

LYGEND RESOURCES & TECHNOLOGY CO., LTD.
(宁波力勤资源科技股份有限公司)

AND

PT HARITA GUNA DHARMA BHAKTI

MUTUAL SUPPLY FRAMEWORK AGREEMENT

This mutual supply framework agreement dated May 31, 2022 (this “**Agreement**”) is entered into:

BETWEEN:

- (1) Lygend Resources & Technology Co., Ltd. (“**Lygend**”, together with its Subsidiaries, the “**Lygend Group**”), a limited liability company established in the People’s Republic of China on January 5, 2009; and
- (2) PT Harita Guna Dharma Bhakti (“**HGDB**”, together with its Subsidiaries, the “**HGDB Group**”), a limited liability company established under the laws of the Republic of Indonesia on April 23, 1996.

Each of the parties listed above is referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

WHEREAS:

- (A) Lygend intends to apply for a listing of its H shares on the Main Board of the Stock Exchange (the “**Proposed Listing**”).
- (B) HGDB is majority-held by the family members of the ultimate beneficial owner of Feng Yi Pte. Ltd., a substantial shareholder (as defined under the Listing Rules) of Lygend. Upon completion of the Proposed Listing, HGDB shall therefore become a connected person (as defined under the Listing Rules) of Lygend. Accordingly, this Agreement and the transactions contemplated hereunder shall also constitute continuing connected transactions of Lygend.
- (C) In anticipation of the Proposed Listing, the Parties have agreed to enter into this Agreement to govern their Transactions pursuant to the terms and conditions hereunder.

NOW IT IS HEREBY AGREED that:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

“**Administrative Services**” means services ancillary to the day-to-day administration and operation of the Lygend Group in connection with the nickel product smelting projects operated by the Indonesian Entities on the Obi Island, Indonesia, including without limitation the leasing of vessels to the Lygend Group, and the making of payments of Land Use Fees on behalf of the Lygend Group;

“**Associate**” means, in relation to a Party, any other company, enterprise, unit or other entity (whether or not having a legal personality), and the subsidiary of such other company, enterprise, unit or entity, where (1) such Party owns or controls 30% or more of its issued share capital or controls 30% or more of its voting rights (if applicable); or (2) more than 30% of its profit after tax is attributable to such Party;

“**Coal**” means coal that fulfils the specifications as set out in the Definitive Agreements;

“Connected Transaction”	shall have the meaning ascribed to it in the Listing Rules effective from time to time;
“Construction Equipment”	means site construction equipment and machinery that fulfil the specifications as set out in the Definitive Agreements;
“Definitive Agreement(s)”	means definitive agreement(s) which may be entered into between any member(s) of the Lygend Group (and for the purpose of this definition excluding the Indonesian Entities), any member(s) of the HGDB Group, Associates of HGDB and/or the Indonesian Entities from time to time in relation to any of the Transactions during the term of this Agreement;
“Effective Date”	means the date on which the Proposed Listing takes place;
“Fiscal Year”	means the period from January 1 st to December 31 st of each year;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Parties”	means any entity or person who is not a connected person (as defined under the Listing Rules) of Lygend or an associate (as defined under the Listing Rules) of such person;
“Indonesian Entities”	means connected subsidiaries (as defined under the Listing Rules) of Lygend from time to time with TBP as a substantial shareholder (as defined under the Listing Rules), including PT Halmahera Persada Lygend, PT Dharma Cipta Mulia, PT Karunia Permai Sentosa, PT OBI Nickel Cobalt and PT Obi Stainless Steel;
“Land Use Fees”	means fees required to be made to the relevant local government authority in Indonesia for the use of certain land located on the Obi Island in Indonesia, including but not limited to part of the convertible production forest areas located at South Halmahera District, North Maluku Province, Indonesia;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Nickel Ore”	means nickel ore that fulfils the specifications as set out in the Definitive Agreements;
“Products”	means nickel products that fulfil the specifications as set out in the Definitive Agreements and for the avoidance of doubt, “Products” do not include “Nickel Ore”;
“Production Equipment”	means equipment and supplies used for the production of nickel products, together with the repair materials for such equipment and supplies, which fulfil the specifications as set out in the Definitive Agreements

“Raw and Auxiliary Materials”	means raw and auxiliary materials required for the nickel product production operations of the Indonesian Entities and which fulfil the specifications as set out in the Definitive Agreements;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	shall have the meaning ascribed to it in the Listing Rules effective from time to time; and
“Transaction(s)”	means all existing and future transactions between members of the Lygend Group (and for the purpose of this definition excluding the Indonesian Entities) and members of the HGDB Group and Associates of HGDB and/or the Indonesian Entities relating to the matters set out in Clause 2.1 and Clause 2.2 below.

