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If you have sold or transferred all your shares in **Lygend Resources & Technology Co., Ltd.**, you should at once hand the form of proxy of 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)

**(1) PROPOSED INITIAL PUBLIC OFFERING AND LISTING OF A SHARES OF
THE COMPANY ON THE MAIN BOARD OF THE SHENZHEN STOCK
EXCHANGE – CONFIRMATION ON THE RELATED-PARTY TRANSACTIONS
OF THE COMPANY FOR THE YEARS ENDED 31 DECEMBER 2022, 2023
AND 2024 AND THE SIX MONTHS ENDED 30 JUNE 2025;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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 on pages 5 to 23 of this circular. Notice convening the EGM of the Company to be held on Friday, 19 December 2025 at 10:00 a.m. at 10/F, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, PRC is set out on pages 24 to 25 of this circular.

Form of proxy for use at the EGM are 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 published 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, Wanchai, 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(s) of proxy shall not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company adopted on 31 December 2021, as amended from time to time
“ASR”	PT. Antar Sarana Rekas, a related party of the Company
“Board” or “Board of Directors”	the board of Directors
“BTG”	PT. Bangunan Teknik Group, an enterprise controlled by Lygend Investment which is the parent company of the Company
“CBL”	HongKong CBL Limited, an investee company of the Company
“Chairman”	chairman of the Board
“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)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be held by the Company on Friday, 19 December 2025 at 10:00 a.m. at 10/F, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, PRC
“GPS”	PT. Gane Permai Sentosa, a related party of the Company
“Group”	the Company and its subsidiaries from time to time
“GSP”	PT. Gema Selaras Perkasa, a related party of the Company
“GTS”	PT. Gane Tambang Sentosa, a related party of the Company

DEFINITIONS

“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Shareholder(s)”	holder(s) of H Share(s)
“HJF”	PT Halmahera Jaya Feronikel, an investee company of the Company, and the project company engaged in the Phase I of the pyrometallurgy project
“HJFIT”	HJF International Trading (Ningbo) Co., Ltd.* (哈傑夫國際貿易(寧波)有限公司), a wholly-owned subsidiary of HJF, and a related party of the Company
“HJR”	PT. Harita Jayaraya, a related party of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HLP”	PT. Hijau Lestari Perkasa, a related party of the Company
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“HPL”	PT Halmahera Persada Lygend, a controlled subsidiary of the Company, and the project company for the Phase I and Phase II of the hydrometallurgical project
“HPMU”	PT. Hasta Panca Mandiri Utama, a related party of the Company
“Independent Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive Director(s) of the Company
“Indonesian Partner”	PT Harita GunaDharma Bhaktiakti and its subsidiaries
“KAI”	PT. Kalimantan Aluminium Industry, an investee company of Lygend Investment, which is the parent company of the Group
“Latest Practicable Date”	3 December 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information in this circular

DEFINITIONS

“Lihua Port Machinery”	Ningbo Lihua Port Machinery Heavy Industry Co., Ltd.* (寧波力華港機重工有限公司), an enterprise controlled by Lygend Investment, which is the parent company of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Li Yuen”	Li Yuen Pte. Ltd, a related party of the Company
“LSJ”	PT. Lima Srikandi Jaya, a related party of the Group
“Lygend Headquarter Management”	Ningbo Lygend Headquarter Management Co., Ltd.* (寧波力勤總部管理有限公司), a direct wholly-owned subsidiary of the Company
“Lygend Investment”	Zhejiang Lygend Investment Co., Ltd.* (浙江力勤投資有限公司), the parent company of the Company
“MBL”	PT. Marina Bara Lestari, a related party of the Company
“MJM”	PT Makmur Jaya Maritimindo, an investee company of the Company
“MKL”	PT. Mitra Kemakmuran Line, a related party of the Company
“MSM”	PT. Marina Bara Lestari, a related party of the Company
“MSP”	PT. Megah Surya Pertiwi, a related party of the Company
“OST”	PT. Obi Sinar Timur, a related party of the Company
“PKN”	PT Pesona Khatulistiwa Nusantara, a related party of the Company
“PRC” or “China”	the People’s Republic of China, for the purpose of this circular only, do not include Hong Kong, Macau and Taiwan
“related party(ies)”	has the same meaning under the Rules Governing the Listing of Shares on the Main Board of Shenzhen Stock Exchange

