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Convertible Bond Code: **113641** Convertible Bond Name: Huayou Convertible Bond

Zhejiang Huayou Cobalt Co., Ltd.

Announcement on Results of the First Grant of Restricted Shares to Participants

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.

Important Notice:

- Registration date of the first grant of restricted shares: March 7, 2025
- Number of registered restricted shares granted for the first time: 9,349,300

On January 23, 2025, Zhejiang Huayou Cobalt Co., Ltd. (the “Company” or “Huayou Cobalt”) held the 26th meeting of the sixth Board of Directors, at which the *Resolution on the First Grant of Restricted Shares to Participants* was approved. In accordance with relevant provisions of *2024 Restricted Share Incentive Plan (Draft)* of the Company (the “Incentive Plan”) and the authorization of the first extraordinary general meeting in 2025, the Board of Directors of the Company has now completed the registration of the first grant of restricted shares. The registration of the grant is as follows:

I. Results of the first grant of restricted shares

1. Grant date: January 23, 2025
2. Number of shares to be granted: 9,349,300
3. Number of participants: 1,161
4. Grant price: RMB 15.06 per share
5. Source of shares: A-share ordinary shares of the Company issued to the participants

6. List of participants and grant:

The restricted shares will be granted to a total of 1,161 participants, including:

directors, senior management, core management, core backbone and other personnel whom the Board of Directors deems to be in need of incentive of the Company (including its holding subsidiaries and branches, the same below). The distribution of restricted shares among the participants is shown in the table below:

S/N	Name	Title	Number of restricted shares granted (Ten Thousand Shares)	Percentage to the total number of restricted shares granted for the first time	Percentage to the total share capital after the conversion of convertible bonds to equity as at January 22, 2025
1	Chen Hongliang	Director & President	15	1.60%	0.009%
2	Fang Qixue	Vice Chairman, Director & Vice President	10	1.07%	0.006%
3	Wang Jun	Director, Vice President & CFO	10	1.07%	0.006%
4	Chen Yaozhong	Vice President	10	1.07%	0.006%
5	Qian Xiaoping	Vice President	5.3	0.57%	0.003%
6	Wu Mengtao	Vice President	5.3	0.57%	0.003%
7	Zhang Bing	Vice President	5.3	0.57%	0.003%
8	Li Rui	Board Secretary	2.2	0.24%	0.001%
Number of core management, core backbone and other personnel whom the Board of Directors deems to be in need of incentive (1,153)			871.83	93.25%	0.514%
Total number of participants involved in the first grant (1,161)			934.93	100.00%	0.551%

Note: ① None of the above participants have been granted shares of the Company through all valid share incentive plans in excess of 1% of the total share capital of the Company on the date of the announcement of the Incentive Plan and its Summary. The total number of underlying shares involved in all valid incentive plans of the Company does not exceed 10% of the total share capital of the Company when the share incentive plan is submitted to the general meeting.

② The participants do not include independent directors, supervisors, shareholders who hold more than 5% of the Company's shares alone or in total, actual controllers and their spouses, parents and children.

③ If in the above table, the total number differs from the sum of numbers in the sub-items in the last digit, it is due to rounding.

II. Validity period of the Incentive Plan, lock-up period and arrangements for unlocking

1. Validity period of the Incentive Plan

The validity period of the Incentive Plan shall not exceed 48 months from the date of completion of registration of the grant of restricted shares to the date of unlocking or repurchase and cancellation of all restricted shares granted to the participants.

2. Lock-up period and arrangements for unlocking

The lock-up period of the restricted shares granted under the Incentive Plan is 12 months, 24 months and 36 months, respectively, from the date of completion of registration of the grant of the corresponding portion. Restricted shares granted to the participants under the Incentive Plan may not be transferred, used to secure or repay debt until they are unlocked. After the expiration of the lock-up period, the Company shall handle the matters related to unlocking for the participants that meet the conditions of unlocking, and the restricted shares held by the participants that do not meet the conditions of unlocking shall be repurchased and cancelled by the Company. The unlocking period of the restricted shares granted for the first time under the Incentive Plan and the time arrangement for unlocking during each period are shown in the table below:

