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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 A CONNECTED SUBSIDIARY

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

中毅資本有限公司
Grand Moore Capital Limited

Reference is made to the announcement dated 10 December 2024 regarding a facility agreement entered into between, among others, KPS (as borrower) and various banks and financial institutions (as lenders) in relation to a term loan facility of up to USD250,000,000 (the "**Bridge Facility**"). On July 3, 2025, KPS entered into the Facility Agreement, pursuant to which the lenders have agreed to make available a term loan facility of up to USD741,000,000 for the purpose of, among others, refinancing the Bridge Facility, subject to the terms and conditions set out in the Facility Agreement. In addition, on July 3, 2025, KPS entered into the WCF Facility Agreement, pursuant to which the lenders have agreed to make available a loan facility of up to USD150,000,000 for the purpose of financing the working capital requirements of KPS, subject to the terms and conditions set out in the WCF Facility Agreement.

It is a condition to the Facility Agreement and the WCF Facility Agreement that, among other things, (i) the HPL Deed of Guarantee, (ii) the Lygend Deed of Guarantee, (iii) the HJR Deed of Guarantee, (iv) the Project Support Undertaking, (v) the NBSS Share Pledge, and (vi) the TBP Share Pledge be entered into by the relevant parties to secure the full and punctual payment and performance of the relevant Secured Liabilities.

PROVISION OF FINANCIAL ASSISTANCE BY THE GROUP TO KPS

On August 14, 2025, HPL and the Bank entered into the HPL Deed of Guarantee, in relation to, among other things, the provision of a guarantee by HPL in favour of the Bank in respect of the Secured Liabilities of KPS under the Finance Documents.

In addition, it is expected that, the Company and the Bank will enter into the Lygend Deed of Guarantee in relation to, among other things, the provision of a guarantee by the Company in favour of the Bank in respect of 65% of the Secured Liabilities of KPS under the Finance Documents.

Further, it is expected that Baoxin Special Steel, among other parties, will enter into the Project Support Undertaking, pursuant to which it will, among other things, make additional equity contributions and/or extend subordinated loans to KPS to fund 65% of certain project costs of the KPS RKEF project if so requested by the Bank.

In addition, it is expected that Baoxin Special Steel, the Bank and KPS will enter into the NBSS Share Pledge, in relation to, among other things, the pledging of its shares in KPS by Baoxin Special Steel in favour of the Bank in respect of the Secured Liabilities of the Obligors (including KPS) under the Finance Documents.

RECEIPT OF FINANCIAL ASSISTANCE BY THE GROUP FROM TBP AND HJR

On August 14, 2025, TBP, the Bank and KPS entered into the TBP Share Pledge, in relation to, among other things, the pledging of its shares in KPS by TBP in favour of the Bank in respect of the Secured Liabilities of the Obligors (including KPS) under the Finance Documents.

Further, it is expected that TBP, among other parties, will enter into the Project Support Undertaking, pursuant to which it will, among other things, make additional equity contributions and/or extend subordinated loans to KPS to fund 35% of certain project costs of the KPS RKEF project if so requested by the Bank.

On August 14, 2025, HJR and the Bank entered into the HJR Deed of Guarantee in relation to, among other things, the provision of a guarantee by HJR in favour of the Bank in respect of 35% of the Secured Liabilities of KPS under the Finance Documents.

As of the date of this announcement, the terms of the Lygend Deed of Guarantee, the Project Support Undertaking and the NBSS Share Pledge have been finalized. The Company will publish a separate announcement as soon as practicable after the Lygend Deed of Guarantee, the Project Support Undertaking and the NBSS Share Pledge have been executed by the relevant parties.