DEFINITIONS

“related-party transaction(s)”	has the same meaning under the Rules Governing the Listing of Shares on the Main Board of Shenzhen Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the share capital of the Company with nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TBP”	PT. Trimegah Bangun Persada Tbk, a related party of the Company
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules, effective upon the effective date and as amended from time to time
“Unlisted Share(s)”	comprising domestic Share(s) and unlisted foreign Share(s) of the Company, being ordinary Share(s) issued by the Company and not listed on any stock exchange with nominal value of RMB1.00 each, which are subscribed for and paid for in RMB by domestic investors (in respect of domestic Share(s)) and in currencies other than RMB by overseas investors (in respect of unlisted foreign Share(s))
“Unlisted Share Shareholder(s)”	holder(s) of Unlisted Share(s)
“Yongcheng Construction”	Zhejiang Yongcheng Construction Co., Ltd.* (浙江涌城建設有限公司), an enterprise controlled by Lygend Investment, which is the parent company of the Company
“%”	per cent

* For identification purpose only

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*)
Ms. FEI Feng
Mr. CAI Jianwei
Mr. WANG Ling

Non-executive Director:

Mr. Lawrence LUA Gek Pong

Employee representative Director:

Mr. YU Weijun

Independent Non-executive Directors:

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

Registered Office:

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

Head office in the PRC:

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

Principal place of business in Hong Kong:

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

3 December 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED INITIAL PUBLIC OFFERING AND LISTING OF A SHARES
OF THE COMPANY ON THE MAIN BOARD OF THE SHENZHEN STOCK
EXCHANGE – CONFIRMATION ON THE RELATED-PARTY TRANSACTIONS
OF THE COMPANY FOR THE YEARS ENDED 31 DECEMBER 2022, 2023
AND 2024 AND THE SIX MONTHS ENDED 30 JUNE 2025;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and the information reasonably necessary for making informed decisions in respect of the resolution at the EGM in respect of, among other things, confirmation on the related-party transactions of the Company for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025. Unless otherwise defined, capitalised terms used herein shall have the same meanings as given to them in the circular dated 5 June 2025 issued by the Company.

LETTER FROM THE BOARD

II. MATTERS TO BE CONSIDERED AT THE EGM

1. Confirmation on the related-party transactions of the Company for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025

Reference is made to the announcement dated 30 May 2025 and the circular dated 5 June 2025 issued by the Company in relation to the proposed A Share Offering. In order to satisfy the applicable PRC regulatory requirements, the Board has confirmed the related-party transactions of the Company for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, and that the related-party transactions between the Company and related parties complied with relevant PRC laws and regulations and were valid civil juristic acts. The related-party transactions between the Company and related parties were conducted on an arm's length and voluntary basis, and there were no matters detrimental to the Company and its shareholders in relation to the aforesaid related-party transactions.

This resolution has been approved by the Board and will be submitted to the EGM for consideration and approval as an ordinary resolution. Mr. CAI Jianyong, Mr. CAI Jianwei, Ms. FEI Feng, Mr. YU Weijun and Mr. WANG Ling have abstained from voting on the related party transactions at the relevant Board meeting.

Details of the aforesaid related-party transactions of the Company are as follows:

(1) *Related-party transactions with Lygend Investment*

(1) *Related-party transactions for goods and services*

Purchase of goods and services from related parties

		Six months ended 30 June			
	Note	2025	2024	2023	2022
Lihua Port Machinery	Note 1	–	96,204,262.27	82,762.83	–
Yongcheng Construction	Note 1	4,442,851.78	45,524,752.56	71,657,299.29	–
BTG	Note 1	152,278,410.55	396,743,687.17	137,341,907.21	–
Lygend Investment	Note 1	–	–	–	172,311.30
Total		<u>156,721,262.33</u>	<u>538,472,702</u>	<u>209,081,969.33</u>	<u>172,311.30</u>

LETTER FROM THE BOARD

Provision of goods and rendering of services to related parties

		Six months ended 30 June			
	Note	2025	2024	2023	2022
Lygend Investment	Note 1	96,113.44	200,406.98	55,627.88	–
KAI	Note 1	5,121,421.82	1,275,997.31	–	–
BTG	Note 1	159,386.98	–	–	–
		<u>5,376,922.24</u>	<u>1,476,404.29</u>	<u>55,627.88</u>	<u>–</u>
Total		<u>5,376,922.24</u>	<u>1,476,404.29</u>	<u>55,627.88</u>	<u>–</u>

Note 1: The transaction prices and conditions for purchases from and sales to related parties are determined through negotiation between both parties.

