxiang Electric Investment Huayou Smart Energy Co., Ltd. ("Tongxiang Electric Investment")	Subsidiary of the associate Zhejiang Electric Investment.
Guangxi Times Huineng Lithium Battery Material Technology Co., Ltd. ("Guangxi Times Huineng")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Yulin Times Blue Sky Gas Co., Ltd. ("Yulin Times Blue Sky")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Yulin Times Juneng	It was formerly a subsidiary of Guangxi Times Li-ion Material Technology Co., Ltd., which is a subsidiary of Guangxi Times Li-ion Industry Fund. In July 2025, the Company acquired all its equity
Yulin Times Green Water	It was formerly a subsidiary of Guangxi Times Li-ion Material Technology Co., Ltd., which is a subsidiary of Guangxi Times Li-ion Industry Fund. In July 2025, the Company acquired all its equity
IWIP Company	Associate
PT.WEDABAY NICKEL INDONESIA ("WBN Company")	Subsidiary of the associate Newstride Technology
Eternal Nickel	Associate
WKM Company	Associate
JOH CO.,LTD	Associate
PT.IWIP GREEN INDUSTRY	Associate
Zongxu Huayou	Associate
BCM Company	Associate
Minfu Woneng	Associate
Indonesia Huatuo	Associate
Veinstone	Associate
PT.WEDA BAY ENERGI ("WBE Company")	Subsidiary of the associate Veinstone
PT SULAWESI CAHAYA MINERAL ("SCM Company")	Subsidiary of the associate MBM Company
PT.CAHAYA SMELTER INDONESIA ("CSI Company")	Subsidiary of the associate MBM Company
PT.HUANENG METAL INDUSTRY ("HNMI Company")	Subsidiary of the associate MBM Company
PT.BUKIT SMELTER INDONESIA ("BSI Company")	Subsidiary of the associate MBM Company
PT.MERDEKA TSINGSHAN INDONESIA ("MTI Company")	Subsidiary of the associate MBM Company

Other remarks:
□Applicable √Not applicable

4. Other related parties

√Applicable □Not applicable

Other related parties	Relationships with the Company
Yunnan Youtian New Energy Technology Co., Ltd. ("Yunnan Youtian")	It was originally an associate of Huayou Holding, the controlling shareholder of the Company. On May 2026, Huayou Holding transferred all of its equity in the company. Since then, it ceased to be a related party of the Company.
Mongolia Shengfan Technology New Energy Co., Ltd. ("Inner Mongolia Shengfan")	Under the control of Huayou Holding
Guangxi Huachuang New Material Copper Foil	Under the control of Huayou Holding

Other related parties	Relationships with the Company
Co., Ltd. ("Guangxi Huachuang")	
Guangxi Times New Energy Lithium Battery Material Technology Co., Ltd. ("Guangxi Times New Energy")	Under the control of Huayou Holding
Guangxi Times Chuangneng New Material Technology Co., Ltd. ("Guangxi Times Chuangneng")	Under the control of Huayou Holding
Guangxi Youshan Resource Recycling Technology Co., Ltd. ("Guangxi Resource Recycling")	Under the control of Huayou Holding
Zhejiang Youshan New Materials Technology Co., Ltd. ("Youshan New Materials")	Under the control of Huayou Holding
Anhui Huachuang New Material Co., Ltd. Zhejiang Branch ("Anhui Huachuang Zhejiang Branch")	Under the control of Huayou Holding
Guizhou Yayou New Material Co., Ltd. ("Guizhou Yayou")	Under the control of Huayou Holding
Youshan New Material Technology (Guizhou) Co., Ltd. ("Guizhou Youshan New Material")	Under the control of Huayou Holding
Inner Mongolia Huajing New Material Co., Ltd. ("Huajing New Material")	Under the control of Huayou Holding
Zhejiang Youshan New Energy Technology Co., Ltd. ("Youshan New Energy")	Under the control of Huayou Holding
Zhejiang Youshan New Energy Technology Co., Ltd. Changsha Branch ("Youshan New Energy Changsha Branch")	Under the control of Huayou Holding
Zhejiang Xinhua Polymer Materials Co., Ltd. ("Xinhua Polymer Materials")	An associate of Huayou Holding
Sichuan Huachuang New Materials Co., Ltd. ("Sichuan Huachuang")	Under the control of Huayou Holding
Nanchang Youye Copper Materials Manufacturing Co., Ltd. ("Nanchang Copper Materials")	Under the control of Huayou Holding
Zhejiang Huayou Mining Co., Ltd. ("Zhejiang Huayou Mining")	Under the control of Huayou Holding
Jiangxi Huachuang New Materials Co., Ltd. ("Jiangxi Huachuang")	Under the control of Huayou Holding
Anhui Huachuang New Materials Co., Ltd. ("Anhui Huachuang")	Under the control of Huayou Holding
Zhijin Youshan Phosphorus Industry Co., Ltd. ("Zhijin Youshan")	Under the control of Huayou Holding
Zhejiang Beilinde Enterprise Management Co., Ltd. ("Beilinde Company")	It was originally an associate of Huayou Holding, the controlling shareholder. In 2025, Huayou Holding transferred all of its equity, after which it was no longer a related party of the Company.

