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If you have sold or transferred all your shares in Lygend Resources & Technology Co., Ltd., you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



Capitalized terms used in this cover page have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out at pages 9 to 24 of this circular. A letter from the Independent Board Committee is set out at pages 25 to 26 of this circular. A letter from Gram Capital is set out at pages 27 to 40 of this circular. The notice convening the EGM of the Company to be held on 31 March 2023 at 9:00 am at 10th Floor, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, People's Republic of China is set out at page EGM-1 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

15 March 2023

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DEFINITIONS

In this circular, 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
“Articles of Association”	the articles of association of the Company adopted on 31 December 2021, as amended from time to time
“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

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“Confirmatory Agreement”	the confirmatory agreement entered into among the Company, HPL and ONC dated 10 March 2023, pursuant to which the Company, HPL and ONC confirmed their intention that the Agreements will be entered into by the relevant parties after approval from the Independent Shareholders have been obtained in the EGM
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	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
“Employee Incentive Platforms”	Ningbo Litai, Ningbo Yangcheng, Ningbo Xinpan and Ningbo Yufeng, which are each Shareholders of the Company
“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 Facilities 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

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“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 SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreements and the transactions contemplated thereunder

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“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, representing 18% of the total issued shares of HPL
“Kang Xuan Pledge Agreement”	the proposed share pledge agreement to be entered into between (i) Kang Xuan as pledgor and (ii) the Pledgee as pledgee in respect of the underlying loan to HPL under the Facilities Agreement
“Latest Practicable Date”	10 March 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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

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“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 Investment”	Zhejiang Lygend Investment Co., Ltd. (浙江力勤投資有限公司), a limited liability company established in the PRC on April 19, 2010, controlled by Mr. Cai, and one of the Company’s Controlling Shareholders
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Cai”	Mr. Cai Jianyong (蔡建勇), the founder of the Company, one of the executive Directors, chairman of the Board and one of the Controlling Shareholders 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
“Ningbo Litai”	Ningbo Litai Enterprise Management Partnership (Limited Partnership) (寧波勵泰企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 29, 2021, of which Ms. Fei Feng (費鳳) is the general partner, and one of the Company’s Employee Incentive Platforms

DEFINITIONS

“Ningbo Lizhan”	Ningbo Lizhan Trade Co., Ltd. (寧波勵展貿易有限公司), a limited liability company established in the PRC on July 30, 2021 and one of the Company’s Controlling Shareholders, which is in turn wholly-owned by Lygend Investment
“Ningbo Xinpan”	Ningbo Xinpan Enterprise Management Partnership (Limited Partnership) (寧波鑫盼企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 29, 2021, of which Ms. Fei Feng (費鳳) is the general partner, and one of the Company’s Employee Incentive Platforms
“Ningbo Yangcheng”	Ningbo Yangcheng Enterprise Management Partnership (Limited Partnership) (寧波揚承企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 29, 2021, of which Ms. Fei Feng (費鳳) is the general partner, and one of the Company’s Employee Incentive Platforms
“Ningbo Yufeng”	Ningbo Yufeng Enterprise Management Partnership (Limited Partnership) (寧波禹豐企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 29, 2021, of which Ms. Fei Feng (費鳳) is the general partner, and one of the Company’s Employee Incentive Platforms
“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

DEFINITIONS

“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
“Prospectus”	the prospectus of the Company dated 21 November 2021
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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
“Supervisor(s)”	the member(s) of the supervisory committee of the Company
“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

DEFINITIONS

“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
“Unlisted Share(s)”	comprising domestic shares and unlisted foreign shares of the Company, being ordinary share(s) issued by the Company and not listed on any stock exchange with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB by domestic investors (in relation to domestic shares) and which are subscribed for and paid for in a currency other than RMB by foreign investors (in relation to unlisted foreign shares)
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. CAI Jianyong (*Chairman*)
Mr. JIANG Xinfang
Ms. FEI Feng
Mr. CAI Jianwei
Mr. YU Weijun

Registered Office:

2/F, Mingchuang Building
No. 707 Tiantong South Road
Yinzhou District
Ningbo City, Zhejiang Province
PRC

Non-executive Director:

Mr. Lawrence LUA Gek Pong

Head office in the PRC:

10-11/F, Building C10, R&D Park, Lane 299
Guanghua Road
Yinzhou District
Ningbo City, Zhejiang Province
PRC

Independent Non-executive Directors:

Dr. HE Wanpeng
Ms. ZHANG Zhengping
Dr. WANG James Jixian

Principal place of business in Hong Kong:

46/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

15 March 2023

To the Shareholders

Dear Sir or Madam,

**POSSIBLE CONNECTED TRANSACTIONS
PROVISION OF FINANCIAL ASSISTANCE TO CONNECTED
SUBSIDIARIES AND RECEIVING FINANCIAL ASSISTANCE FROM
CONNECTED PERSONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 22 February 2023 in relation to the provision of financial assistance by the Company to its connected subsidiaries and the receiving of financial assistance from connected persons of the Company. The purpose of this circular is to provide you with information regarding, among other things: (i) details of

LETTER FROM THE BOARD

the Agreements and the transactions contemplated thereunder; (ii) recommendations made by the Independent Board Committee in respect of the Agreements and the transactions contemplated thereunder; (iii) opinions of Gram Capital to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM so that you can make informed decisions when you vote at the EGM on the resolutions proposed in connection with the Agreements and the transactions contemplated thereunder.