IMPLICATIONS UNDER THE LISTING RULES AND THE ARTICLES OF ASSOCIATION

As of the date of this announcement, (i) HPL is a non-wholly owned subsidiary of the Company, directly and indirectly owned as to 54.9% by the Company; (ii) Baoxin Special Steel is a wholly-owned subsidiary of the Company; and (iii) KPS is a non-wholly owned subsidiary of the Company, indirectly owned as to 65% by the Company and held as to 35% by TBP. TBP is owned as to 86.45% by HJR, and HJR is ultimately controlled by family members of Ms. Lim. Ms. Lim is the de facto controller of Feng Yi Pte. Ltd., a 17% Shareholder of the Company. 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. As Ms. Lim's family members are deemed connected persons of the Company pursuant to Rule 14A.21 of the Listing Rules, accordingly, HJR, and TBP, being a subsidiary of HJR, are each a connected person of the Company. Further, 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 KPS, KPS is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules.

Accordingly, the provision of financial assistance by the Group to KPS under each of the HPL Deed of Guarantee, the Project Support Undertaking with respect to Baoxin Special Steel's commitment, the NBSS Share Pledge and the Lygend Deed of Guarantee, the receipt of financial assistance by the Group from TBP under the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge, as well as the receipt of financial assistance by the Group from HJR under the HJR Deed of Guarantee, constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Provision of financial assistance to KPS under the HPL Deed of Guarantee and the NBSS Share Pledge

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 entered into or completed within a 12-month period or are otherwise related. As the transactions under the HPL Deed of Guarantee and the NBSS Share Pledge are proposed to be entered into within the same 12-month period and the financial assistance contemplated thereunder would be provided to the same connected subsidiary, they are aggregated and treated as if they were one transaction. As one or more of the applicable percentage ratios calculated on an aggregated basis exceeds 5%, the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As KPS is a subsidiary of the Company, the provision of financial assistance to KPS under the HPL Deed of Guarantee and the NBSS Share Pledge would not constitute notifiable transactions of the Company pursuant to Rule 14.04(1)(e)(ii) of the Listing Rules.

Provision of financial assistance to KPS under the Lygend Deed of Guarantee and the Project Support Undertaking with respect to Baoxin Special Steel's commitment

As the Lygend Deed of Guarantee and the Project Support Undertaking with respect to Baoxin Special Steel's commitment will be conducted on normal commercial terms or better and are in proportion to the equity interest directly held by the Company's subsidiary, they are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.89 of the Listing Rules.

However, as the amount of a single guarantee under the Lygend Deed of Guarantee exceeded 10% of the Company's latest audited net assets, the Lygend Deed of Guarantee and the transactions contemplated thereunder will be subject to Shareholders' approval at the EGM, in accordance with Article 53(5) of the Articles of Association. Details of the Lygend Deed of Guarantee will be included in the EGM circular.

In addition, if any equity contribution is requested by the Bank in accordance with the terms of the Project Support Undertaking, the Company will comply with the applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Receipt of financial assistance from HJR under the HJR Deed of Guarantee

As the HJR Deed of Guarantee will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, it is fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Receipt of financial assistance from TBP under the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge

As the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

In addition, if any equity contribution is requested by the Bank in accordance with the terms of the Project Support Undertaking, the Company will comply with the applicable requirements under Chapter 14 and Chapter 14A 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 HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder.

In this connection, the Company has appointed Grand Moore Capital Limited to advise the Independent Board Committee and the Independent Shareholders in respect of the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder.

EGM

The Independent Shareholders will consider and, if thought fit, approve, confirm and ratify each of the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder at the EGM.

In addition, the Shareholders will consider and, if thought fit, approve, confirm and ratify the Lygend Deed of Guarantee and the transactions contemplated thereunder at the EGM. Details of the Lygend Deed of Guarantee will be included in the EGM circular.

A circular containing, among other things, (i) further details of each of the HPL Deed of Guarantee, the NBSS Share Pledge, the Lygend Deed of Guarantee and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders within 15 business days after publication of this announcement.

Reference is made to the announcement dated 10 December 2024 regarding a facility agreement entered into between, among others, KPS (as borrower) and various banks and financial institutions (as lenders) in relation to a term loan facility of up to USD250,000,000 (the "**Bridge Facility**"). On July 3, 2025, KPS entered into the Facility Agreement, pursuant to which the lenders have agreed to make available a term loan facility of up to USD741,000,000 for the purpose of, among others, refinancing the Bridge Facility, subject to the terms and conditions set out in the Facility Agreement. In addition, on July 3, 2025, KPS entered into the WCF Facility Agreement, pursuant to which the lenders have agreed to make available a loan facility of up to USD150,000,000 for the purpose of financing the working capital requirements of KPS, subject to the terms and conditions set out in the WCF Facility Agreement.

