

Zhejiang Huayou Cobalt Co., Ltd.

Announcement on the Provision for Asset Impairment

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

On April 17, 2025, Zhejiang Huayou Cobalt Co., Ltd. (the Company) held the 29th meeting of the sixth Board of Directors, at which the *Proposal on the Provision for Asset Impairment* was deliberated and approved. The provision for asset impairment is not required to be submitted to the Company's general meeting of shareholders for deliberation. The relevant information is hereby announced as follows:

I. Overview of provision for asset impairment

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

(I) Provision for inventory impairment

The Company conducted a comprehensive check and impairment test on the inventory assets, and based on the check, fully analyzed and evaluated the net realizable value of the inventory, and made provision for depreciation of the inventory that may have an impairment loss. Due to the price fluctuations of cobalt, nickel and lithium products in 2024, and certain period required by the Company from raw material

procurement to finished product shipment, the decline in prices led to a certain degree of impairment of raw materials and unsold products. In 2024, the Company made provision for inventory impairment of RMB 313 million.

(II) Provision for credit impairment

The Company adopted the expected credit loss method to make provision for impairment of accounts receivable, other receivables and other financial assets. After comprehensively evaluating the recoverability of receivables by combining the risk characteristics, customer nature, aging distribution and other information of the above receivables at the end of December, the Company released the provision for impairment of receivables of RMB 14 million.

(III) Provision for goodwill impairment

The Company conducted an annual impairment test on the goodwill generated by the business combination, combined with its related asset group or asset portfolio. In 2024, the Company made provision for goodwill impairment of RMB 195 million.

II. Impact of the provision for asset impairment on the Company's financial position

The Company made provision for inventory impairment of RMB 313 million, made provision for goodwill impairment of RMB 197 million, and released the provision for impairment of receivables of RMB 14 million, which in total reduced the Company's profit in 2024 by RMB 494 million.

III. Opinions of the Board of Directors on the provision for asset impairment

The Board of Directors of the Company believes that the Company's provision for asset impairment based on the actual situation is in line with the provisions of the Accounting Standards for Business Enterprises and the Company's financial management system, fairly reflects the Company's asset status, and is in line with the actual situation of the Company. Therefore, the Board of Directors agrees to the provision for asset impairment.

IV. Opinions of the Board of Supervisors on the provision for asset impairment

The Board of Supervisors of the Company believes that the Company's provision for

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asset impairment based on the relevant provisions of the Accounting Standards for Business Enterprises and the Company's accounting policies is in line with the actual situation of the Company and can fully and fairly reflect the Company's asset status, and the relevant decision-making procedures are in line with the provisions of laws and regulations. Therefore, the Board of Supervisors agrees to the provision for asset impairment.

It is hereby announced the above.

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

April 19, 2025