The Company has entered into the Confirmatory Agreement with HPL and ONC, pursuant to which the Company, HPL and ONC confirmed their intention that the Agreements will be entered into by the relevant parties after approval from the Independent Shareholders have been obtained in the EGM. Set out below are details of the Agreements and the transactions contemplated in relation to the provision of financial assistance to HPL and ONC and the receiving of financial assistance from connected persons of the Company.

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

Reference is made to 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 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.

LETTER FROM THE BOARD

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 conditions precedent under the Facilities Agreement may be waived at the discretion of the lenders. If there is any failure by HPL in paying any amount that falls due under the Facilities Agreement, the lenders are entitled to claim from the Company and/or HJR the full amount which HPL has failed to pay to the lenders under the Completion Guarantee Agreement and the HJR Amended and Restated Completion Guarantee Agreement. For the avoidance of doubt, the defaulted amount will not be shared by the Company and HJR pro rata to their direct and/or indirect shareholding in HPL, hence there is a possibility that the Company may be responsible for 100% of HPL's defaulted amount if the lenders elect to claim only from the

LETTER FROM THE BOARD

Company under the Completion Guarantee Agreement. Having considered that (i) such guarantees are required by the lenders for the provision of the additional loan facility to HPL, (ii) HJR may also bear the same responsibility should the lenders elect to claim only from HJR under the HJR Amended and Restated Completion Guarantee Agreement, (iii) the fact that HPL is a subsidiary of the Company and the Company's equity interest in HPL (direct and indirect) is more than that of HJR, and (iv) the Company is not prohibited under relevant laws to counter-claim against HJR the amount that the Company may be required to pay under the Completion Guarantee Agreement, the Directors consider that such guarantee arrangement is fair and reasonable. As at the Latest Practicable Date, no valuation of the shares proposed to be pledged under the Amended and Restated Pledge of Shares Agreement, the Kang Xuan Pledge Agreement and the TBP Amended and Restated Pledge of Shares Agreement was carried out. In the event that the lenders deem it necessary to sell the pledged shares under the aforementioned pledge of shares agreements, the lenders will carry out valuation of the pledged shares prior to conducting such sale of the pledged shares.

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. For the avoidance of doubt, as at the Latest Practicable Date, these agreements have not been entered into, and it is intended that they will only be entered into after approval from the Independent Shareholders have been obtained in the EGM. The Company confirms that these agreements were, as at the Latest Practicable Date, in agreed forms and it is expected that these agreed versions of the agreements will be entered into (assuming that Independent Shareholders' approval has been obtained), and the terms will not materially differ from the disclosures in this circular. In the event there are material changes to the terms of these agreements after Independent Shareholders' approval has been obtained, the Company will issue a supplemental circular to obtain Independent Shareholders' approval and comply with the applicable requirements under the Listing Rules prior to entering into any binding obligations. The Company will publish an announcement as soon as practicable once these agreements have been entered into after obtaining the approval from the Independent Shareholders, and such announcement shall include a confirmation that there are no material differences between the executed agreements and the agreements as disclosed in this circular and approved by the Independent Shareholders at the EGM (or any supplemental circular or additional extraordinary general meeting, as applicable).

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 certain representatives of the bank consortium for the consortium loan.

LETTER FROM THE BOARD

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. As at the Latest Practicable Date, no valuation of the shares proposed to be pledged under the ONC Pledge Agreement, the TBP ONC Pledge Agreement and the Li Yuen ONC Pledge Agreement was carried out. In the event that the bank consortium deem it necessary to sell the pledged shares under the aforementioned pledge of shares agreements, the bank consortium will carry out valuation of the pledged shares prior to conducting such sale of the pledged shares.

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. For the avoidance of doubt, as at the Latest Practicable Date, these agreements have not been entered into, and it is intended that they will only be entered into after approval from the Independent Shareholders have been obtained in the EGM. The Company confirms that the terms of these agreements were, as at the Latest Practicable Date, in agreed forms and it is expected that these agreed versions of the agreements will be entered into (assuming that Independent Shareholders' approval has been obtained), and the terms will not materially differ from the disclosures in this circular. In the event there are material changes to the terms of these agreements after Independent Shareholders' approval has been obtained, the Company will issue a supplemental circular to obtain Independent Shareholders' approval and comply with the applicable requirements under the Listing Rules prior to entering into any binding obligations. The Company will publish an announcement as soon as practicable once these agreements have been entered into after obtaining the approval from the Independent Shareholders, and such announcement shall include a confirmation that there are no material differences between the executed agreements and the agreements as disclosed in this circular and approved by the Independent Shareholders at the EGM (or any supplemental circular or additional extraordinary general meeting, as applicable).

