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Xingye Alloy Materials Group Limited
興業合金材料集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 505)

GRANT OF SHARE AWARDS

Reference is made to the announcements of the Company dated 18 April 2016, 5 May 2016, 13 December 2017, 13 December 2018 and 26 November 2019 in relation to the Share Award Scheme (the “**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board announces that on 17 December 2021, it has resolved to grant 10,900,000 Award Shares, which represent approximately 1.21% of the issued share capital of the Company as at the date of this announcement, to 11 Selected Participants pursuant to the Share Award Scheme, among whom (i) 5 are Unconnected Grantees and (ii) 6 are Connected Grantees. All the Award Shares will be purchased by the Trustee from the open market to satisfy Awards to the Selected Participants. The Board shall cause to pay the Trustee the purchase price and the related expenses from the Company’s cash resources. The Trustee shall hold the Award Shares on trust for the relevant Selected Participants until they are vested in such Selected Participants and delivered at no consideration in accordance with the terms of the Share Award Scheme.

Details of the grants are as follows:

Grantees	Position	No. of Award Shares
<i>Connected Grantees:</i>		
Mr. HU Minglie	Executive Director	3,000,000
Mr. HU Changyuan	Executive Director	3,000,000
Mr. ZHU Wenjun	Executive Director	1,000,000
Mr. CHAI Chaoming	Independent Non-executive Director	100,000
Dr. LOU Dong	Independent Non-executive Director	100,000
Ms. LU Hong	Independent Non-executive Director	100,000
5 Unconnected Grantees who are Employees of the Group		<u>3,600,000</u>
	Total	<u><u>10,900,000</u></u>

The Award Shares will be vested in two tranches in each of 2021 and 2022 respectively. The grant of the Award Shares to the Connected Grantees, who are Directors of the Company, forms part of their respective remuneration packages and therefore is exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Each of the Awards granted to the Connected Grantees has been approved by the remuneration committee of the Company. The relevant Directors have abstained from voting so far as the resolution for the approval of the grant of the Award Shares to them were concerned.

The Board is of the view that this grant of Award Shares helps to recognize the contributions of the Selected Participants of the Group and serves as an incentive to such employees. This in turn will help the Company to retain them to support the operation and development of the Group, and to attract suitable personnel for further development of the Group.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expression shall have the following meanings:

connected person(s)	has the meaning as described in the Listing Rules
Award	an award granted by the Board to a Selected Participant pursuant to Share Award Scheme
Award Shares	the 10,900,000 Award Shares granted under the Share Award Scheme to the Selected Participants

Board	the board of Directors
Company	Xingye Alloy Materials Group Limited, a company incorporated in Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
Connected Grantees	Selected Participants who are connected persons of the Company and pursuant to the Awards made under this announcement, namely three executive Directors of the Company, Mr. HU Changyuan, Mr. HU Minglie, and Mr. ZHU Wenjun, and three independent non-executive directors of the Company, Mr. CHAI Chaoming, Dr. LOU Dong and Ms. LU Hong
Director(s)	the director(s) of the Company
Eligible Person	any individual, being an employee, director, officer, consultant or advisor of any member of the Group or its affiliate (as defined in the Share Award Scheme) who the Board considers, in its sole discretion, to have contributed or will contribute to the Group
Group	the Company and its subsidiaries
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
Selected Participants	any Eligible Person approved by the Board for participation in the Share Award Scheme and who has been granted an Award pursuant to the Share Award Scheme and pursuant to the Awards made under this announcement, namely the Connected Grantees and Unconnected Grantees
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company
Share Award Scheme	the share award scheme adopted by the Board at the board meeting held on 18 April 2016
Stock Exchange	The Stock Exchange of Hong Kong Limited

Unconnected Grantees

Selected Participants who are third party independent of the Company and its connected persons and pursuant to the Awards made under this announcement, namely 5 employees of the Group

HK\$

Hong Kong dollar, the lawful currency of Hong Kong

%

per cent

By Order of the Board
Xingye Alloy Materials Group Limited
HU Minglie
Chief Executive Officer and Executive Director

Hong Kong, 17 December 2021

As at the date of this announcement, the executive directors of the Company are Mr. HU Changyuan, Mr. HU Minglie, and Mr. ZHU Wenjun, and the independent non-executive directors of the Company are Mr. CHAI Chaoming, Dr. LOU Dong and Ms. LU Hong.