

Stock Code: 603799 Stock Name: Huayou Cobalt Announcement No.: 2024-060
Convertible Bond Code: 113641 Convertible Bond Name: Huayou Convertible Bond

Announcement of Zhejiang Huayou Cobalt Co., Ltd on the Equity Distribution for Year 2023

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:

- Distribution ratio per share
Cash dividend of RMB 1 per A-share

- Relevant dates

Category of shares	Record date	Last trading day	XR (XD) date	Cash dividend payment date
A-shares	2024/6/14	—	2024/6/17	2024/6/17

- Is it a differentiated dividend plan: Yes

I. Session and date of the shareholders' meeting at which the distribution plan was approved

The profit distribution plan was approved at the 2023 annual shareholders' meeting of Zhejiang Huayou Cobalt Co., Ltd. (the "Company") on May 10, 2024.

II. Distribution plan

1. Distribution year: 2023

2. Distribution targets:

Those eligible to be distributed the profit of the Company are all shareholders of the Company that are registered with China Securities Depository and Clearing Corporation Shanghai Branch ("**CSDC Shanghai**") as of the closing of the Shanghai Stock Exchange in the afternoon of the record date.

According to the *Self-regulatory Guidelines for Companies Listed on the Shanghai Stock Exchange No. 7 - Repurchase of Shares* and other relevant regulations, the shares in the Company's special account for securities repurchase will not be included in the current profit distribution.

3. Differentiated dividend plan:

(1) Differentiated dividend plan

At the 2023 annual shareholders' meeting, the Company approved the *Proposal on the Profit Distribution for the Year 2023*, agreeing to distribute a cash dividend of RMB 10.00 (including tax) per 10 shares to all shareholders based on the total share capital registered on the record date minus the shares in the Company's special account for securities repurchase, and no bonus shares will be granted, and the Company will not increase share capital with reserved funds. In case of any change in the total share capital of the Company before the record date, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly.

As of the date of this announcement, the number of shares in the Company's special account for securities repurchase is 21,852,160 shares. Due to the fact that Huayou Convertible Bond, the convertible corporate bond issued by the Company, is currently in the period of share conversion, the convertible bonds will be converted into 22 shares from the announcement of the Company's profit distribution plan for the year 2023 to the record date. On May 7, 2024, the Company completed the repurchase and cancellation of 12,873,923 restricted shares formed due to the termination of the 2021 and 2022 restricted stock incentive plans and the resignation of incentive recipients. As a result, the total share capital of the Company was changed from 1,710,086,798 shares to 1,697,212,897 shares.

In summary, as of now, the total share capital of the Company is 1,697,212,897 shares. After deducting the repurchased 21,852,160 A-shares that are in the special account for securities repurchase and are not included in profit distribution, the actual number of shares included in the distribution this time is 1,675,360,737 shares. The Company maintained the distribution ratio per share unchanged and adjusted the total distribution amount in the 2023 profit distribution plan accordingly, so the adjusted total distribution amount is RMB 1,675,360,737 (including tax).

(2) Basis for calculating the XR (XD) reference price for the differentiated dividend plan

According to relevant provisions of the *Trading Rules of the Shanghai Stock Exchange* and the *Self-regulatory Guidelines for Companies Listed on the Shanghai Stock Exchange No. 2 - Business Processing: No. 5 - Equity Distribution*, etc., the Company calculates the XR (XD) opening reference price according to the following formula:

XR (XD) opening reference price = (closing price on the previous trading day - cash dividends) ÷ (1 + proportion of changes in outstanding shares)

Since it is a differentiated dividend plan, the "cash dividend" in the above formula refers to the cash dividend per share calculated based on the actual distribution adjusted by diluting the total share capital. Besides, the Company will only distribute cash dividends this time, and will not issue stock dividend or convert capital reserve into share capital. Therefore, the "proportion of changes in outstanding shares" in the above calculation formula is "0".

Cash dividend per share = (total amount of share capital included in distribution × actual cash dividend per share distributed) ÷ total share capital = (1,675,360,737 × 1) ÷ 1,697,212,897 ≈ RMB 0.9871/share

In summary, the XR (XD) opening reference price = (closing price on the previous trading day - 0.9871) ÷ (1+0) = RMB (closing price on the previous trading day - 0.9871)/share

3. Relevant dates

Category of shares	Record date	Last trading day	XR (XD) date	Cash dividend payment date
A-shares	2024/6/14	—	2024/6/17	2024/6/17

4. Measures for implementing the distribution plan

1. Implementation measures

(1) The shares in the Company's special account for securities repurchase will not be included in current profit distribution;

(2) Except for the dividends on the unrestricted outstanding shares paid by the Company itself, the dividends on the remaining unrestricted outstanding shares and restricted outstanding shares are paid by CSDC Shanghai, for and on behalf of the Company, through its clearing system to shareholders who have registered with the Shanghai Stock Exchange after closing on the record date and have completed the designated transaction with each member of the Shanghai Stock Exchange. Investors who have completed the designated transaction may receive cash dividends at their designated securities branches on the dividend payment date. For those who have not completed the designated transaction, their dividends will be temporarily kept by CSDC Shanghai and

be distributed after the designated transaction is completed.