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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. It 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. Based on the unaudited management accounts of HPL as at 31 January 2023, the book value of HPL was US\$908.8 million, the total assets of HPL was US\$1,699.7 million, the revenue of HPL was US\$62.2 million and the net profit of HPL was US\$15.2 million.

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.

LETTER FROM THE BOARD

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 a non-wholly owned subsidiary of the Company held as to 60% by Lygend New Power, 10% by the Indonesian Partner and 30% by Li Yuen. Based on the unaudited management accounts of ONC as at 31 January 2023, the book value of ONC was US\$229.6 million, the total assets of ONC was US\$282.0 million, the revenue of ONC was nil and the net loss of ONC was US\$91,222.2. As at the Latest Practicable Date, ONC had not yet commenced production and as such no revenue was generated.

ABNB is a banking corporation established under the laws of the PRC. It is a subsidiary of the Agricultural Bank of China Limited, and its largest ultimate shareholder is Central Huijin Investment Ltd., a PRC investment company ultimately owned by the government of the PRC.

The Pledgee is a banking corporation established under the laws of the Republic of Indonesia, and its largest ultimate shareholder is the government of Indonesia.

BOC Jakarta is a banking corporation established under the laws of the Republic of Indonesia. It is a subsidiary of BOC Hong Kong (Holdings) Limited, and its largest ultimate shareholder is Central Huijin Investment Ltd., a PRC investment company ultimately owned by the government of the PRC.

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, guarantees 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 entered 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. HPL intends to use the majority of the additional loan facility of up to US\$186,500,000 under the Facilities Agreement to fund the construction of the hydrometallurgy projects (including the construction of production lines and other facilities) and for the purchase and installation of equipment, and the remaining amount for other expenses relevant to the development of the hydrometallurgy projects operated by HPL.

LETTER FROM THE BOARD

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. ONC intends to use the majority of the loan facility to fund the construction of the hydrometallurgy projects (including the construction of production lines and other facilities) and for the purchase and installation of equipment, and the remaining amount for other expenses relevant to the development of the hydrometallurgy projects to be operated by ONC.

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 Facilities Agreement; (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 in this circular) 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.

LETTER FROM THE BOARD

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 Directors has any material interests in the Agreements and the transactions contemplated thereunder and hence no 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 Latest Practicable Date, 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 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 Latest Practicable Date, 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 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 a notifiable transaction 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.

LETTER FROM THE BOARD

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. Your attention is drawn to the letter from the Independent Board Committee containing its advice set out on pages 25 to 26 of this circular.

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 and the principal factors and reasons considered by Gram Capital in arriving at such advice. The text of the letter of advice from Gram Capital is set out on pages 27 to 40 of this circular.

EGM AND PROXY ARRANGEMENTS

The notice of the EGM is set out on page EGM-1 of this circular. The EGM will be held on 31 March 2023 at 9:00 am at 10th Floor, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, People's Republic of China, for the Shareholders to consider and, if thought fit, approve, amongst other things, the Agreements and the transactions contemplated thereunder.

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 Latest Practicable Date, Ms. Lim was the sole ultimate beneficial owner of Feng Yi Pte. Ltd., a 17% Shareholder, and therefore indirectly held or controlled 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 form of proxy for use by the Shareholders at the EGM is enclosed with this circular and published on the website of the Stock Exchange (www.hkexnews.hk). To be valid, the proxy form must be completed and signed in accordance with the instructions printed thereon and return it to the H share registrar of the Company, Computershare Hong Kong Investor Services

LETTER FROM THE BOARD

Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM (for the H Share Shareholders); or for the Unlisted Share Shareholders of the Company, to the business address of the Company in the PRC, at 10-11/F, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, PRC not less than 24 hours before the time appointed for the holding of the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. On a poll, every Shareholder present or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his/her/its name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes in the same manner.

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 H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, 27 March 2023.

RECOMMENDATIONS

The Board (excluding the independent non-executive Directors, whose views are set out in the letter from the Independent Board Committee) considers that the entering into of the Agreements is in the ordinary and usual course of business of the Group, the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and the entering into of the Agreements is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the Independent Board Committee) recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM in relation to the Agreements and the transactions contemplated thereunder.

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



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)

15 March 2023

To the Independent Shareholders

Dear Sir or Madam,

**POSSIBLE CONNECTED TRANSACTIONS
PROVISION OF FINANCIAL ASSISTANCE TO CONNECTED
SUBSIDIARIES AND RECEIVING FINANCIAL ASSISTANCE FROM
CONNECTED PERSONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 15 March 2023 issued by the Company to the Shareholders (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether the Agreements are entered into in the ordinary and usual course of business of the Group, and whether the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Gram Capital has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder.