Other remarks:
None

5. Related-party transactions

(1) Related-party transactions for purchasing/selling goods or rendering/accepting labor services

Details of related party transactions for purchasing goods or accepting labor service
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Contents of related-party transaction	Amount incurred in the current period	Transaction limit approved (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount incurred in the previous period
Associate	Purchasing goods	2,714,242,792.22			1,925,389,650.79
Associate	Accepting services	941,958,749.07			632,246,628.31
Other related parties	Purchasing goods	63,277,421.12			62,993,843.46
Other related parties	Accepting services	202,058.13			24,687.29
Total		3,719,681,020.54			2,620,654,809.85

Details of related-party transactions for selling goods or rendering labor service
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Contents of related-party transaction	Amount incurred in the current period	Amount incurred in the previous period
Associate	Selling goods	2,064,890,705.58	1,182,867,382.95
Associate	Rendering services	120,511,036.06	83,964,526.76
Other related parties	Selling goods	1,282,513,870.14	397,200,888.70
Other related parties	Rendering services	13,060,138.11	9,687,911.96
Total		3,480,975,749.89	1,673,720,710.37

Remark to the related party transactions for purchasing/selling goods or rendering/accepting labor service
□Applicable √Not applicable

During the current period, there were circumstances that the Company sold raw materials to related parties and subsequently purchased finished goods or raw materials back from them. In addition, there were circumstances that the Company sold engineering materials, spare parts and other supplies to Quzhou Zhiyou, which exported such goods to the Company's subsidiaries overseas as an agent. The financial statements have been presented on a net basis.

(2) Related party trusteeship/contracting

Details of trusteeship/contracting where the Company is the trustee/contractor:
□Applicable √Not applicable

Remarks to related party trusteeship/contracting
□Applicable √Not applicable

Details of trusteeship/contracting where the Company is the trustor/contractee:
□Applicable √Not applicable

Remarks to related party management/outsourcing
□Applicable √Not applicable

(3) Related party leasing

Where the Company is the lessor:
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Name of lessee	Type of leased asset	Lease income recognized in the current period	Lease income recognized in the previous period
Associate	Machinery	31,518.83	22,902.00

Total		31,518.83	22,902.00

Where the Company is the lessee:
√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Name of lessor	Types of leased assets	Amount incurred in the current period					Amount incurred in the previous period				
		Rental expense on short-term leases and leases of low-value assets with simplified treatment (if applicable)	Variable lease payments not included in the measurement of the lease liability (if applicable)	Rental paid	Interest expense on lease liabilities assumed	Increase in use right assets	Rental expense on short-term leases and leases of low-value assets with simplified treatment (if applicable)	Variable lease payments not included in the measurement of the lease liability (if applicable)	Rental paid	Interest expense on lease liabilities assumed	Increase in use right assets
Associate	Buildings and structures	5,458,644.11		3,683,328.00	196,847.57		3,332,503.27		7,366,656.00	57,957.63	
Associate	Transportation equipment	39,751.52					352,750.40				
Associate	Other equipment						463,661.84				
Other related parties	Buildings and structures	488,256.89									
Other related parties	Transportation equipment						31,858.44				
Total		5,986,652.52		3,683,328.00	196,847.57		4,180,773.95		7,366,656.00	57,957.63	

Remark to related party leasing:
□Applicable √Not applicable

(4) Related-party guarantee

Where the Company is the guarantor:

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Guaranteed party	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Guarantee fulfilled or not
Eternal Nickel	547,407,744.00	2024/12/27	2030/12/27	No
Eternal Nickel	41,223,936.00	2024/12/27	2030/12/27	No
Quzhou Hangyang	174,444,000.00	2025/9/10	2032/8/20	No
Quzhou Zhiyou	380,000,000.00	2025/12/31	2026/10/31	No
Quzhou Zhiyou	20,000,000.00	2026/6/24	2026/12/21	No
Quzhou Zhiyou	75,000,000.00	2025/12/22	2026/10/15	No
Quzhou Zhiyou	100,000,000.00	2025/10/29	2027/5/8	No
Quzhou Zhiyou	224,537,500.00	2025/12/5	2027/6/17	No
Quzhou Zhiyou	25,000,000.00	2026/5/19	2027/5/18	No
Quzhou Zhiyou	25,000,000.00	2026/6/11	2026/12/11	No

Where the Company is the guaranteed party:

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Guarantor	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Guarantee fulfilled or not
Chen Xuehua	902,075,000.00	2025/8/13	2027/6/27	No
Chen Xuehua	495,825,000.00	2026/1/13	2027/6/26	No
Chen Xuehua	188,000,000.00	2026/1/8	2027/6/26	No
Huayou Holding	70,000,000.00	2026/6/17	2026/12/17	No
Huayou Holding	500,000,000.00	2025/5/30	2031/5/29	No
Huayou Holding	39,500,000.00	2026/1/23	2026/7/23	No
Huayou Holding	50,000,000.00	2026/1/23	2028/1/21	No
Chen Xuehua	500,000,000.00	2025/11/20	2027/1/22	No
Huayou Holding	44,277,869.02	2026/3/25	2026/9/25	No
Huayou Holding	62,500,000.00	2026/6/26	2027/6/24	No
Huayou	100,000,000.00	2026/3/19	2027/3/18	No

