

Stock Code: **603799** Stock Name: Huayou Cobalt Announcement No.: **2023-135**  
Convertible Bond Code: **113641** Convertible Bond Name: Huayou Convertible Bond

## **Zhejiang Huayou Cobalt Co., Ltd.**

### **Announcement on Repurchase and Cancellation of Incentive Restricted Shares**

The Board of Directors and all directors of the Company warrant that there is no false representation, misleading statement or material omission, and will assume joint and several liabilities with respect to the truthfulness, accuracy and completeness thereof.

#### **Important Notice:**

Reasons for repurchase and cancellation: Upon approval at the 3rd meeting of the sixth session of the Board of Directors of Zhejiang Huayou Cobalt Co., Ltd. (the or Huayou Cobalt ), 2 participants involved in the first grant under the 2021 Restricted Share Incentive Plan ( 2021 Incentive Plan or 2021 Share Incentive Plan ) were disqualified as participants due to serving as supervisors, 8 participants failed to pass the personal performance assessment, 1 participant left the Company due to non-renewal of his/her contract upon its expiration, 1 participant left the Company due to layoff , and 17 participants resigned for personal affairs; 2 participants involved in the reserved first grant under the 2021 Incentive Plan were dismissed due to incompetence, 9 participants resigned for personal affairs, and 1 participant left the Company due to the expiration of the agreement on reemployment after retirement; 5 participants involved in the reserved second grant under the 2021 Incentive Plan terminated the employment relationship with the Company due to position transfer beyond their control; 2 participants involved in the first grant under the 2022 Restricted Share Incentive Plan ( 2022 Incentive Plan or 2022 Share Incentive Plan ) were disqualified as participants due to serving as supervisors, 10 participants failed to pass the personal performance assessment, 4 participants were dismissed due to incompetence, 1 participant left the



repurchased (share)	cancelled (share)	
759,849	759,849	September 14, 2023

## I. Approval and Authorization for Repurchase and Cancellation of the Restricted Shares

### (I) Decision-making procedures and information disclosure implemented under the share incentive plans

#### 1. 2021 Incentive Plan

(1) On April 29, 2021, the Company held the 14th meeting of the fifth session of the Board of Directors, at which the *Resolution on the Repurchase and Cancellation of 1 Restricted Share Incentive Plan (Draft)*, the *Assessment and Administration of the Implementation of 2021 Restricted Share Incentive Plan*, and the *Resolution on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the Share Incentive Plan* were considered and approved, and the independent directors expressed independent opinions on relevant matters of the share incentive plan.

(2) On April 29, 2021, the Company held the 12th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Repurchase and Cancellation of 1 Restricted Share Incentive Plan*, the *Assessment and Administration of the Implementation of 2021 Restricted Share Incentive Plan*, and the *Resolution on Verifying the List of Participants Involved in the First Grant under the 2021 Restricted Share Incentive Plan of the Company* were considered and approved.

(3) From April 30, 2021 to May 9, 2021, the Company announced the names and positions of the participants on the Company's website. During the public notice period, the Board of Supervisors and relevant departments did not receive any objection related to the eligible participants of the incentive plan. On May 11, 2021, the Company disclosed the *Statement and Verification Opinions of the Board of Supervisors of Huayou Cobalt on the List of Participants of the 2021 Restricted Share Incentive Plan of the Company*. After verification, the Board of Supervisors believed that the participants

included in the incentive plan satisfy the requirements stipulated by relevant laws, regulations and normative documents, and are lawful and valid as the participants of the restricted share incentive plan.

(4) On May 17, 2021, the Company held the first extraordinary general meeting in 2021, at which the *I*  
*the Company and Summary, the*  
*Administration of the Implementation of 2021*  
*Company, and the Resolution on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the Share Incentive* were considered and approved, and the *Self-inspection Report of Huayou Cobalt on the Trading of the Shares by Insiders of the 2021 Restricted Share Incentive Plan of the Company* was disclosed.

(5) On June 17, 2021, the Company held the 17th meeting of the fifth session of the Board of Directors and the 15th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the First Grant of Restricted Shares to Participants* and the *Resolution on the Adjustment of Matters Related to the First Grant under the 2021 Restricted Share Incentive Plan* were considered and approved. The Board of Directors of the Company believed that the conditions for granting restricted shares under the incentive plan have been fulfilled and agreed to determine June 17, 2021 as the first grant date to grant 6,984,000 restricted shares to 736 participants at a grant price of RMB37.89 per share. The Board of Supervisors of the Company verified the adjusted list of participants again and expressed an explicit consent. The independent directors of the Company expressed an independent opinion of consent.