It is a condition to the Facility Agreement and the WCF Facility Agreement that, among other things, (i) the HPL Deed of Guarantee, (ii) the Lygend Deed of Guarantee, (iii) the HJR Deed of Guarantee, (iv) the Project Support Undertaking, (v) the NBSS Share Pledge, and (vi) the TBP Share Pledge be entered into by the relevant parties to secure the full and punctual payment and performance of the relevant Secured Liabilities.

PROVISION OF FINANCIAL ASSISTANCE BY THE GROUP TO KPS

On August 14, 2025, HPL and the Bank entered into the HPL Deed of Guarantee, in relation to, among other things, the provision of a guarantee by HPL in favour of the Bank in respect of the Secured Liabilities of KPS under the Finance Documents.

In addition, it is expected that the Company and the Bank will enter into the Lygend Deed of Guarantee in relation to, among other things, the provision of a guarantee by the Company in favour of the Bank in respect of 65% of the Secured Liabilities of KPS under the Finance Documents.

Further, it is expected that Baoxin Special Steel, among other parties, will enter into the Project Support Undertaking, pursuant to which it will, among other things, make additional equity contributions and/or extend subordinated loans to KPS to fund 65% of certain project costs of the KPS RKEF project if so requested by the Bank.

In addition, it is expected that Baoxin Special Steel, the Bank and KPS will enter into the NBSS Share Pledge, in relation to, among other things, the pledging of its shares in KPS by Baoxin Special Steel in favour of the Bank in respect of the Secured Liabilities of the Obligors (including KPS) under the Finance Documents.

RECEIPT OF FINANCIAL ASSISTANCE BY THE GROUP FROM TBP AND HJR

On August 14, 2025, TBP, the Bank and KPS entered into the TBP Share Pledge, in relation to, among other things, the pledging of its shares in KPS by TBP in favour of the Bank in respect of the Secured Liabilities of the Obligors (including KPS) under the Finance Documents.

Further, it is expected that TBP, among other parties, will enter into the Project Support Undertaking, pursuant to which it will, among other things, make additional equity contributions and/or extend subordinated loans to KPS to fund 35% of certain project costs of the KPS RKEF project if so requested by the Bank.

On August 14, 2025, HJR and the Bank entered into the HJR Deed of Guarantee in relation to, among other things, the provision of a guarantee by HJR in favour of the Bank in respect of 35% of the Secured Liabilities of KPS under the Finance Documents.

As of the date of this announcement, the terms of the Lygend Deed of Guarantee, the Project Support Undertaking and the NBSS Share Pledge have been finalized. The Company will publish a separate announcement as soon as practicable after the Lygend Deed of Guarantee, the Project Support Undertaking and the NBSS Share Pledge have been executed by the relevant parties.

1. PROVISION OF FINANCIAL ASSISTANCE BY THE GROUP TO KPS

A. HPL Deed of Guarantee

On August 14, 2025, HPL and the Bank entered into the HPL Deed of Guarantee, in relation to, among other things, the provision of a guarantee by HPL in favour of the Bank in respect of the Secured Liabilities of USD891,000,000.

The principal terms of the HPL Deed of Guarantee are set out below:

Date:

August 14, 2025

Parties:

(i) HPL, as guarantor; and

(ii) the Bank, as security agent.

Guarantee and undertaking:

HPL has absolutely, irrevocably and unconditionally agreed to provide guarantees to the Bank for the due and punctual performance of the Secured Liabilities by KPS under the Finance Documents.

HPL has also undertaken to the Bank (for and on behalf of the Secured Parties) that each time KPS does not make payment of any amount of the Secured Liabilities when due under or in connection with any Finance Document, HPL must immediately upon receiving written demand by the Bank (for and on behalf of the Secured Parties) pay that amount as if it was the principal obligor.