1.2 Unless the context otherwise requires, in this Agreement:

- 1.2.1 references to any Party shall include its successors;
- 1.2.2 the headings are inserted for convenience only and shall not carry any legal effect or affect the interpretation of this Agreement;
- 1.2.3 references to any gender shall include both other genders and references to the singular include the plural and *vice versa*;
- 1.2.4 references to the words “**include**” and “**including**” are illustrative, do not limit the sense of the words preceding them and shall be deemed to include the expression “without limitation”;
- 1.2.5 references to “**writing**” or “**written**” include any non-transient means of representing or copying words legibly; and
- 1.2.6 references to times of the day are to Hong Kong times.

2. TRANSACTIONS

2.1 Products and services supplied to the Lygend Group

- 2.1.1 The HGDB Group shall supply the Lygend Group with Nickel Ore from time to time, as agreed between the relevant parties.
- 2.1.2 The HGDB Group and/or Associates of HGDB and/or the Indonesian Entities shall supply the Lygend Group (excluding the Indonesian Entities) with the Products from time to time, as agreed between the relevant parties.
- 2.1.3 The HGDB Group shall supply the Lygend Group with Coal from time to time, as agreed between the relevant parties.
- 2.1.4 The HGDB Group and/or Associates of HGDB shall lease the Construction Equipment to Lygend and/or its Subsidiaries from time to time, as agreed between the relevant parties.

2.1.5 The HGDB Group and/or Associates of HGDB shall provide Lygend and/or its Subsidiaries with the Administrative Services from time to time, as agreed between the relevant parties.

2.2 Products supplied by the Lygend Group

2.2.1 The Lygend Group (excluding the Indonesian Entities) shall supply the HGDB Group and/or Associates of HGDB and/or the Indonesian Entities with the Production Equipment and the Raw and Auxiliary Materials from time to time.

2.3 At any time during the term of this Agreement, relevant members of the Lygend Group (excluding the Indonesian Entities), the HGDB Group and/or Associates of HGDB and/or the Indonesian Entities, may from time to time enter into Definitive Agreement(s) in relation to any Transaction(s) upon, and subject to, the terms and conditions in compliance with those of this Agreement. For the avoidance of doubt, all existing agreements between the HGDB Group, relevant members of the Lygend Group (excluding the Indonesian Entities), Associates of HGDB and/or the Indonesian Entities in respect of the Transactions (to the extent they cover Transactions after the Effective Date) shall be treated as Definitive Agreements made pursuant to this Agreement as from the Effective Date.

3. PRICING PRINCIPLES

3.1 The amounts payable by relevant members of the Lygend Group to the HGDB Group and/or Associates of HGDB and/or the Indonesian Entities for the Transactions set out in Clause 2.1 above shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and based on the following principles:

3.1.1 The purchase price for Nickel Ore shall be determined based on the following principles:

- (a) the price for Nickel Ore adjusted for nickel content and moisture content will be issued by independent surveyors appointed by the parties to the Definitive Agreement; and
- (b) the price for Nickel Ore will be determined using a calculation formula based on the mineral benchmark price in accordance with the Decree of the Minister of Energy and Mineral Resources of the Republic of Indonesia plus shipping or other transportation costs, as further set out in each Definitive Agreement.

3.1.2 The purchase price for the Products shall be determined with reference to the prevailing market price for the relevant type of nickel product, including the prices at which Independent Third Party suppliers are willing to sell the same or comparable nickel products, and taking into account the purchase price for nickel ore.

3.1.3 The purchase price for Coal shall be calculated by multiplying the unit price by actual weight. The unit price of Coal shall be determined with reference to market price and conditions, relevant local industry index prices, changes in local policies, coal quality characteristics and transportation costs involved.

3.1.4 The rental for each type of Construction Equipment to be leased shall be determined with reference to the prevailing market prices of the same or comparable equipment or machinery leased in the ordinary and usual course of business. The total rental to be

paid shall be based on the quantity of each type of Construction Equipment used and the recorded rental usage of the same, as further set out in each Definitive Agreement.

