

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%
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

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

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

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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

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 a

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