Indemnity:

As a separate, additional, continuing and primary obligation, HPL has unconditionally and irrevocably undertaken in favour of the Bank (for and on behalf of the Secured Parties) that, should the Secured Liabilities not be recoverable from HPL under the guarantee described above for any reason then, notwithstanding that it may have been known to the Bank, HPL shall immediately upon written demand by the Bank, make payment of the relevant Secured Liabilities in the manner provided for in the Finance Documents, and HPL shall indemnify the Bank against all losses, claims, demands, penalties, actions, suits, damages, costs, charges and expenses and including legal costs on a full indemnity basis and liabilities whatsoever incurred or suffered by the Bank in relation to (a) the Facility Agreement, the WCF Facility Agreement, the HPL Deed of Guarantee and/or the other Finance Documents and (b) by reason of any provision of the Finance Documents being or becoming void, unenforceable or otherwise invalid under any applicable law.

Effective period:

From the Effective Time to the date on which (i) no Obligor has any further actual or contingent obligation to make any payments to any of the Secured Parties under or pursuant to the terms of any of the Finance Documents and (ii) no Secured Party has any actual or contingent obligation or liability under or pursuant to the Finance Documents, or any of them, which will give rise to such an actual or contingent obligation of any Obligor.

B. NBSS Share Pledge

It is expected that Baoxin Special Steel, the Bank and KPS will enter into the NBSS Share Pledge, in relation to, among other things, the pledging of its shares in KPS by Baoxin Special Steel in favour of the Bank in respect of the Secured Liabilities of USD891,000,000 of the Obligors under the Finance Documents. As of the date of this announcement, the terms of the NBSS Share Pledge have been finalized. The Company will publish a separate announcement as soon as practicable after the NBSS Share Pledge has been entered into by the relevant parties.

The principal terms of the NBSS Share Pledge are set out below:

Parties:

(i) Baoxin Special Steel, as pledgor;

(ii) the Bank, as pledgee; and

(iii) KPS.

Pledge:

In order to secure the full and punctual payment and performance of the Secured Liabilities by the Obligors, Baoxin Special Steel shall establish in favour of the Bank (for and on behalf of the Secured Parties) a first right of pledge on the shares (including any future shares) held by it in KPS. As at the date of this announcement, Baoxin Special Steel holds 65% of the shareholding interest in KPS.

Effective period:

From the Effective Time, the NBSS Share Pledge is a continuing right and security for payment in full to the Bank of all the Secured Liabilities and the NBSS Share Pledge shall not be terminated, and the security created shall not be regarded as discharged or satisfied, until the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

2. FINANCIAL INFORMATION OF KPS

Set out below is a summary of the audited financial information of KPS for each of the financial years ended 31 December 2023 and 31 December 2024, respectively:

	For the financial year ended 31 December 2023 *(USD)*	**For the financial year ended 31 December 2024** *(USD)*
Revenue	/	/
Net profit (loss) after tax	(7,533,048)	(12,170,575)

	As at 31 December 2023 *(USD)*	**As at 31 December 2024** *(USD)*
Total assets	366,383,954	743,908,345
Net assets	48,145,344	378,150,498

3. REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE

KPS is a non-wholly owned subsidiary of the Company and is principally engaged in phase II of the RKEF project. The provision of credit support and/or securities pursuant to the HPL Deed of Guarantee and the NBSS Share Pledge will help KPS raise funds to support its project development and improve its production capability and profitability, contributing to the overall strategy layout of the Group.

In view of the above, the Board (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee to be included in the circular to be despatched to the Shareholders) is of the view that the terms of the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. IMPLICATIONS UNDER THE LISTING RULES AND THE ARTICLES OF ASSOCIATION

As of the date of this announcement, (i) HPL is a non-wholly owned subsidiary of the Company, directly and indirectly owned as to 54.9% by the Company; (ii) Baoxin Special Steel is a wholly-owned subsidiary of the Company; and (iii) KPS is a non-wholly owned subsidiary of the Company, indirectly owned as to 65% by the Company and held as to 35% by TBP. TBP is owned as to 86.45% by HJR, and HJR is ultimately controlled by family members of Ms. Lim. Ms. Lim is the de facto controller of Feng Yi Pte. Ltd., a 17% Shareholder of the Company. 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. As Ms. Lim's family members are deemed connected persons of the Company pursuant to Rule 14A.21 of the Listing Rules, accordingly, HJR, and TBP, being a subsidiary of HJR, are each a connected person of the Company. Further, 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 KPS, KPS is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules.

