

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**

### **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

Company due to non-renewal of his/her contract upon its expiration, 1 participant left the Company due to layoff , 4 participants terminated the employment relationship with the Company due to position transfer beyond their control, 30 participants resigned for personal affairs, and 2 participants left the Company due to retirement; 3 participants involved in the reserved grant under the 2022 Incentive Plan were dismissed due to incompetence, 2 participants terminated the employment relationship with the Company due to position transfer beyond their control, and 24 participants resigned for personal affairs.

In view of the fact that 84 participants involved in the repurchase and cancellation (13 participants held the restricted shares granted for the first time under 2021 Restricted Share Incentive Plan and 2022 Restricted Share Incentive Plan of the Company, 7 participants held the restricted shares reserved and granted for the first time under 2021 Restricted Share Incentive Plan and granted for the first time under 2022 Restricted Share Incentive Plan of the Company, 2 participants held the restricted shares reserved and granted for the second time under 2021 Restricted Share Incentive Plan and granted for the first time under 2022 Restricted Share Incentive Plan of the Company, and 1 participant held the restricted shares reserved and granted for the first time under 2021 Restricted Share Incentive Plan and reserved and granted under 2022 Restricted Share Incentive Plan of the Company) have left the Company, 2 participants were disqualified as participants due to serving as supervisors, and 11 participants failed to pass the personal performance assessment (7 participants held the restricted shares granted for the first time under 2021 Restricted Share Incentive Plan and 2022 Restricted Share Incentive Plan of the Company), it is approved that the Company shall, in accordance with relevant provisions of the *Measures for the Administration of Equity Incentives of Listed Companies*, the *2021 Restricted Share Incentive Plan (Draft)*

*2022 Restricted Share Incentive Plan (Draft)*

of the Company, repurchase and cancel 759,849 restricted shares held by the relevant personnel which have been granted but of which the restriction on sales has not been lifted.

The relevant information about the cancellation of shares is as follows:

<b>Number of shares to be</b>	<b>Number of shares to be</b>	<b>Date of cancellation</b>
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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)*, *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* 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*, *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

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 *Resolution on the Repurchase and Cancellation of Some Restricted Shares*, 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, 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 2022 Restricted Share Incentive Plan* (including the *Assessment and Administration of the Implementation of 2022 Restricted Share Incentive Plan*), 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 the 2022 Restricted Share Incentive Plan* (including the *Assessment and Administration of the Implementation of 2022 Restricted Share Incentive Plan*), 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 on the 2022 Restricted Share Incentive Plan* 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 restricted shares held by them which have been granted but of which the restriction on sales has not been lifted.

### **(II) Relevant personnel and number involved in the repurchase and cancellation**

A total of 97 participants are involved in the repurchase and cancellation of the restricted shares (22 participants hold the restricted shares granted for the first time under 2021 Restricted Share Incentive Plan and 2022 Restricted Share Incentive Plan of the Company, 7 participants hold the restricted shares reserved and granted for the first time under 2021 Restricted Share Incentive Plan and granted for the first time under 2022 Restricted Share Incentive Plan of the Company, 2 participants hold the restricted shares reserved and granted for the second time under 2021 Restricted Share Incentive Plan and granted for the first time under 2022 Restricted Share Incentive Plan of the Company, and 1 participant holds the restricted shares reserved and granted for the first time under 2021 Restricted Share Incentive Plan and reserved and granted under 2022 Restricted Share Incentive Plan of the Company), where 29 participants are involved in the first grant under 2021 Incentive Plan, 12 participants are involved in the reserved first grant under 2021 Incentive Plan, 5 participants are involved in the reserved second grant under 2021

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 restricted shares are to be repurchased and cancelled. Upon completion of the repurchase and cancellation, the total number of remaining restricted shares under the share incentive plans of which the restriction on sales is not lifted shall be 12,372,623 (including 2021 Incentive Plan and 2022 Incentive Plan of the Company).

**(III) Arrangements for repurchase and cancellation**

The Company has opened a special securities account for repurchase in Shanghai Branch of China Securities Depository and Clearing Corporation Limited, and has applied to Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the repurchase and cancellation of 759,849 restricted shares. The restricted shares are expected to be cancelled on September 14, 2023.

**III. Changes in Share Structure of the Company after the Repurchase and Cancellation of Restricted Shares**

After the repurchase and cancellation of restricted shares, the changes in share capital structure of the Company are as follows:

<b>Class</b>	<b>Before change</b>	<b>Change</b>	<b>Unit: share After change</b>
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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