(2) *Related-party leases*

As lessor

Finance Leases

		Six months ended 30 June			
	Note	2025	2024	2023	2022
Lygend Investment	Note 2	419,888.95	1,422,984.05	401,435.96	–
		<u>419,888.95</u>	<u>1,422,984.05</u>	<u>401,435.96</u>	<u>–</u>

The income from financial leases recognized by the Company as the lessor is included in other operating income, with breakdown as follows

		Six months ended 30 June			
	Note	2025	2024	2023	2022
Lygend Investment	Note 2	42,271.26	159,236.40	53,198.03	–
		<u>42,271.26</u>	<u>159,236.40</u>	<u>53,198.03</u>	<u>–</u>

LETTER FROM THE BOARD

As lessee

Six months ended 30 June 2025

	<i>Note</i>	Type of leased assets	Rental expenses for short-term leases and leases of low-value assets accounted for under the simplified approach
BTG	<i>Note 2</i>	Equipment	47,911,448.50

2024

	<i>Note</i>	Type of leased assets	Rental expenses for short-term leases and leases of low-value assets accounted for under the simplified approach
BTG	<i>Note 2</i>	Equipment	33,920,042.13

Note 2: The Group leases buildings, motor vehicles, equipment, etc. to related parties, and the transaction prices and conditions are determined through negotiation between both parties.

(3) *Related-party guarantees*

Acceptance of related-party guarantees

	Guarantee method	Six months ended 30 June 2025	2024	2023	2022
CAI Jianyong, XIE Wen	Guarantee	–	–	–	180,000,000.00
Lygend Investment	Guarantee	–	–	–	180,000,000.00

The Group believes that the fair value of the aforementioned financial guarantee contracts did not have a significant impact on the Group's financial statements upon initial recognition, and the probability of default by the guaranteed companies is extremely low. Therefore, as of 30 June 2025, 31 December 2024, 31 December 2023 and 31 December 2022, no value was recognized in the Group's financial statements. The amount of provision for expected credit losses determined at the balance sheet date in subsequent measurement is very low.

LETTER FROM THE BOARD

(4) *Transfer of assets of related parties*

Purchase of assets from related parties	Asset description	Six months ended 30 June	2024	2023	2022
		2025			
CAI Jianyong	Vehicle	–	–	200,000.00	–

(5) *Other related-party transactions*

On 26 August 2024, Lygend Headquarter Management entered into a transfer agreement with Lygend Investment, pursuant to which Lygend Headquarter Management agreed to transfer its target assets to Lygend Investment. The assets comprise land use rights and construction in progress located in Ningbo City, Zhejiang Province, the People's Republic of China, for a consideration of RMB57,163,028.93.

(6) *Balance of amounts due from and to related parties*

Receivable items

		Six months ended 30 June 2025	
		Book balance	Provision for bad debt
	Related parties		
	Accounts receivable KAI	67,691.36	536.12
	Accounts receivable BTG	88,284.15	699.21
Other non-current assets	Lihua Port Machinery	7,695,436.30	–

		2024	
		Book balance	Provision for bad debt
	Related parties		
	Accounts receivable Lygend Investment	5,621.25	16.08
	Prepayments Yongcheng Construction	343,870.77	–
Other non-current assets	BTG	68,020.59	–

LETTER FROM THE BOARD

		Related parties	2023	
			Book balance	Provision for bad debt
Accounts receivable		Lygend Investment	3,155.96	9.37
Other non-current assets		Lihua Port Machinery	28,723,394.06	–
Other non-current assets		Yongcheng Construction	1,696,468.56	–

Payable items

	Related parties	30 June 2025	2024	2023	2022
Accounts payable	BTG	25,198,678.71	45,282,434.90	–	–
Accounts payable	Yongcheng Construction	3,570,009.39	–	–	–
Other payables	BTG	182,410,418.10	85,036,130.10	141,445,437.93	–
Other payables	Yongcheng Construction	16,621,271.90	26,807,521.85	69,307,376.07	–
Other payables	Lihua Port Machinery	29,031,201.20	29,152,053.01	–	–

Amounts due from and to related parties are interest-free and unsecured.

To the best of the Directors' knowledge, as at the Latest Practicable Date, the relevant shareholders Lygend Investment, Ningbo Lizhan Trade Co., Ltd., Mr. CAI Jianyong, Mr. CAI Jianwei, Mr. CAI Jiansong, Ms. CAI Xiao'ou, and Ms. XIE Wen will abstain from voting on the above related-party transactions in accordance with the relevant provisions of the Articles of Association of the Company.