Holding				
Chen Xuehua	300,000,000.00	2026/4/16	2027/5/13	No
Huayou Holding	499,062,036.14	2026/6/12	2026/12/26	No
Chen Xuehua	152,640,000.00	2023/7/20	2030/6/21	No
Chen Xuehua	610,560,000.00	2023/7/20	2030/6/21	No
Chen Xuehua	362,520,000.00	2023/7/20	2030/6/21	No
Chen Xuehua	1,068,480,000.00	2023/7/20	2030/6/21	No
Chen Xuehua	534,240,000.00	2023/7/20	2030/6/21	No
Chen Xuehua	477,000,000.00	2023/7/20	2030/6/21	No
Huayou Holding	49,000,000.00	2026/4/23	2027/4/23	No
Huayou Holding	100,000,000.00	2025/12/24	2026/12/23	No
Huayou Holding	154,488,991.87	2026/1/26	2026/12/29	No
Huayou Holding	67,000,000.00	2025/9/28	2026/9/19	No
Huayou Holding	444,430,000.00	2025/5/29	2031/5/29	No
Chen Xuehua	300,000,000.00	2026/3/13	2027/3/8	No
Huayou Holding	96,646,188.22	2022/8/4	2026/12/20	No
Huayou Holding	90,000,000.00	2026/6/30	2026/12/30	No
Chen Xuehua	12,500,000.00	2025/7/24	2026/7/16	No
Huayou Holding	300,004,946.60	2026/1/21	2026/11/22	No
Chen Xuehua	200,000,000.00	2026/4/15	2027/5/13	No
Chen Xuehua	168,000,000.00	2026/2/9	2027/5/21	No
Huayou Holding	230,000,000.00	2026/1/20	2027/3/23	No
Huayou Holding	42,000,000.00	2026/5/19	2026/11/19	No
Huayou Holding	80,000,000.00	2025/12/25	2026/12/24	No
Huayou Holding	476,000,000.00	2025/6/25	2027/8/23	No
Huayou Holding	209,251,260.82	2026/3/27	2026/10/16	No
Huayou Holding	125,244,310.19	2026/4/29	2026/11/28	No
Huayou	100,000,000.00	2026/1/19	2027/7/14	No

Holding				
Chen Xuehua	128,000,000.00	2025/3/6	2027/4/21	No
Chen Xuehua	700,000,000.00	2025/12/9	2027/4/15	No
Chen Xuehua	170,000,000.00	2026/4/21	2027/4/20	No
Huayou Holding	351,825,444.00	2026/3/23	2026/11/25	No
Huayou Holding	320,000,000.00	2026/1/13	2027/3/17	No
Huayou Holding	37,699,200.00	2026/5/28	2026/11/28	No
Huayou Holding	120,000,000.00	2026/5/27	2027/5/26	No
Huayou Holding	50,000,000.00	2026/1/29	2027/1/29	No
Chen Xuehua	416,760,000.00	2025/8/15	2027/8/14	No
Huayou Holding	230,892,229.56	2026/1/26	2026/8/11	No
Huayou Holding	412,779,780.83	2026/1/29	2026/11/14	No
Huayou Holding	50,000,000.00	2025/12/26	2026/10/18	No
Huayou Holding	90,000,000.00	2026/1/30	2027/3/13	No
Huayou Holding	28,938,951.68	2026/1/14	2026/7/27	No
Huayou Holding	40,000,000.00	2026/6/26	2026/12/25	No
Huayou Holding	30,000,000.00	2026/3/27	2027/3/19	No
Chen Xuehua	170,000,000.00	2025/12/18	2027/1/18	No
Chen Xuehua	200,000,000.00	2025/11/14	2026/12/17	No
Chen Xuehua	37,000,000.00	2026/5/25	2027/5/20	No
Chen Xuehua	163,000,000.00	2025/11/20	2026/11/20	No

Remarks to related-party guarantee

√Applicable □Not applicable

1. The Company provides guarantees for Chengdu B&M, Tianjin B&M, Zhejiang B&M and Huachi Hong Kong, and Huayou Holdings provides counter-guarantees for the Company;

2. Additionally, in accordance with the sales contract signed by the subsidiary Huachi Hong Kong in December 2024, Huayou Mining Hong Kong undertakes a performance commitment for Huachi Hong Kong to fulfill all its obligations under the Master Contract, with the commitment period ending on the date when the Master Contract is fully performed. Huayou Holdings provides a joint and several liability counter-guarantee for Huayou Mining Hong Kong in proportion to its shareholding (including related parties);

3. Where the said amount relates to multiple transactions, the commencement date shall be the occurrence date of the earliest transaction, and the maturity date shall be the maturity date of the latest transaction.