Your attention is also drawn to (i) the letter from the Board, as set out at pages 9 to 24 of the Circular; and (ii) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders which contains its recommendations and the principal factors taken into account in arriving at the recommendations in respect of the Agreements and the transactions contemplated thereunder, as set out at pages 27 to 40 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the terms of the Agreements and the advice from Gram Capital, we are of the opinion that the entering into of the Agreements is in the ordinary and usual course of business of the Group, the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and the entering into of the Agreements is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM in relation to the Agreements and the transactions contemplated thereunder.

Yours faithfully,
The Independent Board Committee of
Lygend Resources & Technology Co., Ltd.

HE Wanpeng
*Independent non-executive
Director*

ZHANG Zhengping
*Independent non-executive
Director*

WANG James Jixian
*Independent non-executive
Director*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

15 March 2023

To: The independent board committee and the independent shareholders of Lygend Resources & Technology Co., Ltd.

Dear Sirs,

POSSIBLE CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 15 March 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Provision of financial assistance to HPL

With reference to the Board Letter, on 22 February 2021, HPL as borrower entered into the Original Facilities Agreement (for the loan of up to US\$625,000,000) with, among others, a number of financial institutions as lenders and the Pledgee as security agent. 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. As a result, the total commitment provided by the lenders to HPL under the Facilities Agreement will amount to US\$811,500,000. As conditions precedent to the Facilities Agreement, certain agreements shall be entered into and/or amended and restated.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, HPL is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules. 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 constitutes connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Provision of financial assistance to ONC

With reference to the Board Letter, the Company and ABNB confirmed their intention to enter into a loan arrangement (the “**ONC Loan Agreement**”), 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 HPAL Project (as defined below). In this respect, the bank consortium requires certain guarantee and pledge from the Company, HJR and relevant parties.

With reference to the Board Letter, ONC is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules. The provision of financial assistance under the ONC Guarantee and ONC Pledge Agreement by the Company and Lygend New Power to ONC constitutes connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In addition to the Agreements, the Company also entered into the Confirmatory Agreement with HPL and ONC, pursuant to which the Company, HPL and ONC confirmed their intention that the Agreements will be entered into by the relevant parties after approval from the Independent Shareholders have been obtained in the EGM.

The Independent Board Committee comprising Dr. HE Wanpeng, Ms. ZHANG Zhengping and Dr. WANG James Jixian (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Agreements were entered into in the ordinary and usual course of business of the Company and on normal commercial terms; (ii) whether the terms of the Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Agreements and the transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

LETTER FROM GRAM CAPITAL

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Agreements. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, HJR, the Indonesian Partner, Li Yuen or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of entering into of the Agreements. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Agreements and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Agreements

Information on the Group (including HPL and ONC)

With reference to the Prospectus, the Group is principally engaged in business across the entire nickel industry value chain. The Group's two major business segments are nickel product trading and nickel product production. As advised by the Directors, the Group currently has a number of ferronickel and nickel-cobalt compound production lines in operation and under construction in Suqian, Jiangsu Province, PRC (for production of ferronickel) and Obi Island, Indonesia (i.e. the high pressure acid leaching nickel project (the "**HPAL Project**") for production of nickel-cobalt compound and the rotary kiln-electric furnace nickel project for production of ferronickel).

With reference to the Prospectus, the HPAL Project, which the Group jointly developed with the Indonesian Partner, is one of the most technically advanced nickel-cobalt compound hydrometallurgy projects worldwide, and has the lowest cash cost among all nickel-cobalt compound production projects worldwide. Six production lines were planned for the HPAL Project.

With reference to the Board Letter and as confirmed by the Directors, HPL is a limited liability company established in 2018 under the laws of Indonesia, and is principally engaged in the production of nickel-cobalt compound. HPL was established for development and operation of phase I (two production lines in operation as at the Latest Practicable Date) and phase II (one production line under construction as at the Latest Practicable Date) of the HPAL Project. 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. HPL is a connected subsidiary of the Company.

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With reference to the Board Letter and as confirmed by the Directors, ONC is a limited liability company established in 2021 under the laws of Indonesia, and is principally engaged in the operation and development of phase III (three production lines are planned for construction) of the HPAL Project. ONC is held as to 60% by Lygend New Power, 10% by the Indonesian Partner and 30% by Li Yuen. ONC is a connected subsidiary of the Company.