LETTER FROM THE BOARD

(2) *Related-party transactions with Indonesian Partner*

(1) *Related-party transactions for goods and services*

Purchase of goods and services from related parties

		Six months ended 30 June			
	Note	2025	2024	2023	2022
HJF	Note 1	3,432,078,981.40	8,259,481,336.81	6,749,387,332.34	–
MSP	Note 1	210,530,797.42	789,452,867.76	1,499,970,098.66	2,440,818,971.93
GPS	Note 1	385,870,214.60	691,785,370.08	696,086,721.32	316,452,617.77
TBP	Note 1	875,837,251.92	1,013,361,312.01	738,208,994.49	805,757,788.73
PKN	Note 1	148,660,085.94	–	82,836,952.83	123,583,185.63
MBL	Note 1	44,730,622.51	160,797,860.24	25,200,898.24	–
ASR	Note 1	308,241.86	–	4,873,756.95	–
GSP	Note 1	5,222,071.69	6,842,141.41	3,450,438.83	1,642,987.02
MKL	Note 1	570,951.64	11,191,232.36	39,328,389.94	5,495,430.38
OST	Note 1	755,318,231.98	222,108,942.29	–	–
MSM	Note 1	2,563,578.98	11,661,596.20	–	–
MJM	Note 1	17,507,707.03	19,654,804.53	–	–
HLP	Note 1	–	10,859,906.41	4,199,126.27	3,177,604.59
LSJ	Note 1	53,058.30	–	–	–
HPMU	Note 1	174,853.22	–	–	28,286.06
Total		<u>5,879,426,648.49</u>	<u>11,197,197,370.10</u>	<u>9,843,542,709.87</u>	<u>3,696,956,872.11</u>

Provision of goods and services to related parties

		Six months ended 30 June			
	Note	2025	2024	2023	2022
HJF	Note 1	1,030,574,133.65	1,956,515,533.84	871,052,178.44	993,894,793.90
HJFIT	Note 1	107,761.94	798,966.53	1,323,946.62	405,341.07
OST	Note 1	28,381,864.18	73,812,174.36	–	–
MSP	Note 1	–	36,317,410.14	–	–
GPS	Note 1	33,150.72	–	–	–
TBP	Note 1	528,603.93	–	–	–
HPMU	Note 1	112,250.79	–	–	–
Total		<u>1,059,737,765.21</u>	<u>2,067,444,084.87</u>	<u>872,376,125.06</u>	<u>994,300,134.97</u>

Note 1: The transaction prices and conditions for purchases from and sales to related parties are determined through negotiation between both parties.

LETTER FROM THE BOARD

(2) *Related-party leases*

As lessor

Finance Leases

		Six months ended 30 June 2025	2024	2023	2022
	Note				
HJFIT	Note 2	<u>982,719.00</u>	<u>3,714,261.93</u>	<u>3,907,585.80</u>	<u>1,003,598.09</u>

The income from finance leases recognized by the Company as lessor is included in other operating income, with breakdown as follows:

		Six months ended 30 June 2025	2024	2023	2022
	Note				
HJFIT	Note 2	<u>93,398.75</u>	<u>629,634.62</u>	<u>825,777.28</u>	<u>230,812.12</u>

As lessor

Operating Leases

Six months ended 30 June 2025

	Note	Type of leased assets	Rental income from short-term leases and leases of low-value assets accounted for under the simplified approach
HJFIT	Note 2	Building	<u>5,504.59</u>

In 2024, the Group had no related-party transactions involving operating leases as a lessor.

2023

	Note	Type of leased assets	Rental income from short-term leases and leases of low-value assets accounted for under the simplified approach
HJFIT	Note 2	Building	<u>103,067.85</u>

LETTER FROM THE BOARD

2022

	<i>Note</i>	Type of leased assets	Rental income from short-term leases and leases of low-value assets accounted for under the simplified approach
HJFIT	<i>Note 2</i>	Building	103,068.00

As lessee

Six months ended 30 June 2025

	<i>Note</i>	Type of leased assets	Rental expenses for short-term leases and leases of low-value assets accounted for under the simplified approach
ASR	<i>Note 2</i>	Transportation tool	8,618,787.08
LSJ	<i>Note 2</i>	Transportation tool	88,448.18
TBP	<i>Note 2</i>	Equipment	1,875,414.11
Lim Liana Sarwono	<i>Note 2</i>	Building	87,517.26
Total			10,670,166.63

2024

	<i>Note</i>	Type of leased assets	Rental expenses for short-term leases and leases of low-value assets accounted for under the simplified approach
ASR	<i>Note 2</i>	Transportation tool	12,887,399.94
HPMU	<i>Note 2</i>	Equipment	15,026.20
LSJ	<i>Note 2</i>	Transportation tool	133,562.24
TBP	<i>Note 2</i>	Equipment	47,600,575.90
Lim Liana Sarwono	<i>Note 2</i>	Building	181,566.45
Total			60,818,130.73

LETTER FROM THE BOARD

As lessee

2023

			Rental expenses for short-term leases and leases of low-value assets accounted for under the simplified approach
	<i>Note</i>	Type of leased assets	
ASR	<i>Note 2</i>	Transportation tool	14,582,106.64
HPMU	<i>Note 2</i>	Equipment	58,154.40
TBP	<i>Note 2</i>	Equipment	29,736,267.68
Lim Liana Sarwono	<i>Note 2</i>	Building	179,508.65
Total			44,556,037.37

