



Stock Code: **603799** Stock Name: Huayou Cobalt Announcement No.: **2023-172**
Convertible Bond Code: **113641** Convertible Bond Name: Huayou Convertible Bond

Zhejiang Huayou Cobalt Co., Ltd.
Announcement on the Cooperation Progress of Pomalaa
Project among Ford Motor and PTVI

The Board of Directors and all directors of the Company warrant that there is no false representation, misleading statement or material omissions herein, and will assume joint and several liabilities with respect to the truthfulness, accuracy and completeness hereof.

Important tips:

Project name: MHP HPAL project with annual output of 120,000 tons (amount of nickel metal) by PT Kolaka Nickel Indonesia

Recently, Huaqi Singapore, a wholly-owned subsidiary of the Company, received a feasibility study report on Pomalaa Mine Project FEL-3 Study

-3 Study Report shows that Pomalaa Mine can support a HPAL project with annual output of 120,000 tons. Based on the FEL-3 Study Report, Huaqi Singapore intends to select the product of MHP with annual output of 120,000 tons (amount of nickel metal).

Meanwhile, the Company intends, through Huaqi Singapore, to sign an *Amended and Restated Joint Venture Agreement* with PTVI, Ford Motor and KNI, and an *Amended and Restated Definitive Cooperation Agreement* with PTVI and KNI, to agree that the parties will jointly construct the MHP HPAL Project with annual output of 120,000 tons (amount of nickel metal) in Indonesia, according to the HPAL Project Feasibility Study Report, the total investment amount of the project is approximately 3,842.152 million US dollars (excluding working capital investment, it is approximately \$3,463.829 million). According to relevant provisions thereof, Ford Motor will first subscribe for 8.5% of the newly issued shares of KNI. Upon completion of the subscription, Huaqi Singapore, Ford Motor and



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PTVI will hold 73.2%, 8.5% and 18.3% equity in KNI, respectively. Within the agreed time period, Ford Motor will ultimately choose to participate in the HPAL Project by way e up to 30% of participation options in KNI. The ultimate equity structure of KNI will depend on the exercise of rights by all parties. The Company intends, through KNI, to sign an *Ore Supply Agreement* with PTVI to agree that PTVI shall exclusively supply to KNI and KNI shall exclusively purchase from PTVI the limonite ore from Pomalaa Mine for the HPAL Project. The Company intends, through Huaqi Singapore, to sign an *Offtake Agreement* with KNI, and Ford Motor also intends to sign an *Offtake Agreement* with KNI; Ford, KNI, Huaqi Singapore and PTVI intends to sign an *Offtake Coordination Agreement* to further

Special Risk Warning:

1. The Company needs to go through government approval/filing and/or other administrative procedures in China and Indonesia for the external investment, and it is uncertain whether they can be successfully completed.



I. Overview of the Investment

(I) Basic information

-owned

-3

Study Report issued by -3 Study Report shows
that Pomalaa Mine can support a HPAL project with annual output of 120,000 tons (the

-3 Study Report, Huaqi

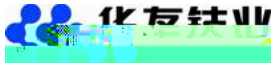
Singapore intends to select the product of mixed nickel cobalt hydroxide precipitates



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III. Basic Information of the HAL Project Invested

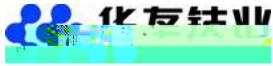


1. Goals and business

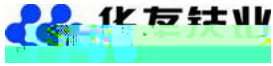
The goals of the Project Company are to design, develop, construct, test and put into operation of HPAL processing facilities, and to operate, maintain the HPAL Project, and produce and sell MHP products.

2. Corporate governance

(1) If Ford Motor ultimately decides to hold 8.5% equity in KNI, KNI will have a maximum of eleven directors, including a chairman (who shall be the director nominated).



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Qhxcng'Ci tggo gpv

(V) Amended and Restated Letter of Undertaking

Co gpf gf "cpf "Tgucvfg "Lqkv'Xgpwtg'Ci t ggo gpv

Co gpf gf "cpf "Tgucvfg "Ngwgt "qh"Wpf gt wnkpi

Uj ctg "Uduetkr vkqp"Ci t ggo gpv

until the earlier of the following

Co gpf gf "cpf "Tgucvfg "Lqkv'Xgpwtg'Ci t ggo gpv
Xgpwtg'Ci t ggo gpv

Co gpf gf "cpf "Tgucvfg "Lqkv"

Lqkv'Xgpwtg'Ci t ggo gpv

V. Impact of the Investment on the Listed Company

VI. Analysis on Risks of the Investment

1. The Company needs to go through government approval/filing and/or other administrative procedures in China and Indonesia for the external investment, and it is uncertain whether they can be successfully completed.

2. The investment is an arrangement made by the Company in accordance with the medium and long-term development plan. It will take a long time in project construction, during which there are uncertainties in domestic and foreign markets, industrial policies and technology, and unforeseen factors or force majeure factors that may result in uncertainty in the realization of future operating benefits.

3. In the process of project investment and construction, financing, changes in credit policies, and smooth financing channels are uncertain to some extent, and there is a risk that the project may not be completed smoothly because funds cannot be raised on time.

4. There is great uncertainty in the future price trend of nickel-cobalt metal, and if the price of nickel-cobalt metal falls sharply in the future, it will result in significant uncertainty in the profitability of the project.

5. The agreements related to this transaction will be signed together with the approval of the competent authorities of all parties, and there is uncertainty about whether they can be approved.

6. The investment does not constitute a performance commitment. Please pay attention to investment risks.

It is hereby announced the above.