Set out below are the Group's consolidated financial information for the two years ended 31 December 2021 as extracted from the Prospectus:

	For the year ended 31 December 2021	For the year ended 31 December 2020	Year-on-year change
	<i>(audited)</i>	<i>(audited)</i>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Revenue	12,449,318	7,755,174	60.53
– Nickel product trading	8,771,063	5,005,505	75.23
– Nickel product production	2,448,497	1,642,049	49.11
– Equipment manufacturing and sale	1,003,392	1,020,232	(1.65)
– Others	226,366	87,388	159.04
Gross profit	1,515,928	952,659	59.13
Profit for the year	1,259,963	518,338	143.08

As depicted from the above table, the Group's revenue was approximately RMB12,449 million for the year ended 31 December 2021 (“FY2021”), represented an increase of approximately 60.53% as compared to that for the year ended 31 December 2020 (“FY2020”). With reference to the Prospectus, such increase in revenue was primarily attributable to increase in revenue generated from the Group's nickel product trading segment (generated approximately 70% of the Group's revenue for FY2021) and nickel product production segment (generated approximately 20% of the Group's revenue for FY2021). The Group's gross profit for FY2021 increased correspondingly to the aforesaid increase in the Group's revenue, as compared to that for FY2020.

As a combined effect of (i) increase in the Group's gross profit, other income and gains, selling and distribution expenses, administrative expenses; and (ii) turnaround from share of losses of associates to share of profits of associates, the Group's profit for FY2021 increased substantially as compared to that for FY2020.

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Set out below are the Group's consolidated financial information for the six months ended 30 June 2022 (with comparative figures) as extracted from the Prospectus:

	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Year-on-year change
	<i>(audited)</i> RMB'000	<i>(unaudited)</i> RMB'000	%
Revenue	9,978,283	4,088,286	144.07
– Nickel product trading	4,210,224	2,867,776	46.81
– Nickel product production	4,950,714	793,323	524.05
– Equipment manufacturing and sale	671,375	353,548	89.90
– Others	145,970	73,639	98.22
Gross profit	3,084,202	352,888	773.99
Profit for the period	2,289,623	88,956	2,473.88

As depicted from the above table, the Group's revenue was approximately RMB9,978 million for the six months ended 30 June 2022 (“**1H2022**”), represented an increase of approximately 144.07% as compared to that for the six months ended 30 June 2021 (“**1H2021**”). With reference to the Prospectus and as confirmed by the Directors, such increase in revenue was mainly attributable to (i) increase in revenue from nickel product trading segment driven by increase in average selling prices and sales volume; and (ii) increase in revenue from nickel product production segment driven by commencement of revenue generation from sales of self-produced nickel-cobalt compound since 30 November 2021 as a result of consolidation of HPL.

With reference to the Prospectus, revenue of approximately RMB4.95 billion for 1H2022 generated from the Group's nickel product production segment comprised of sale of ferronickel of approximately RMB0.98 billion and sale of nickel-cobalt compound of approximately RMB3.97 billion. As advised by the Directors, the aforesaid sale of nickel-cobalt compound under the Group's nickel product production segment for 1H2022 was attributable to the HPAL Project.

As depicted from the above table, the Group's gross profit for 1H2022 increased by around 8 times as compared with that for 1H2021. With reference to the Prospectus and as confirmed by the Directors, one of the major reason of the aforesaid increase in the Group's gross profit was that gross profit margin for the Group's nickel product production segment increased from approximately 12% for 1H2021 to approximately 51% for 1H2022, primarily driven by commencement of revenue generation from sales of self-produced nickel-cobalt compound since 30 November 2021 as a result of consolidation of HPL.

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As a result of the Group's increased gross profit for 1H2022 as compared to that for 1H2021 as partially offset by increased administrative expenses, other operating expenses and finance costs, the Group's profit for 1H2022 increased by around 25 times as compared with that for 1H2021.

With reference to Prospectus, the Group strives to strengthen its leading position in the global nickel industry and to further expand and deepen its business across the industry value chain. The Group plans to achieve its goals by pursuing the following major strategies: (i) expanding upstream resource channels and seeking high-quality nickel mine investment opportunities; (ii) completing and expanding the Group's nickel product production projects and seizing growth opportunities in downstream industries; (iii) enhancing research and development capabilities and promoting technological innovation; and (iv) creating a more open and robust nickel resource ecosystem.

Information on other parties involved

With reference to the Board Letter:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) Kang Xuan is a direct wholly-owned subsidiary of the Company incorporated in Singapore with limited liability. It is an investment holding company.
- (v) 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.

Reasons for and benefits for entering into of the Agreements

With reference to the Board Letter, to facilitate the development of the hydrometallurgy projects operated by HPL (i.e. the HPAL Project), 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 guarantees by HJR

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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. HPL intends to use majority of the additional loan facility of up to US\$186,500,000 under the Facilities Agreement to fund the construction of the hydrometallurgy projects (including the construction of production lines and other facilities) and for the purchase and installation of equipment, and the remaining amount for other expenses relevant to the development of the hydrometallurgy projects operated by HPL.

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. ONC intends to use majority of the loan facility to fund the construction of the hydrometallurgy projects (including the construction of production lines and other facilities) and for the purchase and installation of equipment, and the remaining amount for other expenses relevant to the development of the hydrometallurgy projects to be operated by ONC.

With reference to the Board Letter, 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 (i.e. the HPAL Project).

With reference to the Board Letter, 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.

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With reference to the Board Letter, 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.

