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**Lygend Resources & Technology Co., Ltd.**

**宁波力勤资源科技股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2245)**

**POSSIBLE CONNECTED TRANSACTIONS  
PROVISION OF FINANCIAL ASSISTANCE TO CONNECTED  
SUBSIDIARIES AND RECEIVING FINANCIAL ASSISTANCE FROM  
CONNECTED PERSONS**

**Independent Financial Adviser to the Independent Board Committee and the  
Independent Shareholders**



**INTRODUCTION**

***Provision of financial assistance to HPL and receiving financial assistance from connected persons***

Reference is made to the prospectus of the Company dated 21 November 2021 (the “**Prospectus**”). As disclosed in note 24 in Appendix IB to the Prospectus, on 22 February 2021, HPL as borrower entered into the Original Facilities Agreement with, among others, a number of financial institutions as lenders and the Pledgee as security agent.

As security for the foregoing loan arrangement, the Company entered into (i) the Completion Guarantee Agreement, under which the Company agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 under the Original Facilities Agreement and any other additional loan to be provided by the lenders; and (ii) the Existing Pledge Agreement, under which the Company agreed to pledge its shares in HPL in favour of the Pledgee. In connection thereto, (i) HJR, the parent entity of the Indonesian Partner, entered into the HJR Completion Guarantee Agreements, under which HJR agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 under the Original Facilities Agreement; and (ii) the Indonesian Partner entered into the TBP Existing Pledge Agreement, under which the Indonesian Partner agreed to pledge its shares in HPL in favour of the Pledgee. As disclosed in the Prospectus, such guarantees constitute one-off connected transactions under the Listing Rules, and given that the guarantees provided by HJR to HPL are not secured by the assets of the Group and the Directors consider them to be conducted on normal commercial terms, they are fully exempt from the reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules. For further details, please refer to the Prospectus.

Furthermore, as disclosed in note 24 in Appendix IB to the Prospectus, as part of the suite of documents relating to the underlying loan to HPL, the Company and HJR, among other parties, entered into the Equity Support and Retention Deed, under which they were required to, among other things, make certain equity contributions to HPL and guarantee certain obligations of HPL.

Due to the business needs of HPL, HPL resolved to obtain an additional loan facility from the lenders. Accordingly, HPL proposed to enter into the Amendment and Restatement Deed, under which, among others, (i) the Original Facilities Agreement shall be amended such that an additional term loan facility of up to US\$186,500,000 will be made available by the lenders; and (ii) the obligations under the Equity Support and Retention Deed shall be confirmed and restated. As a result, the total commitment provided by the lenders to HPL under the Facilities Agreement will amount to US\$811,500,000.

In connection thereto, the Company reaffirmed its obligations under the Completion Guarantee Agreement in the Amendment and Restatement Deed and agreed with the lenders that the Completion Guarantee Agreement extends to the additional term loan facility of up to US\$186,500,000 and need not be amended and restated. In addition, as conditions precedent to the Facilities Agreement:

- (1) the Existing Pledge Agreement under which the Company agreed to pledge its shares in HPL in favour of the Pledgee to secure full and punctual payment of the liabilities under the Original Facilities Agreement, shall be amended and restated, and the Amended and Restated Pledge of Shares Agreement shall be entered into;
- (2) Kang Xuan, a direct wholly-owned subsidiary of the Company, shall enter into a pledge agreement to secure HPL's obligations under the Facilities Agreement by providing a pledge in respect of its shares in HPL in favour of the Pledgee under the Facilities Agreement, and the Kang Xuan Pledge Agreement shall be entered into; and
- (3) the TBP Existing Pledge Agreement under which the Indonesian Partner agreed to pledge its shares in HPL in favour of the Pledgee to secure full and punctual payment of the liabilities under the Original Facilities Agreement, shall be amended and restated, and the TBP Amended and Restated Pledge of Shares Agreement shall be entered into.

Further, as agreed between HJR and the lenders, the HJR Completion Guarantee Agreements, under which HJR agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 in favour of the Pledgee to secure full and punctual payment of the liabilities under the Original Facilities Agreement, shall be amended and restated, and the HJR Amended and Restated Completion Guarantee Agreement shall be entered into by HJR.

***Provision of financial assistance to ONC and receiving financial assistance from connected persons***

The Company and ABNB confirmed their intention to enter into a loan arrangement, under which ABNB shall arrange for a bank consortium to provide a consortium loan of up to of US\$780,000,000 to ONC, for the purpose of the development of phase III of the nickel hydrometallurgy projects in Indonesia.

As required by the bank consortium, (i) the Company shall provide a 100% guarantee in respect of the loan of up to US\$780,000,000; (ii) Lygend New Power, a wholly-owned subsidiary of the Company, shall provide a pledge in respect of 60% of the shares in ONC directly held by it; (iii) HJR, the parent entity of the Indonesian Partner, shall provide a 100% guarantee in respect of the loan of up to US\$780,000,000; (iv) the Indonesian Partner shall provide a pledge in respect of 10% of the shares in ONC directly held by it; and (v) Li Yuen shall provide a pledge in respect of 30% of the shares in ONC directly held by it as security in favour of certain representatives of the bank consortium for the consortium loan.

