

Stock Code: **603799** Stock Name: Huayou Cobalt Announcement No.: **2025-028**  
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%
<b>Total number of participants involved in the first grant (1,161)</b>			<b>934.93</b>	<b>100.00%</b>	<b>0.551%</b>

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

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



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 act shall be excluded, and the base value in the base year 2023 shall be simultaneously excluded and adjusted, the same below.

② t 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 *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 C 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  
ave 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 Compan 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 C

**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

*Announcement on Results of*

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