

Stock Code: 603799

Stock Name: Huayou Cobalt

# First Extraordinary General Meeting in 2024

## Meeting Documents



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

January 29, 2024

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# **Agenda of the First Extraordinary General Meeting in 2024**

Time: 13:30 on January 29, 2024

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

1. Announce the commencement 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. Deliberate on the proposals
5. Vote by ballot
6. Shareholders raise 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. Announce the end of the meeting

# Details of the First 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 first extraordinary general meeting 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 proxies registered to attend the general meeting shall arrive at the meeting 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 or fail to register on the registration form, or are not involved in the shares announced at the meeting after the official commencement of the meeting shall not vote or 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 is not related to 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 conducted by way of 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: "Assent", "Dissent" and "Abstention", 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. Two proposals will be considered at the general meeting. The Proposal 1 and Proposal 2 shall be adopted by a special resolution of the general meeting, that is, by more than two-thirds of the valid voting rights held by the shareholders or shareholders' representatives present at the general meeting.

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

Firm (Hangzhou Office).

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 in accordance with law to refuse entry of 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 shall take necessary measures to ensure the normal order of the general meeting. To ensure the order at the meeting, please turn off the mobile phone or set it to vibration after entering the meeting place, and do not make loud noises. Personal recording, photography and video recording are not allowed. In case of any behaviors such as interfering with the general meeting, picking quarrels and provoking troubles, or infringing on the legitimate rights and interests of shareholders, measures will be taken to stop such behaviors and people of such behaviors will be timely reported to the relevant authorities for investigation and punishment.

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd

January 29, 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, RMB64.944 per share) for at least 15 out of any 30 consecutive trading days between December 19, 2023 and January 9, 2024, triggering the conditions for lowering the conversion price of Huayou Convertible Bonds. 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. The general meeting is requested to authorize the board of directors to handle matters related to lowering of the conversion price in accordance with the relevant provisions of the *Prospectus for Public Offering of Convertible Bonds of Zhejiang Huayou Cobalt Co., Ltd.*, including determining the lowered conversion price, effective date and other necessary matters, and handling the relevant procedures. 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 any of the above indexes at the time of the general meeting is higher than the conversion price of Huayou Convertible Bonds before adjustment (RMB81.18 per share), the conversion price of Huayou Convertible Bonds will not be adjusted.

This proposal has been approved by the 14th meeting of the sixth Board of Directors

and is now submitted to the shareholders' general meeting for deliberation. For more details, please refer to Announcement No. 2024-007 disclosed by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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

January 29, 2024



## **Proposal 2**

# **Proposal on Terminating the 2021 and 2022 Restricted Share Incentive Plans & Repurchasing and Cancelling Restricted Shares**

**To all shareholders,**

Since the implementation of the 2021 and 2022 restricted share incentive plans by the Company, the macroeconomic situation at home and abroad, the capital market environment and the external operating environment of the new energy lithium battery industry have undergone significant changes, the Company's share price has fluctuated wildly and is now close to or below the grant price of restricted shares in 2021 and 2022, and if the incentive plans continue, it will be difficult to achieve the original incentive purpose and effect, which is not conducive to fully mobilizing the enthusiasm of the Company's key employees. Therefore, after careful study, the Company decides to terminate the 2021 and 2022 restricted share incentive plans and repurchase and cancel the restricted shares which have been granted but the restriction on sales of which has not been released. The *Administrative Measures for Assessment of the Implementation of the 2021 Restricted Share Incentive Plan* and the *Administrative Measures for Assessment of the Implementation of the 2022 Restricted Share Incentive Plan* will be terminated together with the 2021 and 2022 restricted share incentive plans.

Under the 2021 incentive plan, 4,104,828 restricted shares which have been granted to 779 restricted share incentive plan participants but the restriction on sales of which has not been released will be repurchased and cancelled by the Company, where 2,978,612 restricted shares involved in the first grant which have been granted to 566 participants but the restriction on sales of which has not been released will be repurchased at the price of RMB28.72 per share, 1,019,564 restricted shares involved in the reserved first

grant which have been granted to 187 participants but the restriction on sales of which has not been released will be repurchased at the price of RMB40.98 per share, and 106,652 restricted shares involved in the reserved second grant which have been granted to 26 participants but the restriction on sales of which has not been released will be repurchased at the price of RMB44.24 per share.

Under the 2022 incentive plan, 7,030,520 restricted shares which have been granted to 1,318 restricted share incentive plan participants (two of whom have been granted restricted shares involved in both the first grant and the reserved grant) but the restriction on sales of which has not been released will be repurchased and cancelled by the Company, where 5,412,120 restricted shares involved in the first grant which have been granted to 969 participants but the restriction on sales of which has not been released will be repurchased at the price of RMB32.15 per share, and 1,618,400 restricted shares involved in the reserved grant which have been granted to 351 participants but the restriction on sales of which has not been released will be repurchased at the price of RMB31.41 per share.

Now this proposal is submitted to the general meeting, applying to the general meeting for authorizing the board of directors to handle all matters related to termination of the incentive plans and repurchase of the restricted shares from the participants, including but not limited to applying to the stock exchange, opening a special account for repurchase of the restricted shares, applying to the registration and clearing corporation for the relevant registration and clearing, modifying the Articles of Association, applying for registering the change of the Company's registered capital, paying to the participants for the repurchase, applying to the relevant governments and institutions for approval, registration, filing and consent of the incentive plans, signing, performing, modifying and completing the documents submitted to the relevant governments, institutions, organizations and individuals, modifying the *Articles of Association*, applying for registering the change of the Company's registered capital, and taking all actions that it deems necessary, appropriate or suitable in connection with the incentive plans.

This proposal has been approved by the 14th meeting of the sixth Board of Directors and the 9th meeting of the sixth Board of Supervisors and is now submitted to the shareholders' general meeting for deliberation. For more details, please refer to Announcement No. 2024-009 disclosed by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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

January 29, 2024