2022

			Rental expenses for short-term leases and leases of low-value assets accounted for under the simplified approach
	<i>Note</i>	Type of leased assets	
ASR	<i>Note 2</i>	Transportation tool	10,971,236.92
HPMU	<i>Note 2</i>	Equipment	29,997.01
LSJ	<i>Note 2</i>	Transportation tool	2,877,555.66
MSP	<i>Note 2</i>	Equipment	1,827,391.17
MKL	<i>Note 2</i>	Transportation tool	1,112,483.69
TBP	<i>Note 2</i>	Equipment	32,299,760.30
Lim Liana Sarwono	<i>Note 2</i>	Building	187,416.22
Total			49,305,840.97

Note 2: The Group leases buildings, motor vehicles, equipment, etc. to related parties, and the transaction prices and conditions are determined through negotiation between both parties.

LETTER FROM THE BOARD

(3) *Related-party guarantees*

Acceptance of related-party guarantees

		Six months ended 30 June 2025	2024	2023	2022
	Guarantee method				
HJR	Guarantee	5,100,620,253.67	5,281,377,132.50	7,331,318,940.42	4,100,016,630.54
TBP	Equity pledge	5,100,620,253.67	5,281,377,132.50	7,331,318,940.42	4,100,016,630.54
Li Yuen	Equity pledge	–	–	3,460,611,866.35	–

Provision of related-party guarantees

		Six months ended 30 June 2025	2024	2023	2022
	Guarantee method				
HJF (note 3)	Guarantee	–	–	3,926,012,167.79	3,652,094,691.47
MJM	Guarantee	5,201,859.58	5,305,805.71	–	–

Note 3: The above bank borrowings are jointly guaranteed by the Company and HJR. The guarantee was released on 28 August 2024.

The Company is of the view that the fair value of the aforementioned financial guarantee contracts had no material impact on the Company's financial statements at initial recognition, and the probability of default by the guaranteed companies was extremely low. Therefore, as of 30 June 2025, 31 December 2024, 31 December 2023 and 31 December 2022, no value was recognized in the Company's consolidated financial statements. The amount of the expected credit loss provision determined at the balance sheet date in subsequent measurement is extremely low.

(4) *Borrowing and lending from and to related parties*

No new borrowing from and lending to related parties occurred during the six months ended 30 June 2025.

In 2024, the Group borrowed US\$50,000,000.00 from HJR at an interest rate of 5%, with total interest accrued of US\$312,500.00, which were fully repaid as of 31 January 2025. The Group lent RMB3,494,540.93 to HJFIT at an interest rate of one-year LPR, with total interest accrued of RMB12,324.37, which were fully recovered as of 31 December 2024.

In 2023, the Group borrowed IDR150,000,000,000.00 from HJR at an interest rate of 0%, which was fully repaid as of 31 December 2023.

In 2022, the Group lent USD85,000,000.00 to HJF at an interest rate of 0%, which was fully recovered as of 31 December 2022.

LETTER FROM THE BOARD

(5) *Other related-party transactions*

		Six months ended			
Transaction description		30 June 2025	2024	2023	2022
Advances paid by related parties					
GPS	Advances	129,189.32	5,498,119.67	6,448,455.65	614,702.19
HJF	Advances	232,509.97	292,470.47	5,160,933.37	14,514,521.67
HJR	Advances	–	5,832.29	4,778.96	2,740.56
LSJ	Advances	–	–	–	1,634.32
MSP	Advances	22,747.35	116,972.62	993,816.79	1,761,015.36
OST	Advances	1,797,558.92	2,368.35	–	5,180.75
TBP	Advances	17,735,074.77	15,075,219.71	24,819,260.44	9,713,070.94
ASR	Advances	–	–	86,309.37	–
MBL	Advances	42,947.66	46,154.93	–	–
MSM	Advances	–	80,912.47	–	–
HLP	Advances	–	–	–	5,521.52
GTS	Advances	1,758.73	1,191.34	–	–
Total		19,961,786.72	21,119,241.85	37,513,554.58	26,618,387.31
Payment on behalf of related parties					
ASR	Advances	–	–	–	5,426.11
GPS	Advances	9,027.91	68,560.94	9,196.04	174,232.32
GSP	Advances	–	469.77	1,183.26	927.03
HJF	Advances	1,408,949.66	3,384,551.86	6,233,640.26	76,936,287.95
HJR	Advances	–	–	10,869.46	–
HPMU	Advances	–	–	787.57	–
HLP	Advances	–	380.74	3,271.63	281,971.66
LSJ	Advances	–	–	–	9,300.14
MSP	Advances	417,279.18	969,416.95	2,176,885.83	7,148,440.16
OST	Advances	2,019.18	269,493.42	–	102,880.57
TBP	Advances	538,409.01	1,630,681.78	2,284,538.57	4,189,589.17
MBL	Advances	–	80,912.47	–	–
MKL	Advances	42,947.66	37,122.98	–	–
GTS	Advances	2,615.76	9,131.44	–	–
Total		2,421,248.36	6,450,722.35	10,720,372.62	88,849,055.11