As aforementioned, revenue of approximately RMB4.95 billion for 1H2022 generated from the Group's nickel product production segment comprised of sale of ferronickel of approximately RMB0.98 billion and sale of nickel-cobalt compound of approximately RMB3.97 billion. The aforesaid sale of nickel-cobalt compound under the Group's nickel product production segment for 1H2022 was attributable to the HPAL Project.

We also noted that the sale of nickel-cobalt compound of approximately RMB3.97 billion under the Group's nickel product production segment for 1H2022 represented approximately 40% of the Group's revenue for 1H2022.

In addition, the consolidation of HPL (which develops and operates phase I and phase II of the HPAL Project) also led to significant increase in the Group's gross profit and gross profit margin for 1H2022 as compared to those for 1H2021.

Accordingly, we concur with the Directors' view that the HPAL Project is an important project of the Group.

The purpose of entering into of the Agreements is to support HPL and ONC to obtain loan from bank consortiums for the development of the HPAL Project. For our due diligence purpose, we obtained budgeting of (i) HPL in respect of development of phase II of the HPAL Project to be financed by the further loan to be obtained (i.e. US\$186.5 million) and HPL's internal resources; and (ii) ONC in respect of development of phase III of the HPAL Project to be financed by the loan to be obtained (i.e. US\$780 million) and ONC's internal resources.

Given the above, in particular, the importance of the HPAL Project to the Group's operation, we consider that the entering into of the Agreements is conducted in the ordinary and usual course of business of the Company and is in the interest of the Company and the Shareholders as a whole.

2. Principal terms of the Agreements

Set out below are the principal terms of the Agreements as extracted from the Board Letter:

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In respect of the Facilities Agreement

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.

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.

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.

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.

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.

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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.

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.

With reference to the Board Letter, if there is any failure by HPL in paying any amount that falls due under the Facilities Agreement, the lenders are entitled to claim from the Company and/or HJR the full amount which HPL has failed to pay to the lenders under the Completion Guarantee Agreement and the HJR Amended and Restated Completion Guarantee Agreement. For the avoidance of doubt, the defaulted amount will not be shared by the Company and HJR pro rata to their direct and/or indirect shareholding in HPL. Hence, there is a possibility that the Company may be responsible for 100% of HPL's defaulted amount if the lenders elect to claim only from the Company under the Completion Guarantee Agreement. On the other hand, HJR may also bear the same responsibility should the lenders elect to claim only from HJR under the HJR Amended and Restated Completion Guarantee Agreement.

Our view

Based on the principal terms of the above agreements in respect of the Facilities Agreement (the "**HPL Agreements**"):

- (i) Both of the Company and HJR will provide 100% guarantee for the loan to HPL under the Facilities Agreement;

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- (ii) although the defaulted amount (in case of failure by HPL in paying any amount that falls due under the Facilities Agreement) will not be shared by the Company and HJR pro rata to their direct and/or indirect shareholding in HPL, HPL is a subsidiary of the Company and the Company's equity interest in HPL (direct and indirect) is more than that of HJR while the lenders may elect to claim from the Company or HJR; and
- (iii) all shareholders of HPL, including the Company, Kang Xuan and the Indonesian Partner, will pledge their respective shares of HPL.

Despite that all shareholders of HPL are required to pledge their respective shares of HPL in addition to the Company's 100% guarantee and HJR's 100% guarantee, we consider that all shareholders of HPL are treated equally under the above arrangement as required by independent third party lenders. Having also considered that HPL is a subsidiary of the Company, we are of the view that the terms of the HPL Agreements to be fair and reasonable.

In respect of the ONC Loan Agreement

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 HPAL Project.

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.

The proposed ONC Pledge Agreement

The proposed ONC Pledge Agreement to be entered into between Lygend New Power 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 HPAL Project.

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.

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 HPAL Project.

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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.

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 HPAL Project.

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.

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 HPAL Project.

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.

Our view

We enquired into the Directors regarding the eight years term of the loan to be obtained by ONC and the Directors advised us that such term was determined after negotiation with ABNB after taking into account (i) that phase III of the HPAL Project is expected to commence production in December 2023; (ii) the phase III of the HPAL Project payback period; (iii) that ONC may retain operating profit (if any); and (iv) liquidity of ONC. Accordingly, we consider the eight years term of the loan to be obtained by ONC to be reasonable.

Based on the principal terms of the above agreements in respect of the ONC Loan Agreement (the "**ONC Agreements**"):

- (i) Both of the Company and HJR will provide 100% guarantee for the loan to ONC under the ONC Loan Agreement; and
- (ii) all shareholders of ONC, including the Company, the Indonesian Partner and Li Yuen, will pledge their respective shares of ONC.