Accordingly, (i) the Company proposed to enter into the ONC Guarantee and proposed for Lygend New Power to enter into the ONC Pledge Agreement; (ii) HJR proposed to enter into the HJR ONC Guarantee; (iii) the Indonesian Partner proposed to enter into the TBP ONC Pledge Agreement; and (iv) Li Yuen proposed to enter into the Li Yuen ONC Pledge Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

### ***Connected transactions relating to provision of financial assistance to HPL and receiving financial assistance from connected persons***

As at the date of this announcement, HPL is a non-wholly owned subsidiary of the Company. The Company in aggregate holds approximately 54.9% direct and indirect shareholding interest in HPL, of which approximately 18% of the shareholding interest is indirectly held through the Company's wholly-owned subsidiary, Kang Xuan. The remaining 45.1% of shareholding interest of HPL is held by the Indonesian Partner.

As at the date of this announcement, HJR is the parent entity of the Indonesian Partner and is ultimately controlled by family members of Ms. Lim. Ms. Lim is the sole ultimate beneficial owner of Feng Yi Pte. Ltd., a 17% Shareholder. As such, Ms. Lim is indirectly interested in 17% of the shares of the Company and is a substantial Shareholder and connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, HJR and the Indonesian Partner are associates of Ms. Lim and are connected persons of the Company pursuant to Rule 14A.07(4) of the Listing Rules. In addition, Ms. Lim's family members are deemed connected persons of the Company pursuant to Rule 14A.21 of the Listing Rules. Therefore, HPL is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules as Ms. Lim's family members are collectively entitled to control the exercise of 10% or more of the votes attaching to the shares of HPL.

Accordingly, the provision of financial assistance by the Company under the Amended and Restated Pledge of Shares Agreement and by Kang Xuan under the Kang Xuan Pledge Agreement to HPL, and HPL's receiving of financial assistance from the Indonesian Partner and HJR under the TBP Amended and Restated Pledge of Shares Agreement and the HJR Amended and Restated Completion Guarantee Agreement, constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Amended and Restated Pledge of Shares Agreement and the Kang Xuan Pledge Agreement exceeds 5%, the foregoing agreements (and the transactions contemplated thereunder) are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the HJR Amended and Restated Completion Guarantee Agreement and the TBP Amended and Restated Pledge of Shares Agreement will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, they are fully exempted from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As HPL is a subsidiary of the Company, the Amended and Restated Pledge of Shares Agreement and the Kang Xuan Pledge Agreement (and the transactions contemplated thereunder) do not constitute notifiable transactions of the Company under Rule 14.04 of the Listing Rules.

***Connected transactions relating to provision of financial assistance to ONC and receiving financial assistance from connected persons***

As at the date of this announcement, ONC is a non-wholly owned subsidiary of the Company. The Company indirectly holds 60% shareholding interest through Lygend New Power, a wholly-owned subsidiary of the Company. The remaining shareholding interest of ONC is held as to 10% by the Indonesian Partner and as to 30% by Li Yuen, respectively.

As at the date of the announcement, HJR is the parent entity of the Indonesian Partner and is ultimately controlled by family members of Ms. Lim, and Li Yuen is indirectly solely held by Ms. Lim. Ms. Lim is the sole ultimate beneficial owner of Feng Yi Pte. Ltd., a 17% Shareholder. As such, Ms. Lim is indirectly interested in 17% of the shares of the Company and is a substantial Shareholder and connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, HJR, the Indonesian Partner and Li Yuen are associates of Ms. Lim and are connected persons of the Company pursuant to Rule 14A.07(4) of the Listing Rules. In addition, Ms. Lim's family members are deemed connected persons of the Company pursuant to and Rule 14A.21 of the Listing Rules. Therefore, ONC is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules as Ms. Lim and Ms. Lim's family members are collectively entitled to control the exercise of 10% or more of the votes attaching to the shares of ONC.

Accordingly, the provision of financial assistance under the ONC Guarantee and ONC Pledge Agreement by the Company and Lygend New Power to ONC, and ONC's receiving of financial assistance from HJR, the Indonesian Partner and Li Yuen under the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the ONC Guarantee and the ONC Pledge Agreement exceeds 5%, the foregoing agreements (and the transactions contemplated thereunder) are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement are fully exempted from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As ONC is a subsidiary of the Company, the ONC Guarantee and ONC Pledge Agreement (and the transactions contemplated thereunder) do not constitute notifiable transactions of the Company under Rule 14.04 of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were conducted or completed within a same 12-month period or were otherwise related with each other. The transactions contemplated under the Agreements are proposed to be entered into within a same 12-month period and are proposed to be conducted by the Company and some of the same connected parties. Accordingly, such transactions contemplated under the Agreements shall be aggregated.

As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules after taking into account the aggregated calculations exceed 5%, the Amended and Restated Pledge of Shares Agreement, the Kang Xuan Pledge Agreement, ONC Guarantee and the ONC Pledge Agreement (and the transactions contemplated thereunder) are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As disclosed above, as HPL and ONC are subsidiaries of the Company, the foregoing agreements (and the transactions contemplated thereunder) do not constitute notifiable transactions of the Company under Rule 14.04 of the Listing Rules.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder.

In this connection, the Company has appointed Gram Capital to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder.

#### **EGM**

The Independent Shareholders will consider and, if thought fit, approve, confirm and ratify the Agreements and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further details of the Agreements and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or around 15 March 2023.



## **INTRODUCTION**

### **PROVISION OF FINANCIAL ASSISTANCE TO HPL AND RECEIVING FINANCIAL ASSISTANCE FROM CONNECTED PERSONS**

As disclosed in note 24 in Appendix IB to the Prospectus, on 22 February 2021, HPL as borrower entered into the Original Facilities Agreement with, among others, a number of financial institutions as lenders and the Pledgee as security agent.