LETTER FROM THE BOARD

HPL entered into long-term agreements with GPS and TBP to purchase nickel ore, effective from 12 April 2021 to 31 December 2030. HPL expects total purchases from GPS from 1 July 2025 to 2030 to be approximately USD39,485,083.86. As at 31 December 2024, the purchase quantity agreed in the TBP agreement has been completed ahead of schedule. In 2022, according to the purchase agreement signed between HPL and TBP at the end of December 2022, HPL paid USD100,000,000.00 to TBP as a refundable security deposit for the purchase of nickel products. On 31 December 2023, the deposit was fully refunded.

HPL entered into an agreement with TBP for the payment of levies related to the use of certain lands located on Obi Island, Indonesia, which included the license (IPPKH-IzinPinjam Pakai Kawasan Hutan) obtained by TBP from the government to permit TBP to operate on Obi Island, and the payment amount is calculated with reference to the site area of land used by HPL and the rate of fees charged by the relevant local government authorities in Indonesia.

As of 30 June 2025, TBP increased its prepaid investment to CKM by RMB94,684,460.33.

(6) Foreign exchange transactions to be reviewed as related party transactions

During the reporting period, from 2022 to 2024, the Company's subsidiary in Indonesia engaged in currency exchange transactions where it used its own funds to exchange other currencies with related parties. Since 2025, the Company has ceased such activities. The currency exchange transactions between the Company and its related parties were conducted at prevailing exchange rates on the transaction dates. Neither party paid or received any fees in connection with these transactions, nor did they conduct such transactions to transfer resources, services or obligations. Therefore, these transactions do not constitute substantive related party transactions. However, given that the currency exchange occurred between the subsidiary and related parties, the original currency amounts of these transactions are disclosed under the disclosure requirements applicable for related party transactions, as detailed below:

Name of related party	Original currency	Target currency	2024		2023		2022	
			Exchange-out	Exchange-in	Exchange-out	Exchange-in	Exchange-out	Exchange-in
HJF	IDR	USD	442,894,000,000.00	28,500,000.00	22,898,500,000.00	1,500,000.00	136,945,750,000.00	9,050,000.00
	IDR	RMB	-	-	4,414,257,000.00	2,025,000.00	-	-
	USD	IDR	-	-	10,000,000.00	149,125,000,000.00	19,000,000.00	289,907,500,000.00
	USD	RMB	-	-	-	-	1,457,369.30	10,532,000.00
	RMB	USD	9,479,000.00	1,319,872.44	51,688,800.00	7,455,146.85	10,800,000.00	1,541,311.14
	RMB	IDR	8,556,147.00	18,622,824,650.00	23,461,000.00	50,288,795,310.00	-	-

LETTER FROM THE BOARD

Name of related party	Original currency	Target currency	2024		2023		2022	
			Exchange-out	Exchange-in	Exchange-out	Exchange-in	Exchange-out	Exchange-in
OST	IDR	RMB	-	-	1,167,378,000.00	530,000.00	-	-
	IDR	USD	-	-	17,851,750,000.00	1,200,000.00	74,904,000,000.00	4,800,000.00
	USD	IDR	-	-	2,200,000.00	34,006,950,000.00	7,500,000.00	23,375,415,000.00
	RMB	IDR	-	-	-	-	10,500,000.00	117,000,000,000.00
TBP	USD	IDR	-	-	-	-	22,500,000.00	334,842,500,000.00
GPS	USD	IDR	-	-	-	-	14,000,000.00	209,100,000,000.00

(7) *Balance of accounts due from and to related parties*

Receivable items

Related parties		Six months ended 30 June 2025	
		Book balance	Provision for bad debts
Accounts receivable	HJF	445,061,397.89	1,272,875.60
Accounts receivable	TBP	59,605.03	170.47
Accounts receivable	OST	2,592,052.08	20,529.05
Accounts receivable	GPS	19,333.18	153.12
Accounts receivable	HPMU	58,133.48	460.42
Other receivables	TBP	532,104.89	1,521.82
Prepayments	HJF	487,658.70	-