(6) On September 28, 2021, the Company held the 21st meeting of the fifth session of the Board of Directors and the 19th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Grant of Reserved Restricted Shares to Participants* was considered and approved. The Board of Directors of the Company believed that the conditions for granting restricted shares under the incentive plan have been fulfilled and agreed to determine September 28, 2021 as the reserved grant date to grant 1,643,300 restricted shares to 288 participants at a grant price of RMB53.84 per share. The independent directors of the Company expressed an independent opinion of

consent, and the Board of Supervisors issued the verification opinions.

(7) On December 29, 2021, the Company held the 26th meeting of the fifth session of the Board of Directors and the 23rd meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Reserved Second Grant under the 2021 Restricted Share Incentive Plan of the Company* was considered and approved. The Board of Directors of the Company believed that the conditions for granting restricted shares under the incentive plan have been fulfilled and agreed to determine December 29, 2021 as the reserved second grant date to grant 191,700 restricted shares to 42 participants at a grant price of RMB58.07 per share. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

(8) On January 19, 2022, the Company held the 27th meeting of the fifth session of the Board of Directors and the 24th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Repurchase and Cancellation of Some Restricted Shares under the 2021 Restricted Share Incentive Plan* was considered and approved. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

(9) On June 27, 2022, the Company held the 40th meeting of the fifth session of the Board of Directors and the 35th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Adjustment of the Repurchase Price and Number under the 2021 Restricted Share Incentive Plan*, the *Resolution on the Repurchase and Cancellation of Some Restricted Shares under the 2021 Restricted Share Incentive Plan* and the *Resolution on the Fulfillment of the Conditions for Lifting the Restriction on Sales for the First Period of Lifting the Restriction Involved in the First Grant under the 2021 Restricted Share Incentive Plan* were considered and approved. The independent directors of the Company expressed an independent opinion consent, and the Board of Supervisors issued the verification opinions.

(10) On October 28, 2022, the Company held the 43rd meeting of the fifth session of the Board of Directors and the 37th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Repurchase and Cancellation of Some Restricted Shares* and the *Resolution on the Fulfillment of the Conditions for Lifting the*

*Restriction on Sales for the First Period of Lifting the Restriction Involved in the Reserved First Grant under the 2021 Restricted Share Incentive Plan* were considered and approved. The independent directors of the Company expressed an independent opinion consent, and the Board of Supervisors issued the verification opinions.

(11) On January 9, 2023, the Company held the 49th meeting of the fifth session of the Board of Directors and the 41st meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Repurchase and Cancellation of Some Restricted Shares* and the *Resolution on the Fulfillment of the Conditions for Lifting the Restriction on Sales for the First Period of Lifting the Restriction Involved in the Reserved Second Grant under the 2021 Restricted Share Incentive Plan* were considered and approved. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

(12) On June 19, 2023, the Company held the 3rd meeting of the sixth session of the Board of Directors and the 2nd meeting of the sixth session of the Board of Supervisors, at which the *Resolution on the Adjustment of the Repurchase Price of Restricted Shares*, the *Resolution on the Repurchase and Cancellation of Some Restricted Shares* and the *Resolution on the Fulfillment of the Conditions for Lifting the Restriction on Sales for the Second Period of Lifting the Restriction Involved in the First Grant under the 2021 Restricted Share Incentive Plan* were considered and approved. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

## 2. 2022 Incentive Plan

(1) On April 26, 2022, the Company held the 33rd meeting of the fifth session of the Board of Directors, at which the *2 Restricted Share Incentive Plan e Company and Summary*, the *Resolu Assessment and Administration of the Implementation of 2022 Restricted Share Incentive*, and the *Resolution on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Restricted Share Incentive Plan* were considered and approved, and the independent directors expressed independent opinions on relevant matters of the share incentive plan.

(2) On April 26, 2022, the Company held the 30th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Assessment and Administration of the Implementation of 2022 Restricted Share Incentive Plan*, the *Assessment and Administration of the Implementation of 2022 Restricted Share Incentive Plan*, and the *Resolution on Verifying the List of Participants Involved in the First Grant under the 2022 Restricted Share Incentive Plan* of the Company were considered and approved.

(3) From April 27, 2022 to May 6, 2022, the Company announced the names and positions of the participants on the Company's website. During the public notice period, the Board of Supervisors and relevant departments did not receive any objection related to the eligible participants of the incentive plan. On May 7, 2022, the Company disclosed the *Statement and Verification Opinions of the Board of Supervisors of Zhejiang Huayou Cobalt Co., Ltd. on the List of Participants of the 2022 Restricted Share Incentive Plan of the Company*. After verification, the Board of Supervisors believed that the participants included in the incentive plan satisfy the requirements stipulated by relevant laws, regulations and normative documents, and are lawful and valid as the participants of the restricted share incentive plan.