Accordingly, the provision of financial assistance by the Group to KPS under each of the HPL Deed of Guarantee, the Project Support Undertaking with respect to Baoxin Special Steel's commitment, the NBSS Share Pledge and the Lygend Deed of Guarantee, the receipt of financial assistance by the Group from TBP under the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge, as well as the receipt of financial assistance by the Group from HJR under the HJR Deed of Guarantee, constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Provision of financial assistance to KPS under the HPL Deed of Guarantee and the NBSS Share Pledge

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 entered into or completed within a 12-month period or are otherwise related. As the transactions under the HPL Deed of Guarantee and the NBSS Share Pledge are proposed to be entered into within the same 12-month period and the financial assistance contemplated thereunder would be provided to the same connected subsidiary, they are aggregated and treated as if they were one transaction. As one or more of the applicable percentage ratios calculated on an aggregated basis exceeds 5%, the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As KPS is a subsidiary of the Company, the provision of financial assistance to KPS under the HPL Deed of Guarantee and the NBSS Share Pledge would not constitute notifiable transactions of the Company pursuant to Rule 14.04(1)(e)(ii) of the Listing Rules.

Provision of financial assistance to KPS under the Lygend Deed of Guarantee and the Project Support Undertaking with respect to Baoxin Special Steel's commitment

As the Lygend Deed of Guarantee and the Project Support Undertaking with respect to Baoxin Special Steel's commitment will be conducted on normal commercial terms or better and are in proportion to the equity interest directly held by the Company's subsidiary, they are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.89 of the Listing Rules.

However, as the amount of a single guarantee under the Lygend Deed of Guarantee exceeded 10% of the Company's latest audited net assets, the Lygend Deed of Guarantee and the transactions contemplated thereunder will be subject to Shareholders' approval at the EGM, in accordance with Article 53(5) of the Articles of Association. Details of the Lygend Deed of Guarantee will be included in the EGM circular.

In addition, if any equity contribution is requested by the Bank in accordance with the terms of the Project Support Undertaking, the Company will comply with the applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Receipt of financial assistance from HJR under the HJR Deed of Guarantee

As the HJR Deed of Guarantee will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, it is fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Receipt of financial assistance from TBP under the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge

As the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge will be conducted on normal commercial terms or better and will not be secured by the assets of any member of the Group, the Project Support Undertaking with respect to TBP's commitment and the TBP Share Pledge are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

In addition, if any equity contribution is requested by the Bank in accordance with the terms of the Project Support Undertaking, the Company will comply with the applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules.

5. DIRECTORS' CONFIRMATION

None of the Directors has any material interest in each of the HPL Deed of Guarantee, the NBSS Share Pledge, the Lygend Deed of Guarantee and the transactions contemplated thereunder, and hence no Director was required to abstain from voting on the relevant Board resolutions.

6. INFORMATION ON THE GROUP

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

7. INFORMATION ON THE PARTIES INVOLVED

HPL is a limited liability company established under the laws of Indonesia and is principally engaged in the business of production of nickel-cobalt compounds. As at the date of this announcement, HPL is directly and indirectly held as to 54.9% by the Company and held as to 45.1% by TBP.

KPS is a limited liability company established under the laws of Indonesia and is principally engaged in the operation of phase II of the RKEF project. Please refer to the prospectus of the Company dated 21 November 2022 for further details. As at the date of this announcement, KPS is indirectly held as to 65% by the Company through Baoxin Special Steel. The remaining shareholding interest of KPS is held as to 35% by TBP.