Related parties		2024	
		Book balance	Provision for bad debts
Accounts receivable	HJF	290,985,330.66	832,218.05
Accounts receivable	HJFIT	303,190.02	867.12
Accounts receivable	MSP	2,053,609.97	5,873.32
Accounts receivable	OST	4,188,982.31	33,176.74
Other receivables	TBP	534,319.95	1,528.16
Prepayments	MSP	205,882.30	-
Prepayments	MJM	2,399.13	-

LETTER FROM THE BOARD

Related parties		2023	
		Book balance	Provision for bad debts
Accounts receivable	HJF	692,681,051.34	3,543,063.58
Accounts receivable	HJFIT	2,266.92	6.73
Other receivables	TBP	97,719,637.65	290,227.32
Other receivables	HJF	262,699.89	1,343.71
Other receivables	MSP	89,036.76	264.44
Other receivables	LSJ	9,641,435.36	78,481.28
Prepayments	HJF	189,697,191.21	–

Related parties		2022	
		Book balance	Provision for bad debts
Accounts receivable	HJF	279,307,902.34	1,583,542.48
Accounts receivable	HJFIT	64,956.61	200.07
Other receivables	TBP	790,772,097.52	2,435,578.06
Other receivables	HJF	73,200,124.11	415,000.78
Other receivables	MSP	123,150.15	379.30
Other receivables	OST	106,086.74	886.89
Other receivables	LSJ	7,027.17	58.75
Other receivables	HPMU	3,443.60	28.79
Prepayments	MSP	26,804,271.14	

Payable items

		Six months ended 30 June			
	Related parties	2025	2024	2023	2022
Accounts payable	HJF	45,709,731.40	471,015,539.17	275,173,048.59	–
Accounts payable	MSP	–	–	92,491,382.85	–
Accounts payable	TBP	328,780,815.91	202,908,415.91	60,895,885.95	52,208,029.71
Accounts payable	GPS	122,791,900.97	23,293,307.89	36,647,540.07	30,135,442.75
Accounts payable	PKN	21,832,672.67	–	–	14,406,171.66
Accounts payable	MKL	630,757.27	2,650,663.12	3,174,671.54	1,035,231.95
Accounts payable	GSP	467,781.95	485,137.35	–	–
Accounts payable	MBL	3,032,048.51	11,543,091.53	13,835,072.50	–
Accounts payable	MSM	–	2,915,729.41	–	–
Accounts payable	MJM	1,398,059.45	1,583,408.64	–	–
Accounts payable	OST	490,682,820.34	58,764,017.63	–	–

LETTER FROM THE BOARD

		Six months ended 30 June			
	Related parties	2025	2024	2023	2022
Other payables	TBP	96,048,316.37	57,814,428.17	1,074,760,905.00	32,202,747.67
Other payables	HJR	–	360,056,472.94	–	–
Other payables	ASR	1,751,806.56	1,343,381.13	2,523,617.62	1,445,763.12
Other payables	MSP	–	–	33,411.86	597,485.65
Other payables	HPMU	–	–	17,778.56	–
Other payables	LSJ	156,652.07	–	258,947.99	–
Other payables	OST	3,404,314.11	38,450,067.70	–	–
Other payables	GPS	–	–	1,895,588.54	206.36
Other payables	Feng Yi	–	–	–	33,748.57
Other payables	HJF	–	–	1,068,772.63	128,104.55
Other payables	HJFIT	–	–	–	87,446.00
Other payables	HLP	–	–	79,630.71	–
Other payables	GSP	902,644.80	1,710,066.49	2,291,429.26	–
Other payables	MJM	2,998,374.92	1,565,284.67	–	–
Contract liabilities	OST	27,652.34	13,296,321.74	–	–
Contract liabilities	HJF	899,474.38	–	–	–

Amounts due from and to related parties are interest-free and unsecured.

To the best knowledge of the Directors, as at the Latest Practicable Date, the relevant shareholder Feng Yi Pte. Ltd. will abstain from voting on the above related-party transactions in accordance with the relevant provisions of the Articles of Association of the Company.

(3) *Related-party transactions with other related parties*

(1) *Related-party guarantees*

Provision of related-party guarantees

		Six months ended 30 June			
	Guarantee method	2025	2024	2023	2022
CBL	Guarantee	<u>216,000,000.00</u>	<u>216,000,000.00</u>	<u>–</u>	<u>–</u>

LETTER FROM THE BOARD

The Company is of the view that the fair value of the aforementioned financial guarantee contracts had no material impact on the Company's financial statements at initial recognition, and the probability of default by the guaranteed companies was extremely low. Therefore, as of 30 June 2025, 31 December 2024, 31 December 2023 and 31 December 2022, no value was recognized in the Company's consolidated financial statements. The amount of the expected credit loss provision determined at the balance sheet date in subsequent measurement is extremely low.

