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Convertible Bond Code: **113641** Convertible Bond Name: Huayou Convertible Bond

Press Release-Ad hoc announcement pursuant to article 53 LR

Zhejiang Huayou Cobalt Co., Ltd.

Announcement on the Plan of the Controlling Shareholder to Increase Shares of the Company with a Special Loan and Self-Owned Fund

Important Notice:

● Zhejiang Huayou Cobalt Co., Ltd. (the "Company") recently received a notice from Huayou Holdings Group Co., Ltd. ("Huayou Holdings"), its controlling shareholder, that Huayou Holdings intends to increase A-shares of the Company once again through centralized bidding via the trading system of Shanghai Stock Exchange within one year from date of the notice, with a total purchase amount not less than RMB 300 million and not more than RMB 600 million (the "Share Increase Plan").

● The Share Increase Plan does not involve any tender offer, nor will it result in any change in the controlling shareholder or actual controller of the Company.

● There may be risks that the implementation of the Share Increase Plan may fall short of expectations due to any change in the capital market situation or other unforeseeable risks. Investors should pay attention to investment risks.

I. Basic information of the purchasing entity

(I) Name of the purchasing entity and its relationship with the Company

The entity who intends to increase shares of the Company is Huayou Holdings, the controlling shareholder of the Company.

(II) Number of shares already held by the purchasing entity and its shareholding ratio

Before the implementation of the Share Increase Plan, Huayou Holdings already held 301,238,251 shares of the Company, with a shareholding ratio of 17.80%, and

Huayou Holdings and its concerted-action person Mr. Chen Xuehua jointly held 383,743,197 shares of the Company, with a shareholding ratio of 22.68%.

(III) Any shares purchase by the said entity during the past twelve months prior to this announcement

1. In December 2024, Huayou Holdings and Mr. Chen Xuehua, the actual controller of the Company, entered into a *Share Transfer Agreement*, under which Huayou Holdings acquired 27,501,515 unrestricted outstanding shares of the Company held by Mr. Chen Xuehua. The registration procedures for the said transfer have already been completed on December 31, 2024. For more details, please refer to the *Announcement on the Completion of Registration Procedures for the Internal Share Transfer between the Actual Controller and Its Concerted Action Person* (Announcement No. 2025-002).

2. On January 16, 2025, the Company disclosed the *Announcement on the Plan of the Controlling Shareholder to Increase Shares of the Company with a Special Loan and Self-Owned Fund* of Zhejiang Huayou Cobalt Co., Ltd. (Announcement No. 2025-007). As disclosed in the announcement, Huayou Holdings planned to purchase A-shares of the Company through centralized bidding vid the trading system of the Shanghai Stock Exchange within one year from January 16, 2025, with a total purchase amount of no less than RMB 200 million and no more than RMB 400 million. As of the close of share trading on February 11, 2025, Huayou Holdings has cumulatively purchased 13,422,769 A-shares of the Company through centralized bidding vid the trading system of Shanghai Stock Exchange, with a total purchase amount of 399.9981 million. The said share increase plan has already been completed.

II. Main content of the Share Increase Plan

(I) Purpose of the shares increase

Due to its firm confidence in the future development of the Company and recognition of the medium - to long-term investment value of the Company, Huayou Holdings decided to carry out a shares increase once again after the completion of the previous share increase plan, for the purpose of enhancing investors' confidence in their investments in the Company and promoting sustained, stable and healthy development of

the Company.

(II) Type of shares to be purchased and way of purchase

1. The type of shares to be purchased this time is unrestricted outstanding A-shares of the Company.

2. The shares to be purchased will be purchased through centralized bidding via the trading system of Shanghai Stock Exchange.

(III) Amount of shares to be purchased

The total amount of shares to be purchased this time shall be no less than RMB 300 million and no more than RMB 600 million.

(IV) Price for the shares to be purchased

No price range is set for the share purchase, and the Share Increase Plan will be implemented at the appropriate time based on the valuation of the Company's shares and the volatility of the secondary market.

(V) Period for the implementation of the Share Increase Plan

Within one year after the date of this announcement, Huayou Holdings will implement the Share Increase Plan after taking into account factors such as market fluctuations, window periods and funding arrangements. In case there is a suspension of trading in the Company's shares during the implementation of the Share Increase Plan, the said period can be extended, and timely notification will be given accordingly.

(VI) Funding arrangement for the shares increase

The share increase this time will be funded by the self-owned fund of Huayou Holding and a special loan provided by China Construction Bank Tongxiang Branch ("CCB Tongxiang Branch").

In accordance with the *Circular on the Matters Related to Re-loans for Share Repurchase and Shares Increase* jointly issued by the People's Bank of China, the State Administration of Financial Supervision and the China Securities Regulatory Commission, the CCB Tongxiang Branch recently issued a *Letter of Commitment on Loans from the China Construction Bank* to Huayou Holdings, agreeing to provide a

special loan to Huayou Holdings for it to purchase shares of the Company, with the loan amount of RMB 540 million and the loan term of 3 years. Except for the said loan, the remaining fund to be used by Huayou Holdings to purchase shares of the Company this time will be self-owned fund of Huayou Holdings.

(VII) Undertakings of the purchasing entity

Huayou Holdings undertakes not to sell shares of the Company held by it during the implementation of the Share Increase Plan and within the statutory period.

III. Risk of uncertain implementation of the Share Increase Plan

There may be a risk that the implementation of the Share Increase Plan may be delayed or unable to be completed due to factors such as changes in the capital market situation. In case any of the said situations arise during the implementation of the Share Increase Plan, the Company will fulfill its obligation of information disclosure in a timely manner.

IV. Other statements

(I) The Company will continue to monitor the situation of Huayou Holdings' share purchase and fulfill its obligations of information disclosure in a timely manner in accordance with relevant regulations such as the *Rules for Shares Listed on Shanghai Stock Exchange* and the *Self-Regulatory Guidelines of Shanghai Stock Exchange for Listed Companies No. 8 - Management of Share Change*.

(II) The implementation of the Share Increase Plan will not result in any change to the controlling shareholder or actual controller of the Company.

It is hereby announced the above.

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

February 14, 2025

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About The Company

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

Disclaimer

This announcement may contain forward looking statements, estimates, opinions and projections with respect to anticipated future performance of the Company ("forward-looking statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release. The Company undertakes no obligation, and does not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent

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