

Stock Code: 603799

Stock Name: Huayou Cobalt

Second Extraordinary General Meeting of 2024

Meeting Materials



浙江华友钴业股份有限公司
ZHEJIANG HUAYOU COBALT COMPANY LIMITED

October 10, 2024

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Agenda of the Second Extraordinary General Meeting in 2024

Time: 13:30 on October 10, 2024

Venue: Conference Room 1, 1/F, R&D Building of Zhejiang Huayou Cobalt Co., Ltd, No. 79 Wuzhen East Road, Tongxiang Economic Development Zone, Zhejiang

1. Declare the beginning of the meeting
2. Announce the number of shareholders attending the on-site meeting and the number of their shares
3. Elect a vote counter and a scrutineer
4. Examine the proposals
5. Vote by ballot
6. Shareholders ask questions, and directors, supervisors and senior officers answer shareholders' questions
7. Adjourn the meeting (wait for the online voting results; the staff tally the vote)
8. Announce the voting results
9. Lawyers issue legal opinions
10. Declare the end of the meeting

Details of the Second Extraordinary General Meeting in 2024

In accordance with the *Company Law*, the *Notice on Promulgating the Normative Opinions of Shareholders' Meetings of Listed Companies* issued by the China Securities Regulatory Commission and other relevant laws and regulations, the spirit of documents, and the provisions of the *Articles of Association*, these details are hereby formulated in order to safeguard the legitimate rights and interests of all investors and ensure the normal order and efficiency of deliberation at the second extraordinary general meeting of the Company in 2024.

1. The Board of Directors shall, on the principle of safeguarding the legitimate rights and interests of shareholders and ensuring the normal order and efficiency deliberation at the general meeting, conscientiously perform the duties stipulated in the *Articles of Association*. The general meeting shall have a conference team to be responsible for the procedures and services related to the meeting.

2. In order to timely and accurately count the total number of shares represented by shareholders or shareholders' representatives attending the meeting, all shareholders and agents registered to attend the general meeting shall arrive at the venue on time to sign in and confirm their eligibility for participation. Shareholders or shareholders' representatives who fail to register by telephone, fax or email on the registration day, fail to register on the registration form, or are not involved in the shares announced at the meeting after the formal start of the meeting shall not vote and speak.

3. Shareholders (or shareholders' representatives) attending the general meeting shall enjoy the right to speak, question, vote and other rights according to law, but shall be uniformly arranged by the Company to speak and answer. During the general meeting, shareholders (or shareholders' representatives) who prepare speeches in advance shall first register with the conference team, shareholders (or shareholders' representatives) who temporarily request to speak or raise questions on relevant issues

shall first apply to the conference team and then do so with the permission of the moderator.

4. Each shareholder or shareholder's representative shall not speak more than twice at the general meeting. The time of the first speech shall not exceed five minutes, and the time of the second speech shall not exceed three minutes.

5. The moderator can arrange the Company's directors, supervisors and other senior officers to answer the shareholders' questions. If a question has nothing to do with the topic of the general meeting or will reveal the Company's trade secrets or may harm the common interests of the Company and shareholders, the moderator or the relevant designated personnel shall have the right to refuse to answer it.

6. At the general meeting, the method of combining on-site voting and online voting shall be adopted, and the announcement on the resolution of the general meeting shall be released by combining the results of on-site voting and online voting. On-site voting shall be by open ballot, and the elected representatives of shareholders and supervisors and lawyers shall participate in counting and scrutinizing. The Company will provide the Company's shareholders with an online voting platform through the Shanghai Stock Exchange online voting system, and shareholders can exercise their voting rights through the said system during the online voting hours.

7. When voting, the on-site shareholders or shareholders' representatives shall choose one of the three: "For", "Against" and "Abstain", stated below in each proposal in the ballot, and mark "√". In case of multiple choices or no choice, the relevant vote shall be deemed invalid and the relevant shareholder shall be deemed to have abstained from voting.

8. A total of 2 proposals will be deliberated and voted at the general meeting. The proposals 1 and 2 shall be adopted only when they are voted for by more than two-thirds of the valid voting rights held by the shareholders or their proxies present at the meeting

9. The lawyer to witness the general meeting shall be a lawyer of Grandall Law

Firm (Hangzhou).

10. In order to ensure the seriousness and normal order of the general meeting and effectively safeguard the legitimate rights and interests of the shareholders or shareholders' representatives present at the meeting, the Company shall have the right to refuse entry to other persons except the shareholders or shareholders' representatives present at the meeting, directors, supervisors, board secretary, senior officers, appointed lawyers and persons invited by the Board of Directors.

11. The Board of Directors of the Company will take necessary measures to ensure the normal order of the general meeting. To ensure the order at the venue, turn off the mobile phone or set it to vibration after entering the venue, and do not make loud noises. Personal recording, photography and video recording are not allowed. For interfering with the general meeting, picking quarrels and provoking troubles and infringing on the legitimate rights and interests of shareholders, measures will be taken to stop and timely report to the relevant departments for investigation and punishment.