Arrangements for unlocking	Time of unlocking	Percentage of shares to be unlocked
First unlocking period for the restricted shares granted for the first time	From the first trade date 12 months after the date of completion of registration of the first grant of restricted shares to the last trade date within 24 months from the date of completion of registration of the first grant of restricted shares	40%
Second unlocking period for the restricted shares granted for the first time	From the first trade date 24 months after the date of completion of registration of the first grant of restricted shares to the last trade date within 36 months from the date of completion of registration of the first grant of restricted shares	30%
Third unlocking period for the restricted shares granted for the first time	From the first trade date 36 months after the date of completion of registration of the first grant of restricted shares to the last trade date within 48 months from the date of completion of registration of the first grant of restricted shares	30%

3. Conditions of unlocking of restricted shares

(1) Assessment of the Company's performance

Unlocking under the Incentive Plan will be assessed once in each of the three fiscal years 2025 to 2027. The performance conditions of unlocking of restricted shares granted for the first time are shown in the table below:

Unlocking period	Performance assessment target
First unlocking period for the restricted shares granted for the first time	Based on the operating income in 2023, the operating income in 2025 increases by not less than 5%; or based on the net profit in 2023, the net profit in 2025 increases by not less than 20%
Second unlocking period for the restricted shares granted for the first time	Based on the operating income in 2023, the operating income in 2026 increases by not less than 10%; or based on the net profit in 2023, the net profit in 2026 increases by not less than 30%
Third unlocking period for the restricted shares granted for the first time	Based on the operating income in 2023, the operating income in 2027 increases by not less than 15%; or based on the net profit in 2023, the net profit in 2027 increases by not less than 40%

Note: ① As at the date of the announcement of the Incentive Plan, if during the validity period of the Incentive Plan, any subsidiary is newly added, is transferred or withdraws, or is subject to change of control in the future, the impact on the Company's performance assessment and expenses caused by the amount incurred in the subsidiary's such act shall be excluded, and the base value in the base year 2023 shall be simultaneously excluded and adjusted, the same below.

② "Net profit" above shall be the net profit attributable to the shareholders of the listed company before deduction of non-recurring gains and losses as audited by the accounting firm, and shall be calculated based on the value before the amortization of the incentive cost incurred by the implementation of the Incentive Plan and other equity incentive plans, the same below.

(2) Assessment of individual performance

The Remuneration and Appraisal Committee will, in accordance with the Company's *Administrative Measures for the Assessment of Implementation of the 2024 Restricted Share Incentive Plan*, grade the comprehensive assessment of the participants in each assessment year, and determine the percentage of shares to be unlocked according to the individual performance assessment results of the participants. According to the assessment method formulated by the Company, in principle, the performance assessment result (S) includes pass and fail. If the assessment result during the unlocking period passes, all shares in the period can be unlocked; if it is fail, the shares to be unlocked in the period will be canceled, as detailed below:

Assessment result (S)	Pass	Fail
Factor of unlocking (N)	1	0

If the Company passes the performance assessment of each year, the actual number of shares granted to a participant that can be unlocked in the year = the number of shares planned to be unlocked by the participant in the year × the factor of unlocking (N).

On the premise that the Company's performance target is achieved, the restricted shares granted to a participant shall be unlocked according to the actual number of shares that can be unlocked by the participant in the year corresponding to the performance

assessment result. The restricted shares that can't be unlocked or can't be fully unlocked due to the participant's failure to pass the performance assessment shall be repurchased and cancelled by the Company at the grant price.

III. Verification of capital for subscription of restricted shares granted for the first time

According to the *Capital Verification Report* (Tian Jian Yan [2025] No. 37) issued by Pan-China Certified Public Accounts LLP, as of February 18, 2025, 1,161 participants have subscribed for 9,349,300 restricted shares, increasing the registered capital of RMB 9,349,300.00. The total amount of the actual subscription is RMB 140,800,458.00, of which RMB 9,349,300.00 is included in the paid-in capital and RMB 131,451,158.00 is included in the capital reserve (share premium). As the issued shares are shares issued by the Company to the participants, the total share capital of the Company is increased by 9,349,300 shares.

IV. Description of the differences between the Incentive Plan and the disclosed equity incentive plans

1. In view of the fact that some participants involved in the first grant as determined in the Company's Incentive Plan gave up some or all of the restricted shares to be granted due to personal reasons, the Company adjusted the list of participants and the number of restricted shares to be granted for the first time under the Incentive Plan. After the adjustment, the number of participants involved in the first grant was adjusted from 2,052 to 1,298, and the number of restricted shares granted for the first time was adjusted from 15,351,500 to 10,419,300.