Baoxin Special Steel is a company established in the PRC with limited liability and is principally engaged in the business of equity investment. As at the date of this announcement, Baoxin Special Steel is a wholly-owned subsidiary of the Company.

TBP is a company listed on the Indonesia Stock Exchange (IDX) (ticker code: NCKL) and incorporated under the laws of Indonesia. TBP is principally engaged in nickel resource development and nickel product smelting business. As at the date of this announcement, TBP is owned as to 86.45% by HJR. 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 ultimately controlled by family members of Ms. Lim.

The Bank is a limited liability company established under the laws of Indonesia, whose shares are listed on the Indonesian Stock Exchange (stock code: BNLI). It is primarily engaged in the provision of banking services in Indonesia, and is licensed and supervised by the Indonesian Financial Services Authority and Bank Indonesia. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

8. 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 HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder.

In this connection, the Company has appointed Grand Moore Capital Limited to advise the Independent Board Committee and the Independent Shareholders in respect of the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder.

9. EGM

The Independent Shareholders will consider and, if thought fit, approve, confirm and ratify each of the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder at the EGM.

In addition, the Shareholders will consider and, if thought fit, approve, confirm and ratify the Lygend Deed of Guarantee and the transactions contemplated thereunder at the EGM. Details of the Lygend Deed of Guarantee will be included in the EGM circular.

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

A circular containing, among other things, (i) further details of each of the HPL Deed of Guarantee, the NBSS Share Pledge, the Lygend Deed of Guarantee and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders within 15 business days after publication of this announcement.

10. DEFINITIONS

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

"Articles of Association"	the articles of association of the Company, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Bank"	PT Bank Permata Tbk, a limited liability company established under the laws of Indonesia, whose shares are listed on the Indonesian Stock Exchange (stock code: BNLI). It is licensed and supervised by the Indonesian Financial Services Authority and Bank Indonesia
"Baoxin Special Steel"	Ningbo Baoxin Special Steel Technology Co., Ltd.* (寧波寶鑫特鋼科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"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)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected subsidiary"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Effective Time"	the time at and day on which HPL (as guarantor under the HPL Deed of Guarantee) and Baoxin Special Steel (as pledgor under the NBSS Share Pledge) (as the context may require) deliver to the Bank written confirmation and evidence that the necessary shareholder resolutions have been passed at the EGM approving the HPL Deed of Guarantee and the NBSS Share Pledge, respectively, and the transactions contemplated thereunder, as the context may require
"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 HPL Deed of Guarantee, the Lygend Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder

"Facility Agreement"	the facility agreement entered between, among others, KPS (as borrower) and various banks and financial institutions (as lenders), including the Bank, in relation to a term loan facility of up to USD741,000,000, as amended, novated, supplemented, extended or restated
"Finance Documents"	among other things, the Facility Agreement, the WCF Facility Agreement, the HPL Deed of Guarantee, the NBSS Share Pledge, the TBP Share Pledge, the Project Support Undertaking, the Lygend Deed of Guarantee, the HJR Deed of Guarantee and any other documents designated as such by the Bank (as facility agent and/or security agent) and an Obligor party to such documents
"Group"	the Company and its subsidiaries
"HJF"	PT Halmahera Jaya Feronikel, a limited liability company established under the laws of Indonesia and directly held as to 36.9% by the Company
"HJR"	PT Harita Jayaraya, a limited liability company established under the laws of Indonesia and ultimately controlled by family members of Ms. Lim
"HJR Deed of Guarantee"	the deed of corporate guarantee, indemnity and undertaking entered into between HJR (as guarantor) and the Bank (as security agent) on August 14, 2025, in relation to, among other things, the provision of a guarantee by HJR in favour of the Bank in respect of 35% of the Secured Liabilities
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HPL"	PT Halmahera Persada Lygend, a limited liability company established under the laws of Indonesia directly and indirectly held as to 54.9% by the Company and held as to 45.1% by TBP, and a connected subsidiary of the Company
"HPL Deed of Guarantee"	the deed of corporate guarantee, indemnity and undertaking entered into between HPL (as guarantor) and the Bank (as security agent) on August 14, 2025, in relation to, among other things, the provision of a guarantee by HPL in favour of the Bank in respect of the Secured Liabilities
"Independent Board Committee	the independent committee of the Board, the members of which consist of the independent non-executive Directors, formed to advise all Independent Shareholders with respect to the HPL Deed of Guarantee, the NBSS Share Pledge and the transactions contemplated thereunder