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd

October 10, 2024

Proposal 1

Proposal on Lowering the Conversion Price of Huayou Convertible Bonds

To all shareholders,

The Company's shares have been closed below 80% of the then conversion price (that is, RMB35.288 per share) for 15 consecutive trading days during the period from August 29, 2024 to September 20, 2024, triggering the conditions for lowering the conversion price of Huayou Convertible Bonds as set forth in the Prospectus. In order to support the long-term and steady development of the Company, optimize the capital structure of the Company, and safeguard the rights and interests of investors, the Board of Directors has proposed lowering the conversion price of Huayou Convertible Bonds, and has submitted the proposal to the general meeting for consideration. Now the general meeting is requested to authorize the Board of Directors to handle matters related to lowering of the conversion price in accordance with relevant provisions of the Prospectus, including determining the lowered conversion price, effective date and other necessary matters, and handling the relevant procedures, and the authorization shall be valid from the date of approval by the general meeting to the date of completion of the work related to lowering.

The lowered conversion price shall not be lower than the average trading price of the Company's shares within 20 trading days prior to the holding of the general meeting and the average trading price of the Company's shares on the previous trading day, and not lower than the most recent audited net asset value per share and the par value of shares. If, when the general meeting of the Company is held, any of the above indexes is higher than the conversion price of Huayou Convertible Bonds before adjustment (RMB44.11 per share), the conversion price of Huayou Convertible Bonds will not be adjusted.

This proposal has been approved by the 21th meeting of the sixth Board of Directors and is now submitted to the general meeting for deliberation. For more details, please refer to Announcement No. 2024-084 disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn).

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd.

October 10, 2024

Proposal 2

Proposal on Changing Registered Capital and Amending the Articles of Association

To all shareholders:

After deliberation and approval by the 14th meeting of the 6th session of Board of Directors of Zhejiang Huayou Cobalt Co., Ltd. (the “Company” or Huayou Cobalt), the Company decides to repurchase and cancel the 1,741,575 restricted shares that have been granted to the following incentive recipients but have not yet been unlocked, since they are no longer qualified to be incentive recipients according to the equity incentive plan of the Company. The reasons are as follows. Among the incentive recipients involved in the first grant of the restricted shares under the 2021 Restricted Stock Incentive Plan (the “2021 Incentive Plan” or “2021 Equity Incentive Plan”), 13 incentive recipients terminated their labor relations with the Company due to job transfer which was beyond their personal control, 11 incentive recipients resigned due to the Company’s proposal to negotiate with them for the termination of labor relations, 1 incentive recipient resigned due to the Company’s refusal to renew the labor contract upon its expiration, 35 incentive recipients resigned due to their personal reasons, 1 incentive recipient was dismissed by the Company due to his/her personal fault, and 6 incentive recipients resigned due to retirement. Among the incentive recipients involved in the first grant of the reserved part of the restricted shares under the 2021 Incentive Plan, 1 incentive recipient was dismissed due to his/her incompetence in the position, 4 incentive recipients terminated their labor relations with the Company due to job transfer which was beyond their personal control, 4 incentive recipients resigned due to the Company’s proposal to negotiate with them for the termination of labor relations, 1 incentive recipient resigned due to the Company’s refusal to renew the labor contract upon its expiration, and 21 incentive recipients resigned due to their personal

reasons. Among the incentive recipients involved in the second grant of the reserved part of the restricted shares under the 2021 Incentive Plan, 1 incentive recipient resigned due to the Company's proposal to negotiate with him/her for the termination of labor relation. Among the incentive recipients involved in the first grant of the restricted shares under the 2022 Restricted Stock Incentive Plan (the "2022 Incentive Plan" or "2022 Equity Incentive Plan"), 1 incentive recipient was dismissed due to his/her incompetence in the position, 19 incentive recipients terminated their labor relations with the Company due to job transfer which was beyond their personal control, 26 incentive recipients resigned due to the Company's proposal to negotiate with them for the termination of labor relations, 82 incentive recipients resigned due to their personal reasons, 1 incentive recipient was dismissed by the Company due to his/her personal fault, and 4 incentive recipients resigned due to retirement. Among the incentive recipients involved in the grant of the reserved part of the restricted shares under the 2022 Incentive Plan, 2 incentive recipients were dismissed due to their incompetence in the position, 3 incentive recipients terminated their labor relations with the Company due to job transfer which was beyond their personal control, 20 incentive recipients resigned due to the Company's proposal to negotiate with them for the termination of labor relations, 35 incentive recipients resigned due to their personal reasons, and 1 incentive recipient died due to non-work reason. Among the incentive recipients involved in the first grant of the restricted shares under the 2023 Restricted Stock Incentive Plan (the "2023 Incentive Plan" or "2023 Equity Incentive Plan"), 2 incentive recipients were dismissed due to their incompetence in the position, 6 incentive recipients terminated their labor relations with the Company due to job transfer which was beyond their personal control, 37 incentive recipients resigned due to the Company's proposal to negotiate with them for the termination of labor relations and 39 incentive recipients resigned due to their personal reasons.