2. In the process of payment after the grant date, due to the failure of some employees to subscribe for some or all of the restricted shares within the prescribed time, the number of participants actually involved in the first grant under the Incentive Plan was adjusted from 1,298 to 1,161, and the number of restricted shares actually granted for the first time was adjusted from 10,419,300 to 9,349,300.

Except the above adjustments, the other contents of the Incentive Plan are consistent with the incentive plan approved by the Company's first extraordinary general meeting in 2025.

V. Registration of first grant of restricted shares

The registration formalities for the first grant of restricted shares involved in the

Incentive Plan were completed on March 7, 2025. Shanghai Branch of China Securities Depository and Clearing Co., Ltd. issued the *Certificate of Registration of Securities Change*.

VI. Influence on the controlling shareholder and actual controller of the Company before and after the grant

Upon completion of registration of the grant of restricted shares, the total number of shares of the Company increased from 1,692,181,285 to 1,701,530,585, and the number of shares held by the controlling shareholder and the actual controller of the Company remained unchanged. The shareholding ratio of the controlling shareholder Huayou Holding Group Limited decreased from 17.80% to 17.70%, and the shareholding ratio of the actual controller Mr. Chen Xuehua decreased from 4.88% to 4.85%. The grant will not cause any change in the controlling shareholder and actual controller of the Company.

VII. Changes in share structure

Changes in share structure of the Company upon completion of registration of the grant of restricted shares are shown in the table below:

Unit: Share

Class	Number before change	Change	Number after change
Restricted shares	5,844,060	9,349,300	15,193,360
Unrestricted shares	1,686,337,225	0	1,686,337,225
Total	1,692,181,285	9,349,300	1,701,530,585

Note: As the convertible corporate bonds publicly issued by the Company are currently in the conversion period, the actual share change is subject to the share structure table issued by Shanghai Branch of China Securities Depository and Clearing Co., Ltd.

VIII. Plan for the use of the raised funds

The funds raised by the Company for the issuance of A-share ordinary shares to the participants will all be used to supplement the Company's working capital.

IX. Impact of the new shares after the grant on the latest financial report

In accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 11 – Share-based Payments*, the Company determines the fair value of the restricted shares at the grant date using the relevant valuation tools and finally recognizes the share-based payment expense under the Incentive Plan, which will be amortized in proportion to the number of unlocked restricted shares over the course of the

implementation of the Incentive Plan. Incentive cost arising from the Incentive plan will be charged to recurring gains and losses.

In accordance with the requirements of Chinese accounting standards, the Board of Directors has determined that the first grant date under the Incentive Plan is January 23, 2025, and the incentive cost is recognized based on the fair value of the restricted shares on the first grant date. After calculation, the total impact of the restricted shares with registration of the first grant under the Incentive Plan completed on the accounting cost of each period is shown in the table below:

Number of restricted shares granted for the first time (Ten Thousand Shares)	Total expense to be amortized (RMB Ten Thousand)	2025 (RMB Ten Thousand)	2026 (RMB Ten Thousand)	2027 (RMB Ten Thousand)	2028 (RMB Ten Thousand)
934.93	12,920.73	7,879.22	3,549.73	1,411.90	79.89

Note: The above results do not represent final accounting costs. The actual accounting cost is related not only to the actual grant date, grant price and number of shares granted, but also to the actual number of shares effective and ineffective. The final impact of the above amortization of expense on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

X. Description of the trading in the Company's shares by the participating directors and senior management six months before the grant date

After self-examination by the Company, the directors and senior management of the Company participating in the Incentive Plan did not have insider information trading in the Company's shares six months before the first grant date.

XI. Impact of the implementation of the Incentive Plan on the Company

The Company's implementation of the Incentive Plan is conducive to building a long-term and continuous incentive and restraint mechanism and culture, continuously attracting and retaining outstanding backbone talents, fully mobilizing the enthusiasm of the Company's directors, senior management, core management and core backbone, consolidating the cornerstone of human capital for the Company's long-term and stable development, effectively combining the interests of shareholders, the interests of the Company and the personal interests of the core backbone team, and further building a community of cause and destiny sharing weal and woe.

XII. Reference documents

1. *Certificate of Registration of Securities Change* issued by Shanghai Branch of China Securities Depository and Clearing Co., Ltd.;

2. *Capital Verification Report of Zhejiang Huayou Cobalt Co., Ltd.* issued by Pan-China Certified Public Accounts LLP.

It is hereby announced the above.

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

March 11, 2025