



was not up to standard during the first period of lifting the restriction involved in the first grant under the Incentive Plan, 3,894,040 restricted shares held by the relevant participants which have been granted but of which the restriction on sales has not been lifted are to be repurchased and cancelled, at the repurchase price of RMB 24.38 per share

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Bank of China for the same period.

To sum up, 1,440 participants are involved in the repurchase and cancellation, and the Company intends to repurchase and cancel 5,033,840 restricted shares held by them 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:

Number of shares to be repurchased (share)	Number of shares to be cancelled (share)	Date of cancellation
5,033,840	5,033,840	January 23, 2025

### **I. Approval procedures and information disclosure implemented under the restricted share incentive plans**

1. On July 25, 2023, the Company held the 7th meeting of the sixth Board of Directors, at which the *3* *of the Company and Summary, the Administration of the Implementation of 2023* *e* *Company, and the Resolution on Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2023 Restricted Share Incentive Plan* were approved, and the independent directors expressed independent opinions on matters relating to the share incentive plan.

2. On July 25, 2023, the Company held the 4th meeting of the sixth Board of Supervisors, at which the *3 Restricted Share Incentive Plan* *,* *the Resolution on the Assessment and Administration of the Implementation of 2023 Restricted Share Incentive* *,* *and the Resolution on Verifying the List of Participants Involved in the First Grant under the 2023 Restricted Share Incentive Plan* *of the Company* were approved.



*Announcement on Repurchase and Cancellation of Incentive Restricted Shares*  
*of the Reserved Rights under the 2023 Restricted Share Incentive Plan* (Announcement  
No.: 2024-077). T ( ,940,000 restricted shares reserved under the 2023  
Restricted Share Incentive Plan have not been clearly granted to the participants more

In view of the fact that 30 participants involved in the first grant left the Company due to position transfer beyond their control or the Company's proposal to terminate the labor relationship with employees through negotiation, 3 participants left the Company due to retirement, and 3 participants died, a total of 267,200 restricted shares held by such participants should be repurchased and cancelled; in view of the fact that 3 participants were dismissed due to incompetence, 148 participants left the Company voluntarily for personal reasons, or did not renew their contracts upon their expiration, and 2 participants were fired by the Company for personal fault, 872,600 restricted shares held by such participants should be repurchased and cancelled; in addition, since the Company's performance evaluation was not up to standard during the first period of lifting the restriction, 3,894,040 restricted shares should be repurchased and cancelled. Therefore, a total of 1,440 participants involved in the first grant are involved in the repurchase and cancellation, and a total of 5,033,840 restricted shares are to be repurchased and cancelled.

Upon completion of the repurchase and cancellation, the total number of remaining restricted shares under the 2023 Incentive Plan of which the restriction on sales is not lifted should be 5,841,060.

### **(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 also applied to Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the repurchase and cancellation of 5,033,840 restricted shares. The restricted shares are expected to be cancelled on January 23, 2025.

### **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:

Unit: Share

Class	Before change	Change	After change
Outstanding shares with restriction on sales	10,877,900	-5,033,840	5,844,060
Outstanding shares without restriction on	1,686,337,028	0	1,686,337,028



assume the relevant legal liability arising therefrom.

## **VI. Concluding Legal Opinions**

Lawyers of Grandall Law Firm (Hangzhou) believe that Huayou Cobalt has obtained the necessary authorization and approval at the present stage for the repurchase and cancellation, which are in line with the Measures and other laws, administrative regulations, normative documents, and relevant provisions of the Incentive Plan, and the reasons for repurchase and the cancellation, number, price and source of funds of the Company are in line with the Measures and other laws, administrative regulations, normative documents, and the relevant provisions of the Incentive Plan.

It is hereby announced the above.

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

January 21, 2025