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Despite that all shareholders of ONC are required to pledge their respective shares of ONC in addition to the Company's 100% guarantee and HJR's 100% guarantee, we consider that all shareholders of ONC are treated equally under the above arrangement as required by independent third party lenders. Having also considered that ONC is a subsidiary of the Company, we are of the view that the terms of the ONC Agreements to be fair and reasonable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Agreements are on normal commercial terms and are fair and reasonable; and (ii) the Agreements are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Agreements and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars with regard to the Company given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Disclosure of the interests of the Directors, Supervisors and chief executives of the Company

As of the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, entered into the register maintained by the Company referred to therein; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Shares of the Company

Name of Director, Supervisor or Chief Executive	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the Company
Mr. Cai	Beneficial owner, interest held by controlled corporations and interest of spouse ⁽¹⁾	Unlisted Shares	955,581,000	72.52%	61.42%
Mr. Dong Dong	Beneficial owner	Unlisted Shares	10,406,000	0.79%	0.67%
Mr. Cai Jianwei	Beneficial owner	Unlisted Shares	10,406,000	0.79%	0.67%

Name of Director, Supervisor or Chief Executive	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the Company
Ms. Fei Feng	Beneficial owner and interest held by controlled corporations ⁽²⁾	Unlisted Shares	33,719,500	2.56%	2.17%
Mr. Ge Kaicai	Beneficial owner	Unlisted Shares	7,804,500	0.59%	0.50%

Notes:

- (1) As of the Latest Practicable Date, (i) Mr. Cai, one of the executive Directors and the chairman of the Board, directly held 416,732,000 Unlisted Shares; (ii) Lygend Investment, 88% of the equity interest of which was held by Mr. Cai, directly held 507,000,000 Unlisted Shares; (iii) Ningbo Lizhan, a wholly-owned subsidiary of Lygend Investment, directly held 1,000,000 Unlisted Shares; and (iv) Ms. Xie Wen (謝雯), the spouse of Mr. Cai, directly held 30,849,000 Unlisted Shares. Therefore by virtue of the SFO, Lygend Investment is deemed to be interested in the Shares held by Ningbo Lizhan, and Mr. Cai is deemed to be interested in the aggregate number of Shares held by Lygend Investment, Ningbo Lizhan and Ms. Xie Wen.
- (2) As of the Latest Practicable Date, Ms. Fei Feng directly held 7,804,500 Unlisted Shares, and was the general partner of each of the Company's Employee Incentive Platforms. Therefore by virtue of the SFO, Ms. Fei Feng is deemed to be interested in the aggregate number of 25,915,000 Unlisted Shares held by the Employee Incentive Platforms.

Interest in the Company's associated corporations

Name of Director or Chief Executive	Name of associated corporation	Number of Shares	Nature of interest	Approximate percentage
Mr. Cai	Lygend Investment ⁽¹⁾	N/A	Beneficial owner	88%
	Ningbo Lizhan ⁽²⁾	N/A	Interest held by controlled corporations	100%

Notes:

- (1) Lygend Investment, one of the Company's Controlling Shareholders, is a limited liability company established in the PRC and did not issue any shares. As of the Latest Practicable Date, Mr. Cai directly held 88% equity interest in Lygend Investment.
- (2) Ningbo Lizhan, one of the Company's Controlling Shareholders and a wholly-owned subsidiary of Lygend Investment, is a limited liability company established in the PRC and did not issue any shares. As of the Latest Practicable Date, Mr. Cai is deemed to be interested in the 100% equity interest in Ningbo Lizhan held by Lygend Investment.

(b) Disclosure of the interests of substantial shareholders and other persons of the Company

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being Directors, Supervisors or chief executives of the Company) had, or were deemed to have, interests or shorts positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held or interested	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total share capital
Ms. Xie Wen ⁽¹⁾	Beneficial owner and interest of spouse	Unlisted Shares	955,581,000	72.52%	61.42%
Lygend Investment ⁽¹⁾	Beneficial owner and interest held by controlled corporations	Unlisted Shares	508,000,000	38.55%	32.65%
Feng Yi ⁽²⁾	Beneficial owner	Unlisted Shares	263,553,750	20.00%	16.94%

Notes:

- (1) As of the Latest Practicable Date, (i) Mr. Cai, one of our executive Directors and the chairman of the Board, directly held 416,732,000 Unlisted Shares; (ii) Lygend Investment, 88% of the equity interest of which was held by Mr. Cai, directly held 507,000,000 Unlisted Shares; (iii) Ningbo Lizhan, a wholly-owned subsidiary of Lygend Investment, directly held 1,000,000 Unlisted Shares; and (iv) Ms. Xie Wen (謝雯), the spouse of Mr. Cai, directly held 30,849,000 Unlisted Shares. Therefore by virtue of the SFO, (i) Lygend Investment is deemed to be interested in the Shares held by Ningbo Lizhan; (ii) Mr. Cai is deemed to be interested in the aggregate number of Shares held by Lygend Investment, Ningbo Lizhan and Ms. Xie Wen; and (iii) Ms. Xie Wen is deemed to be interested in the Shares in which Mr. Cai has an interest.
- (2) As of the Latest Practicable Date, Feng Yi was wholly-owned by Oakwood Group Ltd, which was in turn solely held by Ms. Lim. Therefore by virtue of the SFO, each of Oakwood Group Ltd and Ms. Lim are deemed to be interested in the Shares held by Feng Yi.