As security for the foregoing loan arrangement, the Company entered into (i) the Completion Guarantee Agreement, under which the Company agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 under the Original Facilities Agreement and any other additional loan to be provided by the lenders; and (ii) the Existing Pledge Agreement, under which the Company agreed to pledge its shares in HPL in favour of the Pledgee. In connection thereto, (i) HJR, the parent entity of the Indonesian Partner, entered into the HJR Completion Guarantee Agreements, under which HJR agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 under the Original Facilities Agreement; and (ii) the Indonesian Partner entered into the TBP Existing Pledge Agreement, under which the Indonesian Partner agreed to pledge its shares in HPL in favour of the Pledgee. As disclosed in the Prospectus, such guarantees constitute one-off connected transaction under the Listing Rules, and given that the guarantees provided by HJR to HPL are not secured by the assets of the Group and the Directors consider them to be conducted on normal commercial terms, they are fully exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules. For further details, please refer to the Prospectus.

Further, as disclosed in note 24 in Appendix IB to the Prospectus, as part of the suite of documents relating to the underlying loan to HPL, the Company and HJR, among other parties, entered into the Equity Support and Retention Deed, under which they were required to, among other things, make certain equity contributions to HPL and guarantee certain obligations of HPL.

Due to the business needs of HPL, HPL resolved to obtain an additional loan facility from the lenders. Accordingly, HPL proposed to enter into the Amendment and Restatement Deed, under which (i) the Original Facilities Agreement shall be amended such that an additional term loan facility of up to US\$186,500,000 will be made available by the lenders; and (ii) the obligations under the Equity Support and Retention Deed shall be confirmed and restated. As a result, the total commitment provided by the lenders to HPL under the Original Facilities Agreement and the Amendment and Restatement Deed will amount to US\$811,500,000.

In connection thereto, the Company reaffirmed its obligations under the Completion Guarantee Agreement in the Amendment and Restatement Deed and agreed with the lenders that the Completion Guarantee Agreement extends to the additional term loan facility of up to US\$186,500,000 and need not be amended and restated. In addition, as conditions precedent to the Facilities Agreement:

- (1) the Existing Pledge Agreement, under which the Company agreed to pledge its shares in HPL in favour of the Pledgee to secure full and punctual payment of the liabilities under the Original Facilities Agreement, shall be amended and restated, and the Amended and Restated Pledge of Shares Agreement shall be entered into;
- (2) Kang Xuan, a direct wholly-owned subsidiary of the Company, shall enter into a pledge agreement to secure HPL's obligations under the Facilities Agreement by providing a pledge in respect of its shares in HPL in favour of the Pledgee under the Facilities Agreement, and the Kang Xuan Pledge Agreement shall be entered into; and
- (3) the TBP Existing Pledge Agreement under which the Indonesian Partner agreed to pledge its shares in HPL in favour of the Pledgee to secure full and punctual payment of the liabilities under the Original Facilities Agreement, shall be amended and restated, and the TBP Amended and Restated Pledge of Shares Agreement shall be entered into.

Further, as agreed between HJR and the lenders, the HJR Completion Guarantee Agreements, under which HJR agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 in favour of the Pledgee to secure full and punctual payment of the liabilities under the Original Facilities Agreement, shall be amended and restated, and the HJR Amended and Restated Completion Guarantee Agreement shall be entered into by HJR.

The following is a summary of the principal terms of the agreements in relation to the provision of financial assistance to HPL and receiving financial assistance from connected persons:

### ***1. The proposed Amended and Restated Pledge of Shares Agreement***

The proposed Amended and Restated Pledge of Shares Agreement, which is to be entered into between the Company as the pledgor and the Pledgee as pledgee, concerns the loan to HPL under the Facilities Agreement.

As disclosed above, as a condition precedent to the Amendment and Restatement Deed, the Existing Pledge Agreement, which is a pledge agreement in respect of the Original Facilities Agreement, shall be amended and restated. Accordingly, the Company proposed to enter into the Amended and Restated Pledge of Shares Agreement.

Pursuant to the terms of the proposed Amended and Restated Pledge of Shares Agreement, the parties agree that, among other things, as continuing security for the full and punctual payment and performance of HPL's obligations under the Facilities Agreement, the Company shall:

- (1) pledge the Lygend Initial Shares to the secured parties who are represented by the Pledgee; and
- (2) take all actions required to cause the Lygend Additional Shares to be subject to the pledge under the Amended and Restated Pledge of Shares Agreement and to deliver or cause to be delivered to the Pledgee the shares certificates or other title documents evidencing or representing the Lygend Additional Shares.

## ***2. The proposed Kang Xuan Pledge Agreement***

The proposed Kang Xuan Pledge Agreement, which is to be entered into between Kang Xuan as the pledgor and the Pledgee as pledgee, concerns the underlying loan to HPL under the Facilities Agreement.

As disclosed above, as a condition precedent to the Amendment and Restatement Deed, Kang Xuan, a direct wholly-owned subsidiary of the Company, shall enter into a pledge agreement to secure HPL's obligations under the Facilities Agreement by providing a pledge in respect of its shares in HPL in favour of the Pledgee. Accordingly, the Company proposed for Kang Xuan to enter into the Kang Xuan Pledge Agreement.