"Independent Financial Adviser"	Grand Moore Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and 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 transactions contemplated under the HPL Deed of Guarantee and the NBSS Share Pledge
"Independent Shareholders"	Shareholders other than Feng Yi Pte. Ltd. and any other persons who are required to abstain from voting on resolutions to approve the transactions contemplated under the HPL Deed of Guarantee and the NBSS Share Pledge at the EGM pursuant to the Listing Rules
"Indonesia"	the Republic of Indonesia
"KPS"	PT Karunia Permai Sentosa, a limited liability company established under the laws of Indonesia and a connected subsidiary of the Company. As at the date of this announcement, KPS is indirectly held as to 65% by the Company through Baoxin Special Steel and as to 35% by TBP
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Lygend Deed of Guarantee"	the deed of corporate guarantee, indemnity and undertaking expected to be entered into between the Company (as guarantor) and the Bank (as security agent), in relation to, among other things, the provision of a guarantee by the Company in favour of the Bank in respect of 65% of the Secured Liabilities
"Ms. Lim"	Ms. Lim Shu Hua, Cheryl, the de facto controller of Feng Yi Pte. Ltd., a 17% Shareholder of the Company
"NBSS Share Pledge"	the deed of shares pledge expected to be entered into between Baoxin Special Steel (as pledgor), the Bank (as pledgee) and KPS, in relation to, among other things, the pledging of the shares of Baoxin Special Steel in KPS
"Obi Island"	the largest island among a group of islands in the Indonesian province of North Maluku, the place where the Company's RKEF project is located

"Obligor(s)"	the obligors under the Finance Documents, namely KPS (as borrower), HPL (as guarantor), Baoxin Special Steel and TBP (as shareholders of KPS), HJR and the Company (as guarantors and sponsors)
"percentage ratio"	has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China
"Project Support Undertaking"	the agreement expected to be entered into by, among others, Baoxin Special Steel and TBP, pursuant to which Baoxin Special Steel and TBP will, among other things, make certain equity contributions and/or extend subordinated loans to KPS to fund the KPS RKEF project if so requested by the Bank, in proportion to their respective equity interest in KPS
"RKEF project"	a nickel product smelting project on the Obi Island, phase I of which is operated by HJF and phase II of which is operated by KPS
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
"Secured Liabilities"	all present and future obligations and liabilities of each Obligor to any Secured Party under each Finance Document in relation to, among others, a term loan facility of up to USD741,000,000 under the Facility Agreement and a loan facility of up to USD150,000,000 under the WCF Facility Agreement
"Secured Party(ies)"	the secured parties under the Finance Documents
"Shareholder(s)"	holder(s) of the share(s) of the Company from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TBP"	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
"TBP Share Pledge"	the deed of shares pledge entered into between TBP (as pledgor), the Bank (as pledgee) and KPS on August 14, 2025, in relation to, among other things, the pledging of the shares of TBP in KPS

"US$" or "USD"	United States Dollar, the lawful currency of the United States
"WCF Facility Agreement"	the facility agreement entered between, among others, KPS (as borrower) and various banks and financial institutions (as lenders), including the Bank, in relation to a loan facility of up to USD150,000,000, as amended, novated, supplemented, extended or restated
"%"	per cent

* *For identification purpose only*

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

The PRC, August 14, 2025

As at the date of this announcement, the executive Directors are Mr. CAI Jianyong, Ms. FEI Feng, Mr. CAI Jianwei, and Mr. WANG Ling; the non-executive Director is Mr. Lawrence LUA Gek Pong; the independent non-executive Directors are Dr. HE Wanpeng, Ms. ZHANG Zhengping and Dr. WANG James Jixian; the employee representative Director is Mr. YU Weijun.