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Zhejiang Huayou Cobalt Co., Ltd. launches the offering of its global depositary receipts representing A shares on SIX Swiss Exchange AG and sets price range between US\$11.65 and US\$12.04 per global depositary receipt

Tongxiang, China, 3 July, 2023 – Zhejiang Huayou Cobalt Co., Ltd. (the "Company"), a company with its A shares (the "A Shares") listed on the Shanghai Stock Exchange, today launched its offering (the "Offering") of global depositary receipts to be listed on SIX Swiss Exchange AG (the "SIX Swiss Exchange").

- The Offering is expected to consist of up to 30,000,000 GDRs ("**Firm GDRs**") and up to 20,000,000 GDRs (the "**Upsize GDRs**", together with the Firm GDRs, the "**GDRs**") pursuant to an upsize option (the "**Upsize Option**"), which may be jointly exercised by the Company and the Sole Global Coordinator (acting on behalf of the Managers) on the date of pricing of the Offering based on demand.
- One (1) GDR represents an interest in two (2) A Shares in the Company.
- The offer price range for the offered GDRs has been set between US\$11.65 and US\$12.04 per GDR (the "**Offer Price Range**") and will result in an offer size of approximately US\$355.1 million (assuming the sale of all Firm GDRs at the mid-point of the Offer Price Range and no exercise of the Upsize Option) and US\$591.8 million (assuming the sale of all Firm GDRs and the Upsize Option is exercised in full, whereby the GDRs being sold at the mid-point of the Offer Price Range).
- The offer period commences today, 3 July, 2023, and is expected to end at 17:00 (CEST) on 3 July, 2023.
- The listing and the first day of trading on SIX Swiss Exchange are expected to take place on or around 7 July, 2023 (the "**First Day of Trading**").

Offering summary

The GDRs represent A Shares of Zhejiang Huayou Cobalt Co., Ltd., a joint stock company established under the laws of the People's Republic of China (the "**PRC**") with limited liability. The A Shares are ordinary shares with a nominal value of RMB1.00 each, which are listed and traded on the Shanghai Stock Exchange under the stock code 603799. The GDRs are to be issued against the deposit of A Shares, with one (1) GDR representing an interest in two (2) A Shares.



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The Offering comprises up to 30,000,000 Firm GDRs and up to 20,000,000 Upsize GDRs pursuant to the Upsize Option. The listing of the GDRs on SIX Swiss Exchange will be in accordance with its Standard for Depository Receipts.

The Offer Price Range for the GDRs has been set at between US\$11.65 and US\$12.04 per GDR, implying an offer size of US\$355.1 million (assuming the sale of all Firm GDRs at the mid-point of the Offer Price Range and no exercise of the Upsize Option) and US\$591.8 million (assuming the sale of all Firm GDRs and the Upsize Option is exercised in full, whereby the GDRs being sold at the mid-point of the Offer Price Range). The final offer price and final number of GDRs sold will be determined following a book building process.

The Offering consists of: (i) a private placement in Switzerland; and (ii) private placements in certain jurisdictions outside Switzerland and the United States of America (the "**United States**" or "**U.S.**") in accordance with the applicable securities laws and in member states of the European Economic Area on the basis of exemptions provided by Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Regulation**") and in the United Kingdom on the basis of exemptions provided by the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). In Switzerland, GDRs will be offered solely to professional clients within the meaning of article 4 para 3 of the Swiss Financial Services Act dated June 15, 2018, as amended ("**FinSA**").

The offer period commences today, 3 July, 2023, and is expected to end at 17:00 (CEST) on 3 July, 2023. The final offer price and the final number of GDRs sold is expected to be published on 3 July, 2023. The GDRs are expected to be listed on SIX Swiss Exchange and commence trading on or around 7 July, 2023 (the "**First Day of Trading**").

The net proceeds from the Offering are intended to be used for (i) acquisition, development and operation of upstream resources; (ii) expansion of production capacity of new energy battery materials, both in domestic and overseas markets; and (iii) supplementing working capital and strengthening investment in research and development.

GDRs subscribed for by investors in the Offering may not be redeemed within 120 days following the First Day of Trading.

CLSA Limited is acting as the sole global coordinator (the "**Sole Global Coordinator**"). CLSA Limited, Huatai Financial Holdings (Hong Kong) Limited, Citigroup Global Markets Limited and HSBC Continental Europe are acting as the joint bookrunners (the "**Managers**") of the Offering.