Pursuant to the terms of the proposed Kang Xuan Pledge Agreement, the parties agree that, among other things, as continuing security for HPL's obligations under the Facilities Agreement, Kang Xuan shall:

- (1) pledge the Kang Xuan Initial Shares to the secured parties who are represented by the Pledgee; and
- (2) take all actions required to cause the Kang Xuan Additional Shares to be subject to the pledge under the Kang Xuan Pledge Agreement and to deliver or cause to be delivered to the Pledgee the shares certificates or other title documents evidencing or representing the Kang Xuan Additional Shares.

## ***3. The proposed TBP Amended and Restated Pledge of Shares Agreement***

The proposed TBP Amended and Restated Pledge of Shares Agreement, which is to be entered into between the Indonesian Partner as the pledgor and the Pledgee as pledgee, concerns the underlying loan to HPL under the Facilities Agreement.

As disclosed above, as a condition precedent to the Amendment and Restatement Deed, the TBP Existing Pledge Agreement, which is a pledge agreement in respect of the Original Facilities Agreement, shall be amended and restated. Accordingly, the Indonesian Partner proposed to enter into the TBP Amended and Restated Pledge of Shares Agreement.



Pursuant to the terms of the proposed TBP Amended and Restated Pledge of Shares Agreement, the parties agree that, among other things, as continuing security for the full and punctual payment and performance of HPL's obligations under the Facilities Agreement, TBP shall:

- (1) pledge the TBP Initial Shares to the secured parties who are represented by the Pledgee; and
- (2) take all actions required to cause the TBP Additional Shares to be subject to the pledge under the TBP Amended and Restated Pledge of Shares Agreement and to deliver or cause to be delivered to the Pledgee the shares certificates or other title documents evidencing or representing the TBP Additional Shares.

#### ***4. The proposed HJR Amended and Restated Completion Guarantee Agreement***

The proposed HJR Amended and Restated Completion Guarantee Agreement, which is to be entered into between, among other parties, HJR and the Pledgee as security agent for the lenders, concerns the loan to HPL under the Facilities Agreement.

Pursuant to the terms of the HJR Amended and Restated Completion Guarantee Agreement, HJR reaffirmed and agreed to provide a 100% guarantee for the loan to HPL under the Facilities Agreement to secure full and punctual payment of the liabilities and performance of HPL's obligations under the Facilities Agreement.

#### **PROVISION OF FINANCIAL ASSISTANCE TO ONC AND RECEIVING FINANCIAL ASSISTANCE FROM CONNECTED PERSONS**

The Company and ABNB confirmed their intention to enter into a loan arrangement, under which ABNB shall arrange for a bank consortium to provide a consortium loan to ONC, for the purpose of the development of phase III of the nickel hydrometallurgy projects in Obi Island, Indonesia.

As required by the bank consortium, (i) the Company shall provide a 100% guarantee in respect of the loan of up to US\$780,000,000; (ii) Lygend New Power, a wholly-owned subsidiary of the Company, shall provide a pledge in respect of the 60% of the shares in ONC directly held by it; (iii) HJR, the parent entity of the Indonesian Partner shall provide a 100% guarantee in respect of the loan of up to US\$780,000,000; (iv) the Indonesian Partner shall provide a pledge in respect of 10% of the shares in ONC directly held by it; and (v) Li Yuen shall provide a pledge in respect of 30% of the shares in ONC directly held by it as security in favour of the certain representatives of the bank consortium for the consortium loan.

Accordingly, (i) the Company proposed to enter into the ONC Guarantee and proposed for Lygend New Power to enter into the ONC Pledge Agreement; (ii) HJR proposed to enter into the HJR ONC Guarantee; (iii) the Indonesian Partner proposed to enter into the TBP ONC Pledge Agreement; and (iv) Li Yuen proposed to enter into the Li Yuen ONC Pledge Agreement.

The following is a summary of the principal terms of the agreements in relation to the provision of financial assistance to ONC and receiving financial assistance from connected persons:

**1. *The proposed ONC Guarantee***

The proposed ONC Guarantee, to be entered into between the Company as guarantor and ABNB as representative of the bank consortium, concerns a loan of up to US\$780,000,000 for a period of eight years to be provided by a bank consortium to ONC for the purpose of the development of phase III of the nickel hydrometallurgy projects in Indonesia.

The parties agree that, among other things, as security for ONC's obligations under the foregoing loan, the Company shall guarantee 100% of the foregoing loan on a joint and several liability basis.

**2. *The proposed ONC Pledge Agreement***

The proposed ONC Pledge Agreement to be entered into between Lygend New Power as pledgor and Bank of China, Jakarta Branch (中國銀行雅加達分行) ("**BOC Jakarta**") as pledgee, concerns a loan of up to US\$780,000,000 for a period of eight years provided by a bank consortium to ONC for the purpose of the development of phase III of the nickel hydrometallurgy projects in Indonesia.

The parties agree that, among other things, as security for ONC's obligations under the foregoing loan, Lygend New Power, as pledgor, shall pledge its shares in ONC (being 60% of the shares in ONC) to BOC Jakarta, as pledgee and the security agent for the bank consortium.

**3. *The proposed HJR ONC Guarantee***

The proposed HJR ONC Guarantee, to be entered into between HJR as guarantor and BOC Jakarta as representative of the bank consortium, concerns a loan of up to US\$780,000,000 for a period of eight years to be provided by a bank consortium to ONC for the purpose of the development of phase III of the nickel hydrometallurgy projects in Indonesia.