(5) Fund lending/borrowing to/from related parties

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Amount of lending/borrowing	Starting date	Maturity date	Remark
Borrowing				

Related party	Amount of lending/borrowing	Starting date	Maturity date	Remark
Lending				
IWIP Company	131,995,242.00	2023/6/27	2028/6/26	
Veinstone	111,480,808.74	2023/6/27	2028/6/26	
Eternal Nickel	53,125,020.00	2024/8/26	2027/8/25	
Eternal Nickel	292,187,610.00	2025/11/20	2028/11/19	
Indonesia Huatuo	681,090.00	2023/6/27	2028/6/26	

(6) Asset transfer and debt restructuring of related parties

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Contents of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Associate	Sale of long-term assets	22,407.47	4,018,275.91
Associate	Purchase of long-term assets	824,206.80	1,642,321.53
Controlling shareholder	Purchase of long-term assets	420,569,400.00	
Total		421,416,014.27	5,660,597.44

On April 6, 2026, the Company convened the 38th meeting of the 6th Board of Directors, at which the *Proposal on Joint Investment with the Controlling Shareholder and Related-party Transaction* was deliberated and approved. The Company intends to contribute RMB 958.2273 million to construct the Huayou Group Headquarters Science and Technology Building jointly with Huayou Holding. After the completion of the project, the Company and Huayou Holding shall enjoy the property rights at the ratios of 64.60% and 35.40% respectively and apply for separate real-estate ownership certificates. For details, please refer to the *Announcement of Huayou Cobalt on Joint Investment with the Controlling Shareholder and Related-party Transaction* (Announcement No.: 2026-020).

(7) Compensation of key management personnel

√Applicable □Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Compensation of key management personnel	2,840.33	2,999.96

(8). Other related party transactions

□Applicable √Not applicable

6. Details of unsettled items, such as receivable from and payables to related parties

(1) Receivables

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Associate	1,519,132,958.08	75,981,862.51	808,291,755.68	40,414,587.78
Accounts receivable	Other related parties	172,464,013.85	9,210,185.71	115,835,980.07	5,791,799.00
Accounts receivable	Joint venture	1,044,880,859.99	52,244,043.00	941,934,826.63	47,096,741.33
Sub-total		2,736,477,831.92	137,436,091.22	1,866,062,562.38	93,303,128.11
Other receivables	Associate	681,090.00	681,090.00	702,880.00	702,880.00
Sub-total		681,090.00	681,090.00	702,880.00	702,880.00
Long-term receivables	Associate	588,788,680.74		666,667,622.40	
Sub-total		588,788,680.74		666,667,622.40	
Receivables financing	Associate	534,257,116.14		102,163,328.39	
Receivables financing	Other related parties			544,627.40	
Sub-total		534,257,116.14		102,707,955.79	
Advances paid	Associate	343,000,781.70		176,373,631.84	
Advances paid	Other related parties	41,132,349.42		13,400,000.00	
Advanced paid	Joint venture	0.07			
Sub-total		384,133,131.19		189,773,631.84	

(2) Payables

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Related party	Ending book balance	Beginning book balance

Accounts payable	Associate	3,022,233,922.07	2,796,454,443.41
Accounts payable	Other related parties	11,886,376.06	12,404,317.67
Accounts payable	Joint venture	3,002,649,404.80	1,414,709,204.64
Sub-total		6,036,769,702.93	4,223,567,965.72
Notes payable	Associate	3,225,662,101.23	2,383,756,523.78
Sub-total		3,225,662,101.23	2,383,756,523.78
Contract liabilities	Associate	10,091,039.88	3,657,726.81
Contract liabilities	Other related parties	9,090,663.51	
Sub-total		19,181,703.39	3,657,726.81
Other payables	Associate	123,454.65	321,700.97
Sub-total		123,454.65	321,700.97

(3) Other items

□Applicable √Not applicable

7. Commitments of related parties

□Applicable √Not applicable

8. Others

□Applicable √Not applicable

XV. Share-based payment

1. Equity instruments

(1) Details

□Applicable √Not applicable

(2) Stock options or other equity instruments outstanding at the end of the period

□Applicable √Not applicable

2. Equity-settled share-based payment

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Object of equity settled share-based payments	Company staff
Method of determining the fair value of equity instruments on the grant date	The closing price of the Company's shares on the grant date.
Important parameters of the fair value of equity instruments on the grant date	The closing price of the Company's shares on the grant date.
Basis for determining the amount of exercisable equity instruments	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 estimate in this period and prior period	None
Cumulative amount of equity settled share-based payments included in the capital reserve	983,181,793.91

Other remarks
None

3. Cash-settled share-based payment

□Applicable √Not applicable

4. Expenses of share-based payment in the current period

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Class of grantee	Expenses of equity settled share-based payment	Expenses of cash-settled share-based payment
Managers	18,075,553.97	
R&D personnel	4,366,590.60	
Sales personnel	2,493,639.69	
Production and manufacturing personnel	3,646,446.42	
Total	28,582,230.68	

Other remarks
None

5. Modification and termination of share-based payment

□Applicable √Not applicable

6. Others

□Applicable √Not applicable

XVI. Commitments and Contingencies

1. Major commitments

√Applicable □Not applicable

Important external commitments, nature and amount existing at the balance sheet date
In compliance with the investment agreement and relevant regulations, the Company fulfills its guarantee obligations as a shareholder based on its shareholding ratio in SCM. To meet the aforementioned guarantee obligations, as of June 30, 2026, the Company has issued guarantee letters totaling RMB 74,194,513.44.

2. Contingencies

(1) Major contingencies on the balance sheet date

√Applicable □Not applicable

As of June 30, 2026, 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 issued by a lawyer from DRC, there is no legal basis to sustain the GENILAND's claim.

In summary, the Company believes that it is not liable for any compensation concerning the above lawsuit and therefore accrues no provisions.