(4) On May 12, 2022, the Company held the second extraordinary general meeting in 2022, at which the *Resolution on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Restricted Share Incentive Plan* of the Company and *Summary of the Implementation of 2022 Restricted Share Incentive Plan*, the *Statement and Verification Opinions of the Board of Supervisors of Zhejiang Huayou Cobalt Co., Ltd. on the List of Participants of the 2022 Restricted Share Incentive Plan of the Company*, and the *Resolution on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Restricted Share Incentive Plan* were considered and approved. On May 13, 2022, the *Self-inspection Report of Huayou Cobalt Restricted Shares by Insiders of the 2022 Restricted Share Incentive Plan of the Company* was disclosed.

(5) On June 23, 2022, the Company held the 39th meeting of the fifth session of the Board of Directors and the 34th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the First Grant of Restricted Shares to Participants* and the *Resolution on the Adjustment of Matters Related to the First Grant under the 2022 Restricted Share Incentive Plan* were considered and approved. The Board of Directors of

the Company believed that the conditions for first grant of restricted shares under the incentive plan have been fulfilled and agreed to determine June 23, 2022 as the first grant date to grant 10,749,500 restricted shares to 1,200 participants at a grant price of RMB32.35 per share. The Board of Supervisors of the Company verified the adjusted list of participants again and expressed an explicit consent. The independent directors of the Company expressed an independent opinion of consent.

(6) On October 28, 2022, the Company held the 43rd meeting of the fifth session of the Board of Directors and the 37th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Repurchase and Cancellation of Some Restricted Shares* was considered and approved. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

(7) On November 18, 2022, the Company held the 45th meeting of the fifth session of the Board of Directors and the 38th meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Adjustment of Matters Related to the Reserved Grant under the 2022 Restricted Share Incentive Plan* and the *Resolution on the Reserved Grant of Restricted Shares to Participants* were considered and approved. The Board of Directors of the Company believed that the conditions for reserved grant of restricted shares under the incentive plan have been fulfilled and agreed to determine November 18, 2022 as the reserved grant date of the restricted shares to reserve and grant a total of 2,645,800 restricted shares to 574 participants. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

(8) On January 9, 2023, the Company held the 49th meeting of the fifth session of the Board of Directors and the 41st meeting of the fifth session of the Board of Supervisors, at which the *Resolution on the Repurchase and Cancellation of Some Restricted Shares* was considered and approved. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

(9) On June 19, 2023, the Company held the 3rd meeting of the sixth session of the Board of Directors and the 2nd meeting of the sixth session of the Board of Supervisors,

at which the *Resolution on the Adjustment of the Repurchase Price of Restricted Shares*, the *Resolution on the Repurchase and Cancellation of Some Restricted Shares* and the *Resolution on the Fulfillment of the Conditions for Lifting the Restriction on Sales for the First Period of Lifting the Restriction Involved in the First Grant under the 2022 Restricted Share Incentive Plan* were considered and approved. The independent directors of the Company expressed an independent opinion of consent, and the Board of Supervisors issued the verification opinions.

## **II. Repurchase and Cancellation of the Restricted Shares**

### **(I) Reasons and basis for repurchase and cancellation of the restricted shares**

In accordance with the *Measures for the Administration of Equity Incentives of Listed Companies* (the Measures ) and other relevant laws and regulations, the 2021 Incentive Plan (Draft) and the 2022 Incentive Plan (Draft) (the Plans ), in view of the fact that the restricted shares of some participants shall be repurchased in whole or in part under the Incentive Plans of the Company for some reasons, the Company has the right to repurchase and cancel a total of 759,849

Incentive Plan, 54 participants are involved in the first grant under 2022 Incentive Plan, and 29 participants are involved in the reserved grant under 2022 Incentive Plan, and a total of 759,849

participants and the interests of creditors are impaired.

The Company undertakes that it has verified and warranted the truthfulness, accuracy and completeness of the object, number of shares and cancellation date of the restricted shares to be repurchased and cancelled, and has fully informed the relevant participants of the repurchase and cancellation, and the relevant participants have not expressed objections to the repurchase and cancellation. If there is any dispute with relevant participants arising from the repurchase and cancellation, the Company will assume the relevant legal liabilities arising therefrom.

## **V. Concluding Legal Opinions**

Lawyers of Grandall Law Firm (Hangzhou) believed that Huayou Cobalt has obtained the necessary approval and authorization at the present stage for the repurchase, the reasons for repurchase, the number, price thereof and source of funds of the Company are in accordance