The parties agree that, among other things, as security for ONC's obligations under the foregoing loan, HJR shall guarantee 100% of the foregoing loan on a joint and several liability basis.

**4. *The proposed TBP ONC Pledge Agreement***

The proposed TBP ONC Pledge Agreement to be entered into between the Indonesian Partner as pledgor and BOC Jakarta as pledgee, concerns a loan of up to US\$780,000,000 for a period of eight years provided by a bank consortium to ONC for the purpose of the development of phase III of the nickel hydrometallurgy projects in Indonesia.

The parties agree that, among other things, as security for ONC's obligations under the foregoing loan, the Indonesian Partner, as pledgor, shall pledge its shares in ONC (being 10% of the shares in ONC) to BOC Jakarta, as pledgee and the security agent for the bank consortium.

## **5. The proposed Li Yuen ONC Pledge Agreement**

The proposed Li Yuen ONC Pledge Agreement to be entered into between Li Yuen as pledgor and BOC Jakarta as pledgee, concerns a loan of up to US\$780,000,000 for a period of eight years provided by a bank consortium to ONC for the purpose of the development of phase III of the nickel hydrometallurgy projects in Indonesia.

The parties agree that, among other things, as security for ONC's obligations under the foregoing loan, Li Yuen, as pledgor, shall pledge its shares in ONC (being 30% of the shares in ONC) to BOC Jakarta, as pledgee and the security agent for the bank consortium.

### **INFORMATION ON THE GROUP**

The Group is principally engaged in business across the entire nickel industry value chain.

### **INFORMATION ON PARTIES INVOLVED**

The Company is a joint stock company incorporated in the People's Republic of China with limited liability, and is principally engaged in business across the entire nickel industry value chain.

HJR is a limited liability company established under the laws of Indonesia, and is principally engaged in coal, nickel and mineral mining, oil palm cultivation, timberlog trading and manufacturing timberlogs. It is the parent entity of the Indonesian Partner and is ultimately controlled by family members of Ms. Lim.

The Indonesian Partner is a limited liability company established under the laws of Indonesia, and is principally engaged in mining and production of nickel products. It is a substantial shareholder of certain non-wholly owned subsidiaries of the Company, and is ultimately controlled by family members of Ms. Lim.

Li Yuen is a company incorporated in Singapore with limited liability, and is ultimately solely held by Ms. Lim. It is an investment holding company.

HPL is a limited liability company established under the laws of Indonesia, and is principally engaged in the production of nickel-cobalt compounds. The Company in aggregate holds approximately 54.9% direct and indirect shareholding interest in HPL, of which approximately 18% of the shareholding interest is indirectly held through the Company's wholly-owned subsidiary, Kang Xuan. The remaining 45.1% of shareholding interest of HPL is held by the Indonesian Partner.

Kang Xuan is a direct wholly-owned subsidiary of the Company incorporated in Singapore with limited liability. It is an investment holding company.

Lygend New Power is a direct wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It is an investment holding company.

ONC is a limited liability company established under the laws of Indonesia, and is principally engaged in the operation and development of phase III of the nickel hydrometallurgy projects in Obi Island, Indonesia. It is held as to 60% by Lygend New Power, 10% by the Indonesian Partner and 30% by Li Yuen.

ABNB is a banking corporation established the laws of the PRC, and the Pledgee and BOC Jakarta are banking corporations established under the laws of the Republic of Indonesia. To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, ABNB, the Pledgee and BOC Jakarta and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS**

As disclosed above and in the Prospectus, HPL and ONC are indirect non-wholly owned subsidiaries of the Company. To facilitate the development of the hydrometallurgy projects operated by HPL, HPL obtained a loan facility under the Original Facilities Agreement of up to US\$625,000,000 in February 2021. Such loan amount was secured by a guarantee from the Company under the Completion Guarantee Agreement and a share pledge by the Company under the Existing Pledge Agreement, and a guarantee by HJR under the HJR Completion Guarantee Agreements and a share pledge by the Indonesian Partner under the TBP Existing Pledge Agreement. Due to the business needs of HPL, HPL resolved to obtain an additional loan facility from the lenders and proposed to enter into the Amendment and Restatement Deed to amend the Original Facilities Agreement and the Equity Support and Retention Deed, such that an additional loan facility of up to US\$186,500,000 would be obtained. As a result, the total commitment provided by the lenders to HPL under the Facilities Agreement amounted to US\$811,500,000. Similarly, due to the business needs of ONC, ONC resolved to enter into a loan arrangement under which a loan facility of up to US\$780,000,000 shall be provided to ONC by a bank consortium.

The Directors consider that the loan facilities to be provided to HPL under the Facilities Agreement, and the loan facilities to be provided to ONC by a bank consortium, are necessary for the continued development of the hydrometallurgy projects operated by HPL and ONC.

As (i) entering into the Amended and Restated Pledge of Shares Agreement, the Kang Xuan Pledge Agreement and the TBP Amended and Restated Pledge of Shares Agreement is a condition precedent under the Amendment and Restatement Deed; (ii) entering into the HJR Amended and Restated Completion Guarantee Agreement is required by the lenders for provision of the additional loan facility to HPL; and (iii) entering into the ONC Guarantee, the ONC Pledge Agreement, the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement is required by the bank consortium for provision of the loan facility to ONC, the Directors consider it essential for the Company, Kang Xuan, Lygend New Power, the Indonesian Partner, HJR and Li Yuen to enter into the aforementioned agreements to support the business and operations of HPL and ONC and to fulfil the Company's obligations under the HPL and ONC shareholders' agreements. The Directors also consider that the guarantees and share pledges provided by the Company, Kang Xuan and Lygend New Power in relation to the transactions contemplated hereunder are fair and reasonable, taking into account that the Company's connected persons (i.e. HJR, the Indonesian Partner and Li Yuen) will also provide guarantees and/or share pledges to secure HPL's and ONC's performance of their obligations in respect of the loans and hence fulfil their respective commitments under the HPL and ONC shareholders' agreements.