(2) Explanation shall also be given even if there is no major contingency to be disclosed by the Company

□Applicable √Not applicable

3. Others

□Applicable √Not applicable

XVII. Post Balance Sheet Events

1. Major non-adjusting events

□Applicable √Not applicable

2. Profit distribution

□Applicable √Not applicable

3. Sales return

□Applicable √Not applicable

4. Description of other post-balance-sheet events

□Applicable √Not applicable

XVIII. Other Major Events

1. Correction of accounting errors in the previous period

(1) Retrospective restatement method

□Applicable √Not applicable

(2) Prospective application method

□Applicable √Not applicable

2. Material debt restructuring

□Applicable √Not applicable

3. Replacement of assets

(1) Replacement of non-monetary assets

□Applicable √Not applicable

(2) Replacement of other assets

□Applicable √Not applicable

4. Pension plan

□Applicable √Not applicable

5. Discontinued operation

□Applicable √Not applicable

6. Segment information

(1) Determination basis and accounting policies of the reportable segment

√Applicable □Not applicable

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 the reportable segment

□Applicable √Not applicable

(3) Please explain the reason in case of no reportable segment or inability to disclose the total assets and total liabilities of each reportable segment.

□Applicable √Not applicable

(4) Other remarks:

□Applicable √Not applicable

7. Other major transactions and events impacting the investor's decision-making

□Applicable √Not applicable

8. Others

□Applicable √Not applicable

XIX. Notes to Main Items in the Financial Statements of the Parent Company

1. Accounts receivable

(1) Disclosure by aging

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	817,459,811.76	460,006,571.64
1 to 2 years	18,808,197.10	15,797,299.94
2 to 3 years	11,593,433.21	2,453,765.85
More than 3 years	100,162,308.82	98,329,750.20
Total	948,023,750.89	576,587,387.63

(2) Classification according to different methods of provision for bad debts

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt made on an individual basis	402,048.00	0.04	402,048.00	100.00		402,048.00	0.07	402,048.00	100.00	
Including:										
Receivables of individually insignificant amount but with provision made on an individual basis	402,048.00	0.04	402,048.00	100.00		402,048.00	0.07	402,048.00	100.00	
Provision for bad debt made on a portfolio basis	947,621,702.89	99.96	36,077,643.10	3.81	911,544,059.79	576,185,339.63	99.93	15,633,264.60	2.71	560,552,075.03
Including:										
Portfolio grouped with balances due from external customers	712,598,224.22	75.17	36,077,643.10	5.06	676,520,581.12	311,506,923.30	54.03	15,633,264.60	5.02	295,873,658.70

Portfolio grouped with balances due from related parties within the consolidation scope	235,023,478.67	24.79			235,023,478.67	264,678,416.33	45.90			264,678,416.33
Total	948,023,750.89	/	36,479,691.10	/	911,544,059.79	576,587,387.63	/	16,035,312.60	/	560,552,075.03

Provision for bad debt made on an individual basis:
√Applicable □Not applicable

Monetary unit: Yuan
Currency: RMB

Name	Ending balance			
	Book balance	Provision for bad debt	Proportion of provision (%)	Reason for making provision
Other entities	402,048.00	402,048.00	100	Such entities are struggling, and it is likely that the payments will be unrecoverable
Total	402,048.00	402,048.00	100	/

Description of the provision for bad debt made on an individual basis:
□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:
√Applicable □Not applicable
Items with provision made on a portfolio basis: Portfolio grouped with ages

Monetary unit: Yuan
Currency: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Proportion of provision (%)
Within 1 year	711,681,206.15	35,584,060.32	5.00
1-2 years	1,950.50	390.10	20.00
2-3 years	843,749.78	421,874.89	50.00
Over 3 years	71,317.79	71,317.79	100.00
Total	712,598,224.22	36,077,643.10	5.05

Description of the provision for bad debts made on a portfolio basis:
□Applicable √Not applicable

Provision for bad debt made according to the general model of expected credit loss
□Applicable √Not applicable

Basis for the division of each phase and proportion of provisions for bad debts
None

Changes in book balance of accounts receivable with significant change in the amount of provision for loss in the current period:

□Applicable √Not applicable

(3) Details of the provision for bad debts

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovery or reversal	Write-off or charge off	Other change	
Provision for bad debts made on an individual basis	402,048.00					402,048.00
Provision for bad debts made on a portfolio basis	15,633,264.60	20,444,378.50				36,077,643.10
Total	16,035,312.60	20,444,378.50				36,479,691.10

In which, significant amount of provision for bad debt recovered 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

In which, significant amount of accounts receivable written off:

□Applicable √Not applicable

Remarks to write-offs of accounts receivable

□Applicable √Not applicable

(5) Top 5 accounts receivable and contract assets in terms of the ending balance presented by debtors

□Applicable √Not applicable

Other remarks:

√Applicable □Not applicable

Ending balance of top 5 debtors totaled RMB 835,539,306.02, accounting for 88.13% of the total ending balance of accounts receivable, and the total provision for bad debts made thereon was RMB 33,534,332.79.

