

Stock Code: **603799** Stock Name: Huayou Cobalt Announcement No.: **2025-037**
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 Progress of the Controlling Shareholder's Plan to Increase Shares of the Company

Important Notice:

● **Overview of the Increase Initiative:** On January 16, 2025, Huayou Holdings Group Co., Ltd. (hereinafter referred to as "Huayou Holdings"), the controlling shareholder of Zhejiang Huayou Cobalt Co., Ltd. (hereinafter referred to as the "Company"), disclosed its shareholding increase plan, which intends to augment its shareholding of the Company's A-shares through the Shanghai Stock Exchange system via centralized bidding, commencing on January 16, 2025, and continuing for a duration of one year. The total investment for this increase is projected to be no less than RMB200 million and will not exceed RMB400 million. As of the close of trading on February 11, 2025, Huayou Holdings has augmented its ownership of the Company's A-shares by 13,422,769 shares via the centralized bidding of Shanghai Stock Exchange with a cumulative investment of RMB399,998,100. This shareholding increase plan has been successfully finalized.

On February 14, 2025, Huayou Holdings disclosed its shareholding increase plan again, which intends to augment its shareholding of the Company's A-shares through the Shanghai Stock Exchange system via centralized bidding, commencing on February 14, 2025, and continuing for a duration of one year. The total investment for this increase is projected to be no less than RMB300 million and will not exceed RMB600 million (hereinafter referred to as the "the Increase Initiative") .

● **Progress of the Increase Initiative:** From the beginning of the Increase Initiative to the disclosure date of this announcement, Huayou Holdings has successfully augmented its ownership in the Company by acquiring a total of 105,000 shares via

centralized bidding on the Shanghai Stock Exchange. This acquisition represents 0.01% of the Company's existing total share capital¹, with an overall investment amounting to RMB 3,496,500. The increase initiative has been successfully finalized. Huayou Holdings will continue to increase its holdings as appropriate.

From January 16, 2025 to the disclosure date of this announcement, Huayou Holdings has augmented its ownership of the Company's A-shares by 13,527,769 shares via the centralized bidding of Shanghai Stock Exchange. This acquisition represents 0.8% of the Company's total share capital, with a cumulative investment of RMB 403,494,600.

Since the announcement of the Increase Initiative, Huayou Holdings has actively implemented the Increase Initiative, and the relevant information is hereby announced as follows:

I. Basic Information about the Increase Entity

(I) Increase Entity: The Company's controlling shareholder, Huayou Holdings.

(II) Prior to this increase, Huayou Holdings possessed 301,238,251 shares of the Company, representing 17.70% of the total shares. Together with its concerted action person, Mr. Chen Xuehua, Huayou Holdings collectively held 383,743,197 shares, representing 22.55% of the total shares.

(III) The increase entity, Huayou Holdings' increase activities during the twelve months prior to the announcement of the increase initiative.

1. In December 2024, Huayou Holdings signed and entered into the Share Transfer Agreement with the Company's actual controller, Mr. Chen Xuehua, to acquire 27,501,515 unrestricted circulating shares owned by Mr. Chen Xuehua through a negotiated transfer. The registration procedures for this transfer were successfully completed on December 31, 2024. For further information, 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).

¹ Calculated based on the total share capital of the company after the convertible bonds are converted into shares on April 7, 2025, which is 1,701,547,759 shares

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 via the trading system of the Shanghai Stock Exchange within one year from January 16, 2025, with a total purchase amount of no less than RMB200 million and no more than RMB400 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 via 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 Increase Initiative

Huayou Holdings, the controlling shareholder of the Company, has expressed strong confidence in the future development prospects of the Company and acknowledges its medium-to-long-term investment value. Consequently, Huayou Holdings intends to augment its shareholding of the Company's A-shares through the Shanghai Stock Exchange system via centralized bidding, commencing on February 14, 2025, and continuing for a duration of one year. The total investment for this increase is projected to be no less than RMB300 million and will not exceed RMB600 million, with financing derived from a combination of its own resources and self-raised funds (including a specialized loan extended by the Tongxiang Sub-branch of China Construction Bank to Huayou Holdings). For more information, please refer to the Announcement on the Plan of the Controlling Shareholder to Increase Shares of the Company with a Special Loan and Self-Owned Fund (Announcement No.: 2025-023), which was published by the Company on February 14, 2025, on Shanghai Stock Exchange website at www.sse.com.cn.

III. Progress of the Increase Initiative

From the beginning of the Increase Initiative to the disclosure date of this announcement, Huayou Holdings has augmented its ownership of the Company's A-shares by 105,000 shares via the centralized bidding of Shanghai Stock Exchange. This

acquisition represents 0.01% of the Company's total share capital, with a cumulative investment of RMB3,496,500. Huayou Holdings will continue to increase its holdings as appropriate.

Upon the conclusion of the increase initiative, Huayou Holdings will possess 301,343,251 A-shares of the Company, representing 17.71% of the Company's existing total share capital. Together with its concerted action person, Mr. Chen Xuehua, Huayou Holdings will collectively hold 383,848,197 A-shares, representing 22.56% of the Company's current total share capital.

IV. Uncertainty risk in the implementation of the Increase Initiative

There may be a risk that the implementation of the Increase Initiative will be delayed or unable to be implemented due to factors that have not yet been predicted or changes in the capital market. Investors are advised to make prudent decisions and pay attention to preventing investment risks.

V. Other Statements

(I) The company will continue to pay attention to the implementation of Increase Initiative in accordance with the *Securities Law of the People's Republic of China, the Administrative Measures for the Acquisition of Listed Companies, the Stock Listing Rules of the Shanghai Stock Exchange and the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 8 - Management of Share Changes* and fulfill its information disclosure obligations in a timely manner.

(II) The execution of the increase initiative by Huayou Holdings has not led to any alterations in the Company's controlling shareholder or its actual controller.

It is hereby announced the above.

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

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