As HPL and ONC are indirect non-wholly owned subsidiaries of the Company, the Company will benefit from the financial performance of HPL and ONC, and use of the proceeds from the loans for the development of the hydrometallurgy projects conducted by HPL and ONC will enhance the productivity of the Company.

The Board (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee to be included in the circular to be despatched to the Shareholders) is of the view that the terms of the Agreements are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

In respect of the Agreements, to safeguard the interests of the Company and its Shareholders as a whole, particularly the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the guarantees provided under the Agreements, which include the following:

1. each transaction to be conducted in respect of the Agreements shall comply with the relevant financial management policies of the Company;
2. the finance department of the Company will closely monitor the credit risks of the Company and regularly monitor the transaction updates under the Agreements, including reviewing and assessing whether the loan facilities in relation to the Agreements have been conducted in accordance with the terms of the relevant agreements;
3. the Group has risk management and internal control system as well as an independent accounting and financial management system and various departments (such as finance department, audit department and risk management and legal department) to predict, evaluate and control all kinds of risks in business operations; and
4. as a controlling shareholder of HPL and ONC, the Company shall strengthen the supervision and management of its financial risks through the directors of HPL and ONC appointed by the Company, so as to prevent HPL and ONC from defaulting their repayment of loans in their best efforts.

## **DIRECTORS' CONFIRMATION**

None of the other Directors has any material interests in the Agreements and the transactions contemplated thereunder and hence no other Director was required to abstain from voting on the relevant Board resolutions.

## IMPLICATIONS UNDER THE LISTING RULES

### ***Connected transactions relating to provision of financial assistance to HPL and receiving financial assistance from connected persons***

As at the date of this announcement, HPL is a non-wholly owned subsidiary of the Company. The Company in aggregate holds approximately 54.9% direct and indirect shareholding interest in HPL, of which approximately 18% of the shareholding interest is indirectly held through the Company's wholly-owned subsidiary, Kang Xuan. The remaining 45.1% of shareholding interest of HPL is held by the Indonesian Partner.

As at the date of this announcement, HJR is the parent entity of the Indonesian Partner and is ultimately controlled by family members of Ms. Lim. Ms. Lim is the sole ultimate beneficial owner of Feng Yi Pte. Ltd., a 17% Shareholder. As such, Ms. Lim is indirectly interested in 17% of the shares of the Company and is a substantial Shareholder and connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, HJR and the Indonesian Partner are associates of Ms. Lim and are connected persons of the Company pursuant to Rule 14A.07(4) of the Listing Rules. In addition, Ms. Lim's family members are deemed connected persons of the Company pursuant to Rule 14A.21 of the Listing Rules. Therefore, HPL is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules as Ms. Lim's family members are collectively entitled to control the exercise of 10% or more of the votes attaching to the shares of HPL.

Accordingly, the provision of financial assistance by the Company under the Amended and Restated Pledge of Shares Agreement and by Kang Xuan under the Kang Xuan Pledge Agreement to HPL, and HPL's receiving of financial assistance from the Indonesian Partner under the TBP Amended and Restated Pledge of Shares Agreement and from HJR under the HJR Amended and Restated Completion Guarantee Agreement, constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Amended and Restated Pledge of Shares Agreement and the Kang Xuan Pledge Agreement exceeds 5%, the foregoing agreements (and the transactions contemplated thereunder) are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the HJR Amended and Restated Completion Guarantee Agreement and the TBP Amended and Restated Pledge of Shares Agreement will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, they are fully exempted from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As HPL is a subsidiary of the Company, the Amended and Restated Pledge of Shares Agreement and the Kang Xuan Pledge Agreement (and the transactions contemplated thereunder) do not constitute notifiable transactions of the Company under Rule 14.04 of the Listing Rules.



***Connected transactions relating to provision of financial assistance to ONC and receiving financial assistance from connected persons***

As at the date of this announcement, ONC is a non-wholly owned subsidiary of the Company. The Company indirectly holds 60% shareholding interest through Lygend New Power, a wholly-owned subsidiary of the Company. The remaining shareholding interest of ONC is held as to 10% by the Indonesian Partner and as to 30% by Li Yuen, respectively.

As at the date of the announcement, HJR is the parent entity of the Indonesian Partner and is ultimately controlled by family members of Ms. Lim, and Li Yuen is indirectly solely held by Ms. Lim. Ms. Lim is the sole ultimate beneficial owner of Feng Yi Pte. Ltd., a 17% Shareholder. As such, Ms. Lim is indirectly interested in 17% of the shares of the Company and is a substantial Shareholder and connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, HJR, the Indonesian Partner and Li Yuen are associates of Ms. Lim and are connected persons of the Company pursuant to Rule 14A.07(4) of the Listing Rules. In addition, Ms. Lim's family members are deemed connected persons of the Company pursuant to Rule 14A.21 of the Listing Rules. Therefore, ONC is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules as Ms. Lim and Ms. Lim's family members are collectively entitled to control the exercise of 10% or more of the votes attaching to the shares of ONC.

