

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 October 23, 2026, Zhejiang Huayou Cobalt Co., Ltd. (the “Company”) held the 5th meeting of the seventh Board of Directors, at which the *Proposal on the Provision for Asset Impairment* was deliberated and approved. Details are as follows:

I. Overview of the provision for asset impairment

In accordance with relevant provisions of the *Accounting Standards for Business Enterprises* and the Company’s accounting policies, the Company conducted an ECL assessment and impairment test on the relevant assets within the scope of the consolidated statements as at the end of September 2026, and based on the principle of prudence, made provision for impairment of some assets.

II. Details of the provision for asset impairment**(I) Provision for inventory impairment**

The Company conducted an impairment test on the inventory assets, and fully analyzed and evaluated the net realizable value of the inventory, and made provision for impairment for inventories showing indications of impairment. Due to the price fluctuations of cobalt, nickel and lithium metals, coupled with the time lag between the procurement of raw materials and the shipment of finished products, the decline in prices led to a certain degree of impairment of raw materials and unsold products. Therefore, the Company made provision for inventory impairment of RMB 1.294 billion during the first nine months of 2026.

(II) Provision for credit impairment

The Company adopted the ECL 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 as at the end of the period, the Company made the provision for impairment of receivables of RMB 396 million.

(III) Provision for goodwill impairment

The Company recognizes goodwill impairment losses in proportion to its corresponding shareholding percentage as the deferred tax liabilities, the recognition of which gave rise to the goodwill, are reversed. Therefore, the Company made provision for impairment of goodwill of RMB 2 million during the period from January to September 2026.

III. Impact of the provision for asset impairment on the Company

This time, the Company made provision for inventory impairment of RMB 1.294 billion, provision for receivables impairment of RMB 396 million, and provision for goodwill impairment of RMB 2 million, which in aggregate reduced the Company's total profit for the period from January to September 2026 by RMB 1.692 billion. After taking into account the impact of income tax and minority interests, such provision in aggregate reduced the Company's net profit attributable to shareholders of the parent company by RMB 1.137 billion.

IV. Deliberation procedures for and opinions on the provision for asset impairment

(I) Opinion of the Audit Committee of the Board of Directors

On October 23, 2026, the Company convened the 6th working meeting of the Audit Committee of the Board of Directors in 2026, at which the *Proposal on the Provision for Asset Impairment* was deliberated and approved. The Audit Committee believes that the provision for asset impairment is in line with the provisions of the *Accounting Standards for Business Enterprises* and the Company's financial management system, and that, after

the provision for asset impairment is made, the Company's financial condition and operating results can be reflected more fully and fairly, and it does not damage the interests of the Company and all shareholders. Therefore, the Audit Committee agrees to the provision for asset impairment and agrees to submit the proposal to the Board of Directors of the Company for further deliberation.

(II) Opinions of the Board of Directors

On October 23, 2026, the Company convened the 5th meeting of the seventh Board of Directors, at which the Proposal on the Provision for Asset Impairment was deliberated and approved. The Board of Directors 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.

It is hereby announced the above.

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

October 24, 2026