As audited and confirmed by Pan-

Cumulative amount of repurchase and cancellation in the most recent three fiscal years (RMB)	0
Average net profit of the most recent three fiscal years (RMB)	4,538,698,430.55
Cumulative amount of cash dividend and repurchase and cancellation in the most recent three fiscal years (RMB)	3,463,146,934.50
Whether the cumulative amount of cash dividend and repurchase and cancellation in the most recent three fiscal years is less than RMB 50,000,000	No
Cash dividend ratio (%)	76.30
Is cash dividend ratio (E) less than 30%	No
Whether falling under the circumstances that may trigger other risk warning as stipulated in Item (8) of the first paragraph of Article 9.8.1 of the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*.	No

The net profit of the Company in the latest fiscal year is positive, both the ending undistributed profits recorded in the consolidated financial statements and the parent company's financial statements are positive, and the total cumulative cash dividend distribution in the latest three fiscal years exceeds 30% of the average net profit of the latest three fiscal years. Therefore, the Company does not fall under the circumstances that may trigger other risk warnings as specified in Item (8) of the first paragraph of Article 9.8.1 of the

II. Explanation on why the cash dividend ratio in current year is lower than 30%

During the reporting period, the Company achieved a net profit attributable to shareholders of the listed company of RMB 6,110,378,757.84. The total amount of cash dividend to be distributed by the Company was RMB 948,363,748.50, accounting for less than 30% of the net profit attributable to shareholders of the listed company. The specific reasons are explained as follows:

(I) Characteristics of the Company’s industry, development stage, business model, profit level, solvency and capital demand

Driven by the worldwide shift toward green development and the trend of industrial intelligence, the lithium battery cathode material industry has entered a new phase marked by high-quality growth and structural expansion. Market demand is steadily rising for cathode materials that offer greater energy density and superior overall performance. As a leading

enterprise in the lithium-ion battery material industry, the vertically integrated industrial chain layout of lithium-ion battery materials created by the Company covers many domestic and overseas regions, spans the upstream development of mineral resources such as nickel, cobalt and lithium, the midstream smelting of metal materials such as nickel, cobalt, lithium and copper, as well as downstream key links and a number of products such as ternary precursors and cathode materials. At present, the Company is in a period of rapid growth, the investment in upstream resource development is large, and the multi-category businesses of the integrated industrial chain have high demand for working capital turnover, resulting in significant demand for capital scale.

(II) Estimated use of the Company’s retained undistributed profit and the income therefrom

This profit distribution plan of the Company is formulated according to the actual operating conditions of the period and the business plan for 2026. The Company’s retained undistributed profit will be mainly used for its development of mineral resources nickel, cobalt and lithium, project construction, research and development of new products and new processes, industrial chain extension, etc. At the same time, the Company’s accumulation of an appropriate amount of undistributed profit can reduce its foreign loans, thereby reducing its asset-liability ratio and controlling financial costs, and achieving its high quality and sustainable development and maximization of the interests of shareholders. The expected income level depends on many factors such as macroeconomic situation and market competition.

(III) Whether the Company has provided convenience for minority shareholders to participate in cash dividend decision-making in accordance with the relevant regulations of China Securities Regulatory Commission

This profit distribution plan should be submitted to the Company’s shareholders' meeting for deliberation and approval. The Company will provide convenience for minority shareholders to participate" imrs dividend decision-making imrsccordance with the relevant provisions of the - issued by China Securities Regulatory Commission. The Company will adopt both online voting and on-site voting at a shareholders' meeting, and the voting results of minority shareholders will be counted separately and announced. At the same time, minority shareholders can express their opinions and demands on the cash dividend policy

through various ways such as the investor hotline, the Company's external mailbox, and the SSE E interactive platform.

(IV) Measures to be taken by the Company to enhance investor return

Throughout the 15th Five-Year Plan period, guided by the mission to "create value for customers and lead industrial advancement", the Company will continuously deepen an business pattern of overseas resources, international manufacturing and global markets,