Accordingly, the provision of financial assistance under the ONC Guarantee and ONC Pledge Agreement by the Company and Lygend New Power to ONC, and ONC's receiving of financial assistance from HJR, the Indonesian Partner and Li Yuen under the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the ONC Guarantee and the ONC Pledge Agreement exceeds 5%, the foregoing agreements (and the transactions contemplated thereunder) are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement are fully exempted from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As ONC is a subsidiary of the Company, the ONC Guarantee and ONC Pledge Agreement (and the transactions contemplated thereunder) do not constitute notifiable transactions of the Company under Rule 14.04 of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were conducted or completed within a same 12-month period or were otherwise related with each other. The transactions contemplated under the Agreements are proposed to be entered into within a same 12-month period and are proposed to be conducted by the Company and some of the same connected parties. Accordingly, such transactions contemplated under the Agreements shall be aggregated.

As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules after taking into account the aggregated calculations exceed 5%, the Amended and Restated Pledge of Shares Agreement, the Kang Xuan Pledge Agreement, ONC Guarantee and the ONC Pledge Agreement (and the transactions contemplated thereunder) are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As disclosed above, as HPL and ONC are subsidiaries of the Company, the foregoing agreements (and the transactions contemplated thereunder) do not constitute notifiable transactions of the Company under Rule 14.04 of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder.

In this connection, the Company has appointed Gram Capital to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder.

## **EGM**

The Independent Shareholders will consider and, if thought fit, approve, confirm and ratify the Agreements and the transactions contemplated thereunder at the EGM.

Ms. Lim and her associates have material interests in the Agreements and the transactions contemplated thereunder and will therefore be required to abstain from voting on the resolutions at the EGM. As at the date of this announcement, Ms. Lim is the sole ultimate beneficial owner of Feng Yi Pte. Ltd., a 17% Shareholder, and therefore indirectly holds or controls the voting rights in respect of 17% of the issued shares of the Company. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Agreements and the transactions contemplated thereunder and therefore no other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

A circular containing, among other things, (i) further details of the Agreements and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or around 15 March 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 28 March 2023 to Friday, 31 March 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents of H Shares accompanied by the relevant shares certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 27 March 2023.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“ABNB”	the Agricultural Bank of China Ningbo Branch
“Agreements”	the Amended and Restated Pledge of Shares Agreement, the Kang Xuan Pledge Agreement, the HJR Amended and Restated Completion Guarantee Agreement, the TBP Amended and Restated Pledge of Shares Agreement, the ONC Guarantee, the ONC Pledge Agreement, the HJR ONC Guarantee, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement
“Amended and Restated Pledge of Shares Agreement”	the agreement proposed to be entered into between (i) the Company as pledgor and (ii) the Pledgee as pledgee, confirming, amending and restating the pledge under the Existing Pledge Agreement
“Amendment and Restatement Deed”	the deed proposed to be entered into between, among others, HPL and the lenders, amending the terms of the Original Facilities Agreement and the Equity Support and Retention Deed, under which the lenders agreed to make available to HPL an additional term loan facility of up to US\$186,500,000
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Lygend Resources & Technology Co., Ltd. (宁波力勤资源科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock Code: 2245)
“Completion Guarantee Agreement”	the completion guarantee agreement entered into among the Company, PT Bank DBS Indonesia as agent and the Pledgee as security agent for the lenders dated 4 March 2021, under which the Company agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 under the Original Facilities Agreement and any other additional loan to be provided by the lenders
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be held by the Company to consider and, if through fit, approve, confirm and ratify among other things, the Agreements and the transactions contemplated thereunder

“Equity Support and Retention Deed”	the agreement entered into by, among other parties, the Company and HJR on 4 March 2021, as subsequently amended on 18 May 2021 and 28 December 2021, concerning the Original Facility Agreement, under which the Company and HJR were required to, among other things, make certain equity contributions to HPL and guarantee certain obligations to HPL
“Existing Pledge Agreement”	the pledge agreement in respect of the Original Facilities Agreement entered into between the Company and the Pledgee on 17 March 2021, under which the Company agreed to pledge its shares in HPL in favour of the Pledgee
“Facilities Agreement”	the Original Facilities Agreement, as amended by the Amendment and Restatement Deed
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
“HJR”	PT Harita Jayaraya, a limited liability company established under the laws of Indonesia. It is the parent entity of the Indonesian Partner and is ultimately controlled by family members of Ms. Lim
“HJR Amended and Restated Completion Guarantee Agreement”	the agreement proposed to be entered into between, among other parties, HJR and the Pledgee, amending and restating the HJR Completion Guarantee Agreements
“HJR Completion Guarantee Agreements”	the guarantee agreements entered into between, among other parties, HJR and the Pledgee as security agent for the lenders dated 4 March 2021 and 17 March 2021, under which HJR agreed to provide a 100% guarantee for the loan of up to US\$625,000,000 under the Original Facilities Agreement
“HJR ONC Guarantee”	the proposed guarantee to be entered into between, among others, HJR as guarantor and Bank of China, Jakarta Branch (中國銀行雅加達分行) as representative of the bank consortium in respect of a proposed loan to be provided by a bank consortium to ONC
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“HPL”	PT Halmahera Persada Lygend, a limited liability company established under the laws of Indonesia, and a connected subsidiary of the Company directly and indirectly held as to 54.9% by the Company