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Key Offering data and indicative Offering timetable

Key Data	
Listing	SIX Swiss Exchange (Standard for Depository Receipts)
Ticker symbol	HUAYO
Swiss security number	124566121
ISIN	US98955Q1013
Nominal value	RMB1.00 per A Share, with one (1) GDR representing an interest in two (2) A Shares
Price range	US\$11.65 to US\$12.04 per GDR
Offering size	Up to 50,000,000 GDRs, consisting of up to 30,000,000 Firm GDRs and up to 20,000,000 Upsize GDRs
Indicative Offering Schedule	
Commencement of offer period	3 July, 2023
End of offer period	17:00 (CEST) on 3 July, 2023
Publication of final offer price and final number of offered GDRs	3 July, 2023
Listing and first day of trading	7 July, 2023
Payment and settlement	7 July, 2023

Contact information

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About the Company

The Company is a leading global technology-driven enterprise in the new energy lithium-ion battery material industry. It 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.

Established in 2002, the Company became listed on the Shanghai Stock Exchange in 2015. Capitalizing on the rapid growth of new energy and green and low-carbon economy and leveraging the competitive advantages stemming from the well-established vertically integrated platform, the Company has become an industry leader in the new energy lithium-ion battery material business. In 2022, the Company (i) ranked second in the world in terms



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of shipment of ternary cathode materials, which reached 80.3 thousand tons; (ii) ranked fourth in the world in terms of shipment of ternary precursors, which reached 98.9 thousand tons; and (iii) ranked first in the world in terms of shipment of refined cobalt products, which reached 36.9 thousand tons, according to Frost & Sullivan. Meanwhile, the Company is actively exploring the development of laterite nickel resources in Indonesia, which has laid a solid foundation for the Company to become a global leader in new energy lithium-ion battery material industry.

After more than two decades of development and endeavors, the Company has secured its overseas supply of raw materials, expanded its production and operation across China, and marketed and sold its products globally. The Company's business model is underpinned by its three major business segments, namely, new energy business, new material business and resource business.

Important Information

This announcement may not be published, distributed or transmitted, directly or indirectly, in the United States of America (including its territories and possessions), Australia, Canada, Japan, South Africa or any other jurisdiction where such announcement could be unlawful. The distribution of this announcement may be restricted by law in certain jurisdictions and persons who are in possession of this announcement or other information referred to herein should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute an offer of, or a solicitation of an offer to purchase, securities of the Company or of any of its subsidiaries in the United States of America or any other jurisdiction. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, an offer in any jurisdiction.

The securities of the Company referred to herein (the "**Securities**") have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdictions of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. The Securities are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. There will be no public offering of the Securities in the United States. This announcement does not constitute an offer to sell or a solicitation to buy securities of the Company and it does not constitute a prospectus or a similar notice within the meaning of articles 35 et seq. or 69 of FinSA. The offer and listing are made solely by means of, and on the basis of, a prospectus, which was approved by the competent review body and published. An investment decision regarding the Securities should be based



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exclusively on the prospectus published by the Company for this purpose. Copies of the prospectus and any supplements thereto are/will be available per request free of charge for 12 months following the First Day of Trading from the Company (phone: 0086-573-88589981; email: information@huayou.com).

In member states of the European Economic Area (the "**EEA**") the placement of the Securities is directed exclusively at persons who are "qualified investors" within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**").

This announcement does not constitute an "offer of securities to the public" within the meaning of the Prospectus Regulation of the Securities in any member state of the EEA or the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"). Any offers of the Securities to persons in the EEA will be made pursuant to an exemption under the Prospectus Regulation, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Securities.

In the United Kingdom, this announcement is for distribution only to, and directed only at, persons who are "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments (being investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**")), (ii) are persons falling within article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Promotion Order, (iii) are otherwise persons to whom it may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, this announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the EEA, by persons who are not "qualified investors". Any investment or investment activity to which this announcement relates is available only to and will only be engaged with (i) in the United Kingdom, relevant persons, and (ii) in any member state of the EEA, "qualified investors" and other persons who are permitted to subscribe for the Securities pursuant to an exemption from the Prospectus Regulation and other applicable legislation, and will only be engaged in with such persons.

In Switzerland, the Securities will be offered solely to professional clients within the meaning of article 4 para 3 of FinSA. The Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of FinSA. Each purchaser of the Securities in Switzerland



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will be deemed to have represented and agreed that it qualifies as a "professional client" within the meaning of FinSA.

The Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the PRC, including the PRC Securities Law.

No action has been taken that would permit an offering or an acquisition of the Securities or a distribution of this announcement in any jurisdiction where such action would be unlawful. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

This announcement does not constitute a recommendation concerning the placement. Investors should consult a professional advisor as to the suitability of the placement for the person concerned. 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 to the date hereof, whether as a result of new information, future events or otherwise. The Company accepts no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.