2. Other receivables

Presented by items

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable	467,028,308.81	
Other receivables	10,522,971,539.49	5,046,887,464.77
Total	10,989,999,848.30	5,046,887,464.77

Other remarks:
□Applicable √Not applicable

Interests receivable

(1) Classification of interests receivable

□Applicable √Not applicable

(2) Significant overdue interests

□Applicable √Not applicable

(3) Classification according to different methods of provision for bad debts

□Applicable √Not applicable
Provision for bad debt made on an individual basis:
□Applicable √Not applicable

Description of the provision for bad debt made on an individual basis:
□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:
□Applicable √Not applicable

(4) Provision for bad debt made according to the general model of expected credit loss
□Applicable √Not applicable

(5) Details of the provision for bad debts

□Applicable √Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:
None

(6) Interests receivable actually written off in the current period

□Applicable √Not applicable

In which, significant amount of interests receivable written off:
□Applicable √Not applicable

Remarks to write-offs of interests receivable:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

Dividends receivable

(1) Dividends receivable

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item (or investee)	Ending balance	Beginning balance
Huayou Quzhou	467,028,308.81	
Total	467,028,308.81	

(2) Major dividends receivable with aging over 1 year

□Applicable √Not applicable

(3) Classification according to different methods of provision for bad debts

□Applicable √Not applicable

Provision for bad debt made on an individual basis:
□Applicable √Not applicable

Description of the provision for bad debt made on an individual basis:
□Applicable √Not applicable

Provision for bad debt made on a portfolio basis:
□Applicable √Not applicable

(4) Provision for bad debt made according to the general model of expected credit loss
□Applicable √Not applicable

(5) Details of the provision for bad debts

□Applicable √Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:
□Applicable √Not applicable

Other remarks:

None

(6) Dividends receivable actually written off in the current period

□Applicable √Not applicable

In which, significant amount of dividends receivable written off:
□Applicable √Not applicable

Remarks to write-offs of dividends receivable:
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

Other receivables

(1) Disclosure by aging

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	10,223,565,573.74	4,644,186,560.69
1 to 2 years	98,485,985.09	106,259,485.34
2 to 3 years	122,179,620.36	218,016,889.56
More than 3 years	81,602,574.96	82,217,555.53
Total	10,525,833,754.15	5,050,680,491.12

(2) Classification by nature of funds

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Nature of funds	Ending book balance	Beginning book balance
Temporary borrowings	10,515,224,340.58	5,037,659,050.57
Security deposits	7,738,344.42	12,332,816.90
Petty cash	381,296.59	
Others	2,489,772.56	688,623.65
Total	10,525,833,754.15	5,050,680,491.12

(3) Provision for bad debt

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without	Expected credit loss over the entire existence (with	

		credit impairment)	credit impairment)	
Balance as at January 1, 2026	62,340.42	1,559,523.19	2,171,162.74	3,793,026.35
Balance as at January 1, 2026 in the current period				
--Transferred to Phase II	-300,000.00	300,000.00		
--Transferred to Phase III		-109,790.80	109,790.80	
--Reversed to Phase II				
--Reversed to Phase I				
Provision made in the current period	322,943.39	-549,732.39	-704,022.69	-930,811.69
Reversal in the current period				
Write-off in the current period				
Charge off in the current period				
Other change				
Balance as at June 30, 2026	85,283.81	1,200,000.00	1,576,930.85	2,862,214.66

Basis for the division of each phase and proportion of provisions for bad debts

Basis for the division of each phase: Other receivables with an age of less than one year and those owed by related parties within the consolidation scope are considered to have not significantly increased credit risk since initial recognition (Phase I). Other receivables aged between one and two years are deemed to have experienced a significant increase in credit risk but have not yet incurred credit impairment (Phase II). Lastly, other receivables aged over two years and those for which bad debt provisions are made individually are recognized as having already suffered credit impairment since initial recognition (Phase III).

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

□Applicable √Not applicable

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

□Applicable √Not applicable

(4) Details of the provision for bad debts

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovery or reversal	Write-off or charge	Other change	

				off		
Provision made on a portfolio basis	3,793,026.35	-930,811.69				2,862,214.66
Total	3,793,026.35	-930,811.69				2,862,214.66

In which, significant amount of provision for bad debt recovered 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

In which, significant amount of other receivables written off:
□Applicable √Not applicable

Remarks to write-offs of other receivables:
□Applicable √Not applicable

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

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Unit name	Ending balance	Proportion in the total ending balance of other receivables (%)	Nature of funds	Aging	Ending balance of provision for bad debt
Guangxi Lithium Industry	3,838,935,053.94	36.47	Temporary borrowings	Within 1 year	
Huayou Quzhou	2,213,329,913.11	21.03	Temporary borrowings	Within 1 year	
Huayou Import & Export	1,993,579,266.93	18.94	Temporary borrowings	Within 1 year	
Huayou New Energy	1,120,614,758.82	10.65	Temporary borrowings	Within 1 year	
Huayou Hong Kong	528,132,853.77	5.02	Temporary borrowings	Within 1 year:	
Total	9,694,591,846.57	92.10	/	/	

(7) Other receivables presented due to centralized management of funds

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

3. Long-term equity investments

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	36,831,243,667.84		36,831,243,667.84	33,072,400,930.60		33,072,400,930.60
Investment in joint ventures and associates	4,230,020,438.44		4,230,020,438.44	4,345,634,803.83		4,345,634,803.83
Total	41,061,264,106.28	0.00	41,061,264,106.28	37,418,035,734.43	0.00	37,418,035,734.43