(2) *Remuneration of key management personnel and their relatives*

	Six months ended 30 June			
	2025	2024	2023	2022
Remuneration of key management personnel and their relatives	<u>55,356,251.29</u>	<u>105,315,352.78</u>	<u>90,853,213.08</u>	<u>89,275,258.59</u>

Key management personnel include our Directors, Supervisors and senior management, while relatives of key management personnel refer to their close family members, including spouses, parents and parents-in-law, siblings and their spouses, siblings-in-law, children aged eighteen or older and their spouses and parents-in-law.

Share-based payments are included in the remuneration of key management personnel. For the six months ended 30 June 2025, and each year of 2024, 2023 and 2022, the share-based payment to key management personnel was RMB3,576,045.34, RMB2,344,490.83, RMB nil and RMB nil, respectively.

To the best knowledge of the Directors, as at the Latest Practicable Date, the relevant shareholders, Ningbo Yangcheng Enterprise Management Partnership (Limited Partnership), Ningbo Yufeng Enterprise Management Partnership (Limited Partnership), Ningbo Litai Enterprise Management Partnership (Limited Partnership), Ningbo Xinpan Enterprise Management Partnership (Limited Partnership), Lygend Investment, Ningbo Lizhan Trade Co., Ltd., Mr. CAI Jianyong, Mr. CAI Jianwei, Mr. CAI Jiansong, Ms. FEI Feng, Ms. XIE Wen, Mr. SONG Zhen, Mr. GE Kaicai, and Mr. DONG Dong, will abstain from voting on the above related-party transactions in accordance with the relevant provisions of the Articles of Association of the Company.

LETTER FROM THE BOARD

III. EGM AND PROXY ARRANGEMENTS

Notice convening the EGM of the Company to be held on Friday, 19 December 2025 at 10:00 a.m. at 10/F, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, PRC is set out on pages 24 to 25 of this circular.

Form of proxy for use by the Shareholders at the EGM and published on the website of the Stock Exchange (www.hkexnews.hk) is enclosed with this circular. The form of proxy must be completed and signed in accordance with the instructions published thereon, and must be deposited as soon as practicable where in any event not less than 24 hours before the time appointed for holding the EGM, with the Hong Kong H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (applicable for H Share Shareholders), or the principal place of business 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 (applicable for Unlisted Share Shareholders).

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 in person 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 he/she/it has in the same manner.

IV. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 16 December 2025 to Friday, 19 December 2025, both days inclusive. During such period, no transfer of the Company's H Shares will be registered. H Share Shareholders whose names appear on register of members of the H Shares of the Company on Friday, 19 December 2025 will be entitled to attend the EGM. In order to be eligible to attend and vote at the EGM, H Share Shareholders 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, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 15 December 2025.

V. RECOMMENDATION

The Board is of the view that the resolution set out in the notice of the EGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the relevant resolution to be proposed at the EGM.

LETTER FROM THE BOARD

VI. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of providing information with regard to the Company. The information in this circular relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, no other facts are omitted in this circular which would make any statement herein misleading in so far as it relates to the Company.

VII. ADDITIONAL INFORMATION

In the event of any discrepancy between the Chinese and English versions of this circular, the Chinese version shall prevail. Your attention is drawn to the additional information set out in the appendices to this circular.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 the extraordinary general meeting (the “EGM”) of Lygend Resources & Technology Co., Ltd. (the “**Company**”) will be held on Friday, 19 December 2025 at 10:00 a.m. (or any adjournment thereof) at 10/F, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Ningbo City, Zhejiang Province, PRC, to consider and, if thought fit, pass the following resolution. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 3 December 2025.

ORDINARY RESOLUTION

1. To consider, approve and confirm the resolution relating to the related-party transactions of the Company for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025.
 - 1(a) To consider, approve, and confirm the related-party transactions with Lygend Investment for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025
 - 1(b) To consider, approve, and confirm the related-party transactions with Indonesian Partner for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025
 - 1(c) To consider, approve, and confirm the related-party transactions with other related parties for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025

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

The PRC, 3 December 2025

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, 16 December 2025 to Friday, 19 December 2025, both days inclusive. During such period, no transfer of the Company's H Shares will be registered. H Share Shareholders whose names appear on register of members of the H Shares of the Company on Friday, 19 December 2025 will be entitled to attend the EGM. In order to be eligible to attend and vote at the EGM, H Share Shareholders 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, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 15 December 2025.
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 need not be a Shareholder.
4. An ordinary resolution at a general meeting shall be passed by half or above of the voting rights held by shareholders (including their proxies) attending the general meeting. A 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 H Share Shareholders 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 with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; or for the Unlisted Share Shareholders, with the principal place of business 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.