After deliberation and approval at the 14th meeting of the 6th session of Board of Directors and the First Extraordinary General Meeting of Shareholders in 2024, the Company decides to terminate the 2021 Incentive Plan and the 2022 Incentive Plan, and repurchase and cancel the restricted shares that have been granted but not yet

unlocked. After the termination of the 2021 Incentive Plan, the Company will repurchase and cancel 4,104,828 restricted shares that have been granted to 779 incentive recipients but have not yet been unlocked, including 2,978,612 restricted shares that have been granted to 566 incentive recipients in the first grant of restricted shares but have not yet been unlocked, 1,019,564 restricted shares that have been granted to 187 incentive recipients in the first grant of the reserved part of the restricted shares but have not yet been unlocked, and 106,652 restricted shares that have been granted to 26 incentive recipients in the second grant of the reserved part of the restricted shares but have not yet been unlocked. After the termination of the 2022 Incentive Plan, the Company will repurchase and cancel 7,030,520 restricted shares that have been granted to 1,318 incentive recipients (2 of whom were granted restricted shares in both the first grant of restricted shares and the grant of reserved portion of restricted shares) but have not yet been unlocked, including 5,412,120 restricted shares that have been granted to 969 incentive recipients in the first grant of restricted shares but have not yet been unlocked, 1,618,400 restricted shares that have been granted to 351 incentive recipients in the grant of the reserved part of the restricted shares but have not yet been unlocked.

The Company has applied to the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. for going through the procedures for the repurchase and cancellation of the said restricted shares, and they were cancelled on May 7, 2024.

After the completion of the repurchase and cancellation, the total share capital of the Company was changed from 1,710,083,466 shares to 1,697,206,543 shares, and the registered capital of the Company was changed from RMB 1,710,083,466 to RMB 1,697,206,543. The Company amended Article 6, Article 20 and Article 150 of the Articles of Association based on the said situation and business development needs of the Company, and authorized the chairman of the Company or other person authorized by him to handle the procedures for industrial and commercial registration of change and filing in connection thereto. The specific content is as follows:

Before the amendment	After the amendment
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<p>Article 6 The registered capital of the Company is RMB 1,710,083,466.</p>	<p>Article 6 The registered capital of the Company is RMB 1,697,206,543</p>
<p>Article 20 The total shares of the Company are 1,710,083,466, and the shareholding structure of the Company is 1,710,083,466 ordinary shares, of which A shareholders hold 1,610,083,466 shares, representing 94.15%; and foreign investors hold 100,000,000 underlying A shares represented by GDRs based on the conversion ratio determined by the Company, representing 5.85%.</p>	<p>Article 20 The total shares of the Company are 1,697,206,543, and the shareholding structure of the Company is 1,697,206,543 ordinary shares, of which A shareholders hold 1,597,206,543 shares, representing 94.11%; and foreign investors hold 100,000,000 underlying A shares represented by GDRs based on the conversion ratio determined by the Company, representing 5.89%.</p>
<p>Article 150 The Company shall have 1 president, 9 vice presidents, 1 finance director and 1 secretary to the Board, who shall be appointed and dismissed by the Board.</p> <p>The Company's president, vice presidents, finance director, secretary to the Board are the Company's senior management.</p>	<p>Article 150 The Company shall have 1 president, 10 vice presidents, 1 finance director and 1 secretary to the Board, who shall be appointed and dismissed by the Board.</p> <p>The Company's president, vice presidents, finance director, secretary to the Board are the Company's senior management.</p>

Except for the above, other provisions of the Articles of Association of the Company remain unchanged. Please refer to the website of Shanghai Stock Exchange (www.sse.com.cn) for the full text of the Articles of Association.

Now it is submitted to the shareholders' meeting seeking that the shareholders' meeting will authorize the Board of Directors and relevant personnel to complete the procedures for industrial and commercial registration of change, filing of Articles of Association, and other related matters after the approval of the shareholders' meeting. The content of the said changes is subject to that finally approved by the industrial and

commercial registration authority. The Company will promptly apply to the industrial and commercial registration authority to complete relevant procedures after the approval of the shareholders' meeting.

This proposal has been approved by the 20th meeting and the 21th meeting of the sixth Board of Directors and is now submitted to the general meeting for deliberation. For more details, please refer to Announcement No. 2024-074 and Announcement No. 2024-085 disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn).

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd.

October 10, 2024