2. Self-distribution targets

The cash dividends to be distributed to shareholders such as Huayou Holdings Group Co., Ltd., Chen Xuehua, Hangzhou Youyou Enterprise Management Partnership (LP) and the Company's special account for securities repurchase shall be distributed by the Company itself.

3. Tax deduction

(1) For any individual shareholder or securities investment fund who holds restricted shares that are not formed due to share reform or issued before IPO, or unrestricted outstanding shares of the Company, the applicable tax policies as per relevant provisions of the *Notice on Relevant Issues Concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies* (Cai Shui [2012] No. 85) and the *Notice on Relevant Issues Concerning Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies* (Cai Shui [2015] No. 101) are as follows. Where an individual (including a securities investment fund) acquires shares of the Company from public offering of the Company or from the stock market, and if the shareholding period is more than one year, the dividend income shall be temporarily exempt from individual income tax. If the shareholding period is equal to or less than one year, cash dividend will be distributed at the rate of RMB 1 per share, but no individual income tax is required to be withheld at the time of distribution. When the individual or the securities investment fund transfers shares after the record date, CSRC Shanghai will calculate the actual tax payable by it based on its shareholding period. At that time, the securities company or other stock custody institution concerned will deduct and transfer the amount of the tax payable from the funds account of the individual or the securities investment fund to CSRC Shanghai. Then, CSRC Shanghai will transfer the amount to the Company within 5 working days of the following month. The Company will declare and pay the tax to the competent tax authority within the statutory declaration period in the month in which the amount is received.

The specific actual tax burden is as follows. If the shareholding period is equal to or less than one month, the actual tax burden is 20%; if the shareholding period is more than 1 month but no more than 1 year, the actual tax burden is 10%; if the shareholding period is more than one year, the dividend income shall be temporarily exempt from individual income tax.

(2) For any qualified foreign institutional investor ("QFII") who holds A-shares of the Company, in accordance with the *Notice on Relevant Issues of Chinese Resident Enterprises Withholding and Payment of Corporate Income Tax When Paying Dividends, Bonuses and Interest to QFIIs* issued by the State Administration of Taxation on January 23, 2009 (Guo Shui Han [2009] No. 47), the Company will uniformly withhold and pay corporate income tax at a rate of 10% and distribute to it cash dividends of RMB 0.9 per share after tax. If any QFII shareholder believes that the dividend income it receives is entitled to the preferential treatment under any tax treaty (arrangement), it may apply to

the competent tax authority on its own after receiving the dividend and bonus in accordance with relevant laws and regulations.

(3) For any investor from the HKEX (including enterprise and individual investors) who invests in A-shares of the Company through Shanghai-Hong Kong Stock Connect, their cash dividends will be distributed by the Company in RMB through the CSRC Shanghai to the account of the nominal holder of the shares (i.e., Hong Kong Securities Clearing Company Ltd.). The Company will withhold tax on the cash dividend income at a rate of 10% in accordance with the *Notice of the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets* (Cai Shui [2014] No. 81). The cash dividend actually distributed after tax is RMB 0.9 per share. For any of the said shareholders who is a tax resident of any other country and there is a tax treaty between that country and China that stipulates a dividend income tax rate lower than 10%, the enterprise or individual concerned may apply, either on its own or by an agent, to the competent tax authority requesting to enjoy the preferential treatment under the tax treaty. After approval by the competent tax authority, the difference between the tax that is already paid and the tax that should be paid according to the tax rate stipulated in the tax treaty shall be refunded.

(4) For any investor who holds Global Depositary Receipts (GDRs) issued by the Company on the SIX Swiss Exchange, the cash dividends will be distributed by the Company through CSDC Shanghai to Citibank, National Association, the nominal holders of the A-shares corresponding to GDRs, and income tax will be withheld and paid at a rate of 10% in accordance with relevant tax related laws and regulations such as the *Enterprise Income Tax Law of the People's Republic of China*. After receiving GDR dividend income, GDR investors may apply to the competent tax authority to enjoy the preferential treatment under relevant tax treaty (arrangement) if they need to.

The record date of GDR investors is the same as that of A-share holders, i.e. June 14, 2024. The date of ex-dividend for GDR investors is June 13, 2024. The cash dividends will be distributed by Citibank, National Association to GDR investors through Euroclear Bank SA/NV, Clearstream Banking, S.A. on June 25, 2024 Swiss time.

V. Consulting method

Investors may contact the following department or number to consult about the implementation of the Company's profit distribution:

Contact department: Securities Management Department of Zhejiang Huayou Cobalt Co., Ltd

Contact number: 0573-88589981

This above announcement is hereby made.

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd

June 8, 2024