3. DIRECTORS' EMPLOYMENT IN SUBSTANTIAL SHAREHOLDERS

The followings are the particulars of Directors' employment with substantial shareholders as at the Latest Practicable Date:

Name	Position in the Company	Position held in the substantial shareholder
Mr. Cai	Executive Director and Chairman of the Board	Director of Lygend Investment
Fei Feng	Executive Director, Deputy General Manager and Secretary of the Board	Supervisor of Lygend Investment

4. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 June 2022, being the date to which the latest published audited accounts of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, each of our Directors and Supervisors have entered into a contract in respect of, among other things, compliance with relevant laws and regulations, observance of the Articles of Association and provisions on arbitration.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

6. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT AND COMPETING BUSINESS

As of the Latest Practicable Date:

- (1) none of the Directors and Supervisors had any interests in any contract or arrangement entered into by any member of the Group which is significant in relation to the business of the Group, apart from their service contracts;

- (2) none of the Directors or Supervisors had any interest, direct or indirect, in any assets which had been, since 30 June 2022, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group;
- (3) none of the Directors, Supervisors and their respective close associates (as defined in the Listing Rules) had interest in the business (other than the business of the Group) which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. QUALIFICATIONS AND CONSENT OF EXPERT

The following is the qualification of the Independent Financial Adviser who has given its opinions contained in this circular:

Name	Qualifications
Gram Capital	A licensed corporation to carry out Type 6 (Advising on Corporate Finance) regulated activity under the SFO

Gram Capital has been appointed as the Independent Financial Adviser to give its written consent to the issue of this circular, with the inclusion herein of its letter of advice and references to its name and/or its advice in the form and context in which they appear, and has not withdrawn its consent to date.

As at the Latest Practicable Date, Gram Capital had no shareholding in any member of the Group and nor held the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital had no interest, direct or indirect, in any assets which had been, since 30 June 2022, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the following document will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.lygend.com) for 14 days from the date of this circular:

- (i) the proposed Facilities Agreement;
- (ii) the proposed Amended and Restated Pledge of Shares Agreement;
- (iii) the proposed Kang Xuan Pledge Agreement;
- (iv) the proposed TBP Amended and Restated Pledge of Shares Agreement;
- (v) the proposed HJR Amended and Restated Completion Guarantee Agreement;
- (vi) the proposed ONC Guarantee;
- (vii) the proposed ONC Pledge Agreement;
- (viii) the proposed HJR ONC Guarantee;
- (ix) the proposed TBP ONC Pledge Agreement;
- (x) the proposed Li Yuen ONC Pledge Agreement; and
- (xi) the Confirmatory Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Lygend Resources & Technology Co., Ltd. (the “**Company**”) will be held at 9:00 am on 31 March 2023 (or any adjournment thereof) at 10th Floor, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, People’s Republic of China to consider and, if thought fit, pass the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 15 March 2023.

ORDINARY RESOLUTIONS

“**THAT** the Agreements and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and any one Director be and is hereby authorised for and on behalf of the Company to execute and deliver all such documents, instruments and agreements and to take all steps as he or she considers necessary, desirable or expedient to implement and/or give effect to the Agreements and the transactions contemplated thereunder.”

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

The PRC, 15 March 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The voting at the EGM will be conducted by way of poll.
2. For the purpose of determining the eligibility 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 such period, no transfer of the Company's H Shares will be registered. Holders of the H Shares of the Company whose names appear on register of members of H Shares of the Company on Friday, 31 March 2023 will be entitled to attend the EGM. In order to be eligible to attend and vote at the EGM, holders of H Shares of the Company whose transfers of Shares have not been registered shall deposit the transfer documents together with the relevant share certificates with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 27 March 2023.
3. Each Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his or her behalf. A proxy needs not be a Shareholder.
4. Ordinary resolution at a general meeting shall be passed by one half or above of the voting rights held by shareholders (including their proxies) attending the general meeting. Special resolution at a general meeting shall be passed by two-thirds or above of the voting rights held by shareholders (including their proxies) attending the general meeting.
5. The form of proxy must be signed by the Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, the instrument must be either under its common seal or signed by the director or his/her attorney duly authorized. If the instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
6. In order to be valid, the form of proxy of the holders of H Shares together with the power of attorney or other authorization document (if any) signed by the authorized person or notarially certified power of attorney must be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong; or for the Unlisted Share Shareholders of the Company, to the business address of the Company in the PRC, at 10-11/F, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, PRC, not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM if he/she so wishes.
7. The EGM is expected to last for no more than half a day. Shareholders or their proxies attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the meeting shall produce their identity documents.
8. All times refer to Hong Kong local time, except as otherwise stated.