(1) Investment in subsidiaries

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Investee	Begining balance (book value)	Begining balance of impairment provision	Increase or decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
			Additional investment	Reduced investment	Provision for impairment	Others		
Like Cobalt Nickel	33,171,333.03						33,171,333.03	
Huayou Import & Export	100,587,951.00						100,587,951.00	
Huayou Hong Kong	2,639,681,383.00						2,639,681,383.00	
CDM Company	480,447,838.92						480,447,838.92	
ORIENT INTERNATIONAL MINERALS &RESOURCE (PROPRIETARY) LIMITED	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	12,828,585,186.34		3,526,387,561.65				16,354,972,747.99	

New Energy Quzhou	2,725,950,684.93						2,725,950,684.93	
Huayou Recycling	1,250,000,000.00						1,250,000,000.00	
Huayou New Energy	2,466,270,463.88						2,466,270,463.88	
Zhejiang Youqing Trading Co., Ltd.	5,700,000.00						5,700,000.00	
Tongxiang Hua'ang Trading Co., Ltd.	2,850,000.00						2,850,000.00	
Beijing Youhong	1,710,000.00						1,710,000.00	
Guangxi Huayou Engineering Project Management Co., Ltd.	50,000,000.00						50,000,000.00	
Guangxi B&M	2,761,000,000.00						2,761,000,000.00	
Hualin Import & Export (Tongxiang) Co., Ltd.	18,040,800.00						18,040,800.00	
Huawang Import & Export (Tongxiang) Co., Ltd.	18,040,800.00						18,040,800.00	
Huashan Import & Export (Wenzhou) Co., Ltd.	25,500,000.00						25,500,000.00	
Tianjin B&M	1,351,200,000.00						1,351,200,000.00	
Resource Recycling	138,000,000.00						138,000,000.00	
Guangxi Lithium Industry	560,000,000.00						560,000,000.00	
Huashan Import & Export (Tongxiang) Co., Ltd.	5,100,000.00						5,100,000.00	
Huazheng Import & Export (Tongxiang) Co., Ltd.	34,695,000.00						34,695,000.00	
Guangxi Huayou New Materials	1,600,000,000.00		135,000,000.00				1,735,000,000.00	
Shanghai Xinsheng	17,500,000.00		2,455,175.59				19,955,175.59	
Tongxiang Huashi Import & Export Co., Ltd.	10,000,000.00						10,000,000.00	
Huaxun Import & Export (Tongxiang) Co., Ltd.	7,000,000.00						7,000,000.00	
Huake Import & Export (Wenzhou) Co., Ltd.	7,000,000.00						7,000,000.00	
Huayou Catering	31,000,000						31,000,000	

Management	.00						.00	
Huayou Property Management	21,000,000.00						21,000,000.00	
Zhejiang New Materials	220,500,000.00						220,500,000.00	
Zhejiang Huayou Supply Chain Co., Ltd.	2,000,000.00		500,000.00				2,500,000.00	
Guangxi Huayou Enterprise Investment	349,000,000.00		94,500,000.00				443,500,000.00	
Shanghai Huayou Jintian Enterprise Management Co., Ltd.	10,000,000.00						10,000,000.00	
Hangzhou Haoyue Equity Investment Partnership (Limited Partnership)	202,400,000.00						202,400,000.00	
Tongxiang Hualan Information Technology Consulting Co., Ltd.	200,000.00						200,000.00	
Huayong Zhiyuan Information Technology Consulting (Beijing) Co., Ltd.	100,000.00						100,000.00	
Yulin Times Juneng	271,715,437.00						271,715,437.00	
Yulin Times Green Water	70,679,864.00						70,679,864.00	
Total	33,072,400,930.60		3,758,842,737.24				36,831,243,667.84	

(2) Investment in joint ventures and associates

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in the current period								Ending balance (book value)	Ending balance of provision for impair
			Additional investment	Reduced investment	Profit/loss on investment recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared for distributio	Provision for impairment	Others		

								n				ment
I. Joint ventures												
Quzhou Zhiyou	102,336,573.37		200,000,000.00		871,297.77						303,207,871.14	
Sub-total	102,336,573.37		200,000,000.00		871,297.77						303,207,871.14	
II. Associates												
Quzhou Anyou	591,614,731.24				9,954,094.27						601,568,825.51	
Guangxi Times Li-ion Investment Management Center	696,077,814.08				7,545,977.57						703,623,791.65	
Guangxi Times Li-ion Industry Fund	645,466,221.92				13,411,430.11						658,877,652.03	
Hunan Yacheng	90,470,067.13				-4,172,515.16						86,297,551.97	
Quzhou Xinhua	1,178,454,892.32				19,651,551.71						1,198,106,444.03	
Zhejiang Power Investment	15,985,586.10				229,248.92						16,214,835.02	
Tongxiang Lithium Times	177,037,414.86				37,558.18						177,074,973.04	
Ningbo Ruihua	1,637,290.84										1,637,290.84	
Haigang Pingyou	83,384,666.96				-5,217,023.20						78,167,643.76	
BCM Company	678,233,691.65			380,713,326.37	-51,240,987.02	37,147,717.28					283,427,095.54	
Quzhou Hangyang	84,935,853.36				2,715,452.83						87,651,306.19	
Daoran Metal			30,545,635.23		3,619,522.49						34,165,157.72	
Sub-total	4,243,298,230.46		30,545,635.23	380,713,326.37	-3,465,689.30	37,147,717.28					3,926,812,567.30	
Total	4,345,634,803.83		230,545,635.23	380,713,326.37	-2,594,391.53	37,147,717.28					4,230,020,438.44	