“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors established pursuant to the Listing Rules to advise the Independent Shareholders in relation to the Agreements and the transactions contemplated thereunder
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Ms. Lim and her associates and any other persons who are required to abstain from voting on resolutions to approve, confirm and ratify the Agreements and the transactions contemplated thereunder pursuant to the Listing Rules
“Indonesia”	the Republic of Indonesia
“Indonesian Partner”	PT Trimegah Bangun Persada, a limited liability company established under the laws of Indonesia and a substantial shareholder of certain non-wholly owned subsidiaries of the Company
“Kang Xuan”	Kang Xuan Pte. Ltd., a direct wholly-owned subsidiary of the Company incorporated in Singapore with limited liability
“Kang Xuan Additional Shares”	any shares regardless of class or denomination at any time issued by HPL (in addition to the existing Kang Xuan Initial Shares and any Kang Xuan Additional Shares) to Kang Xuan after the date of the Kang Xuan Pledge Agreement, by virtue of Kang Xuan being a holder of such existing Kang Xuan Initial Shares and Kang Xuan Additional Shares
“Kang Xuan Initial Shares”	the 905,400 shares issued by HPL and owned by and registered under the name of Kang Xuan
“Kang Xuan Pledge Agreement”	the Pledge of Shares Agreement proposed to be entered into between Kang Xuan and the Pledgee
“Li Yuen”	Li Yuen Pte. Ltd., a company incorporated in Singapore with limited liability and a 30% shareholder of ONC
“Li Yuen ONC Pledge Agreement”	The proposed share pledge agreement to be entered into between Li Yuen as pledger and Bank of China, Jakarta Branch (中國銀行雅加達分行) as pledgee in respect of a proposed loan to be provided by a bank consortium to ONC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lygend Additional Shares”	any shares regardless of class or denomination at any time issued by HPL (in addition to the existing Lygend Initial Shares and any Lygend Additional Shares) to the Company after the date of the Amended and Restated Pledge of Shares Agreement, by virtue of the Company being a holder of such existing Lygend Initial Shares and Lygend Additional Shares
“Lygend Initial Shares”	the 1,856,070 shares issued by HPL and owned by and registered under the name of the Company, representing 36.9% of the shares of HPL
“Lygend New Power”	Lygend New Power (Hong Kong) Limited, a limited liability company established under the laws of Hong Kong and a wholly-owned subsidiary of the Company
“Ms. Lim”	Ms. Lim Shu Hua, Cheryl, a substantial Shareholder who indirectly holds 17% of the issued share capital of the Company
“ONC”	PT OBI Nickel Cobalt, a limited liability company established under the laws of Indonesia, and a connected subsidiary of the Company indirectly held as to 60% by the Company
“ONC Guarantee”	the proposed guarantee to be entered into between the Company as guarantor and ABNB as representative of the bank consortium in respect of a proposed loan to be provided by a bank consortium to ONC
“ONC Pledge Agreement”	the proposed share pledge agreement to be entered into between Lygend New Power as pledgor and Bank of China, Jakarta Branch (中國銀行雅加達分行) as pledgee in respect of a proposed loan to be provided by a bank consortium to ONC
“Original Facilities Agreement”	the US\$605,000,000 (or in any case not exceeding US\$625,000,000) facilities agreement dated 22 February 2021, as amended by a waiver and amendment letter dated 30 September 2021, entered into between, among others, HPL as borrower, the Pledgee as security agent and a number of financial institutions as lenders
“Pledgee”	PT Bank Mandiri (Persero) TBK, a banking corporation established under the laws of the Republic of Indonesia
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company



“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“TBP Additional Shares”	any shares regardless of class or denomination at any time issued by HPL (in addition to the existing TBP Initial Shares and any TBP Additional Shares) to the Indonesian Partner after the date of the TBP Amended and Restated Pledge of Shares Agreement, by virtue of the Indonesian Partner being a holder of such existing TBP Initial Shares and TBP Additional Shares
“TBP Amended and Restated Pledge of Shares Agreement”	the agreement proposed to be entered into between (i) the Indonesian Partner as pledger and (ii) the Pledgee as pledgee, confirming, amending and restating the pledge under the TBP Existing Pledge Agreement
“TBP Existing Pledge Agreement”	the pledge agreement in respect of the Original Facilities Agreement entered into between the Indonesian Partner and the Pledgee on 17 March 2021
“TBP Initial Shares”	the 2,732,230 shares issued by HPL and owned by and registered under the name of the Indonesian Partner as at the date of the TBP Existing Pledge Agreement
“TBP ONC Pledge Agreement”	The proposed share pledge agreement to be entered into between the Indonesian Partner as pledger and Bank of China, Jakarta Branch (中國銀行雅加達分行) as pledgee in respect of a proposed loan to be provided by a bank consortium to ONC
“United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“US\$”	United States dollars, the lawful currency of the United States
%	per cent.

By order of the Board  
**Lygend Resources & Technology Co., Ltd.**  
**CAI Jianyong**  
*Chairman and Executive Director*

The PRC, 22 February 2023

*As at the date of this announcement, the executive directors are Mr. CAI Jianyong, Mr. JIANG Xinfang, Ms. FEI Feng, Mr. CAI Jianwei and Mr. YU Weijun; the non-executive director is Mr. Lawrence LUA Gek Pong; the independent non-executive directors are Dr. HE Wanpeng, Ms. ZHANG Zhengping and Dr. WANG James Jixian.*