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 shar

Bank of China for the same period.

To sum up, 1,440 participants are

3. From July 26, 2023 to August 7, 2023, the Company publicized the names and positions of the participants involved in the first grant on the C During Board of Supervisors did not receive any objections. On August 9, 2023, the Company disclosed the *Publicity Statement and Verification Opinions of the Board of Supervisors of Zhejiang Huayou Cobalt Co., Ltd. On the List of Participants of the 2023 Restricted Share Incentive Plan of the Company* (Announcement No.: 2023-112).

4. On August 15, 2023, the Company held the second extraordinary general meeting in 2023, at which the *Resolution on the "2023 Restricted Share Incentive Plan (Draft)" of the Company and Summary*, the *Resolution on the "Measures for the Assessment and Administration of the Implementation of 2023 Restricted Share Incentive Plan" of the 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 *Self-inspection Report of Zhejiang Huayou Cobalt Co., Ltd. on the Trading of the Company's Shares by Insiders of the 2023 Restricted Share Incentive Plan of the Company* (Announcement No.: 2023-114) was disclosed.

5. On August 29, 2023, the Company held the 9th meeting of the sixth Board of Directors and the 6th meeting of the sixth Board of Supervisors, at which the *Resolution on the Adjustment of Matters Related to the First Grant under the 2023 Restricted Share Incentive Plan* and the *Resolution on the First Grant of Restricted Shares to Participants* were approved. The Board of Directors of the Company believed that the conditions for the first grant of restricted shares under the Incentive Plan have been fulfilled and agreed to determine August 29, 2023 as the first grant date to grant 13,682,000 restricted shares to 1,856 participants. The Board of Supervisors of the Company verified the adjusted list of participants involved in the first grant and expressed an opinion of agreement. The independent directors of the Company expressed an independent opinion of agreement for this.

6. On January 9, 2024, the Company held the 14th meeting of the sixth Board of Directors and the 9th meeting of the sixth Board of Supervisors, at which the *Resolution on the Repurchase and Cancellation of Some Restricted Shares* was approved. The Board of Supervisors of the Company issued the verification opinions for this.

7. On August 20, 2024, the Company disclosed the *Announcement on the Invalidity*

*of the Reserved Rights under the 2023*

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 |
|---|---|---|---|

assume the relevant legal liability arising therefrom.

**VI. Concluding Legal Opinions**

Lawyers of Grandall Law Firm (Hangzhou)