(3) Impairment test of long-term equity investments

□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

4. Operating income and operating cost

(1) Details of operating income and operating cost

√ Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	2,926,159,891.00	2,565,270,051.00	2,095,197,631.30	1,991,513,174.83
Other businesses	221,846,856.10	38,899,517.08	75,616,469.50	50,641,428.01
Total	3,148,006,747.10	2,604,169,568.08	2,170,814,100.80	2,042,154,602.84

(2) Breakdown of operating income and operating cost

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Classification of contracts	Parent company		Total	
	Operating income	Operating cost	Operating income	Operating cost
By commodity type				
Cobalt products	1,235,905,407.15	961,926,790.18	1,235,905,407.15	961,926,790.18
Nickel products	1,537,180,193.02	1,540,681,212.24	1,537,180,193.02	1,540,681,212.24
Trade and others	374,921,146.93	101,561,565.66	374,921,146.93	101,561,565.66
Sub-total	3,148,006,747.10	2,604,169,568.08	3,148,006,747.10	2,604,169,568.08
By business area				
Domestic	2,402,336,608.60	2,168,630,408.94	2,402,336,608.60	2,168,630,408.94
Overseas	745,670,138.50	435,539,159.14	745,670,138.50	435,539,159.14
Sub-total	3,148,006,747.10	2,604,169,568.08	3,148,006,747.10	2,604,169,568.08
Market or customer type				
Contract type				
By time of commodity transfer				
Recognized at a point in time	3,148,006,747.10	2,604,169,568.08	3,148,006,747.10	2,604,169,568.08

Sub-total	3,148,006,747.10	2,604,169,568.08	3,148,006,747.10	2,604,169,568.08
By term of contract				
By sales channel				
Total	3,148,006,747.10	2,604,169,568.08	3,148,006,747.10	2,604,169,568.08

Other remarks

□Applicable √Not applicable

(3) Information related to performance obligations:

□Applicable √Not applicable

(4) Information related to transaction prices apportioned to the remaining performance obligations:

□Applicable √Not applicable

(5) Major contract changes or major transaction price adjustments

□Applicable √Not applicable

Other remarks:

None

5. Investment income

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by cost method [Note 1]	670,375,907.74	767,028,308.81
Long-term equity investment income accounted by equity method	-2,594,391.53	3,605,622.24
Income from disposal of long-term equity investments	474,600,979.05	
Investment income from available-for-sale financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during	103,036,230.07	28,773,124.33

the holding period [Note 2]		
Income from disposal of financial assets held for trading	27,442,563.00	24,045,880.00
Income from disposal of other equity instruments		
Income from disposal of debt investments		
Income from disposal of other debt investments		
Income from debt restructuring		
Losses on discounting of receivables financing	-9,225,313.01	-1,116,163.35
Investment income from disposal of financial instruments		
Income from investment in other non-current assets	45,626,057.13	95,582,928.16
Total	1,309,262,032.45	917,919,700.19

Other remarks:

[Note 1] It is the dividend payment of RMB 670,375,907.74 to the subsidiaries within the consolidation scope.

[Note 2] It is the interest on borrowing/lending of RMB 103,036,230.07 for the subsidiaries within the consolidation scope.

6. Others

□Applicable √Not applicable

XX. Supplementary information

1. Breakdown of non-recurring profit or loss in the current period

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount	Remark
Gains/losses from disposal of non-current assets, including the write-offs of provision for assets impairment	480,146,394.12	
Government subsidies included in current gains/losses except for those that are closely related to the Company's normal operation, granted in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profits/losses	95,150,680.74	
Gains/losses from changes in the fair value of financial assets and 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	-394,546,102.66	

Company's normal operation		
Fund occupancy fees charged to non-financial enterprises included in the current profit or loss	42,458,125.93	
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 accounts receivable impairment subject to individual 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 common 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 at fair value		

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	4,413,529.92	
Other gain/loss items that meet the definition of non-recurring gains/losses		
Less: impact amount of income tax	49,093,618.69	
Impact amount of minority equity (after-tax)	-18,129,872.60	
Total	196,658,881.96	

Please explain the reason for the Company to identify the items not listed in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No.1 - Non-recurring Profits and Losses* as non-recurring profit and loss items with significant amount, and to identify the non-recurring profit and loss items listed in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No.1 - Non-recurring Profits and Losses* as recurring profit and loss items.
□Applicable √Not applicable

Other remarks:
□Applicable √Not applicable

2. Return on equity and earnings per share
√Applicable □Not applicable

Profit during the Reporting Period	Weighted average return on equity	Earnings per share	
		Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to ordinary shareholders of the Company	7.05	1.86	1.86
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	6.66	1.76	1.75

3. Differences in accounting data under domestic and foreign accounting standards

□Applicable √Not applicable

4. Others

□Applicable √Not applicable

Legal Representative: Chen Hongliang

Date of Approval by the Board of Directors: August 18, 2026

Information of revisions

□Applicable √Not applicable