- 3.1.5 The fees for the Administrative Services shall be determined based on the following principles:
- (a) on a cost basis depending on actual usage of the relevant services;
 - (b) rental payable for the lease of vessels by the Lygend Group shall be determined based on the type and/or size of vessels concerned, and with reference to the prices charged by Independent Third Parties; and
 - (c) the Lygend Group shall reimburse the HGDB Group for the amount of Land Use Fees paid by the HGDB Group on its behalf, which shall be calculated with reference to the area of land used by the relevant member of the Lygend Group and the rate of fees charged by the relevant local government authority in Indonesia.
- 3.2 The amounts payable to relevant members of the Lygend Group by the HGDB Group and/or Associates of HGDB and/or the Indonesian Entities for the Transactions set out in Clause 2.2 above shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on a cost plus basis, taking into reference procurement costs and related expenses (e.g. labor and logistics costs) incurred by relevant members of the Lygend Group (excluding the Indonesian Entities).

4. REPRESENTATIONS AND WARRANTIES

- 4.1 Each of the Parties represents and warrants that:
- 4.1.1 it is duly incorporated under the laws of its place of incorporation and is validly existing;
 - 4.1.2 it has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, this Agreement and the transactions contemplated under this Agreement; and
 - 4.1.3 its entry into and performance of this Agreement do not conflict with (a) any law or regulation applicable to it; (b) its articles of association; or (c) any agreement or instrument binding upon it.

5. UNDERTAKINGS

- 5.1 Lygend undertakes to procure its Subsidiaries, and HGDB undertakes to procure its Subsidiaries and (to the extent possible in its capacity as a direct or indirect shareholder) its Associates and the Indonesian Entities, to engage in any necessary act or event (or refrain from engaging in any act or event) to enable it to fulfill its obligations under this Agreement and the Definitive Agreement(s) as appropriate.
- 5.2 HGDB undertakes:
- 5.2.1 to procure and ensure that its Subsidiaries shall (a) supply Nickel Ore, the Products and Coal, lease the Construction Equipment and provide the Administrative Services to the

Lygend Group; and (b) pay for the Production Equipment and the Raw and Auxiliary Materials, in accordance with this Agreement and the Definitive Agreement(s); and

5.2.2 to the extent possible in its capacity as a direct or indirect shareholder, to ensure that its Associates and the Indonesian Entities shall (a) supply the Products, lease the Construction Equipment and provide the Administrative Services to the Lygend Group; and (b) pay for the Production Equipment and the Raw and Auxiliary Materials, in accordance with this Agreement and the Definitive Agreement(s).

5.3 Lygend undertakes to procure and ensure that its Subsidiaries shall pay for the purchase of Nickel Ore, Products and Coal, the lease of Construction Equipment and the Administrative Services provided in accordance with this Agreement and the Definitive Agreement(s).

5.4 Without prejudice to the volumes already committed under the Definitive Agreements prior to the date of this Agreement, each of the Parties undertakes to use its best endeavours to control the total transaction amount of the transactions under this Agreement in a Fiscal Year, so as not to exceed the annual cap amount for the relevant Fiscal Year stated in the prospectus to be issued by Lygend in connection with the Proposed Listing.

6. TERM, AMENDMENT AND TERMINATION

6.1 This Agreement shall have an effective term commencing on the Effective Date and ending on December 31, 2024. Subject to compliance with the requirements of the Listing Rules, this Agreement may be renewed by the Parties in writing.

6.2 During the term of this Agreement, any Party may deliver three months' notice in writing to the other Party to terminate this Agreement.

6.3 If either Party breaches any of the terms hereof (the "**Breaching Party**"), the other Party (the "**Non-Breaching Party**") may serve a written notice on it informing it of the act constituting the breach and requiring the Breaching Party to remedy the same within the designated reasonable time limit. If the Breaching Party fails to remedy such breach within the said time limit, the Non-Breaching Party may immediately terminate this Agreement.

6.4 If any transaction under this Agreement requires the prior approval of the independent shareholders of Lygend in order to be performed, the performance of such transaction shall be conditional upon obtaining the prior approval of independent shareholders of Lygend or the obtaining of a waiver granted by the Stock Exchange from compliance with the independent shareholders' approval requirement under the Listing Rules.

6.5 The illegality, invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement is held to be invalid, but may be made valid by partially deleting or amending such provision, the provision shall remain enforceable after the necessary deletions or amendments have been made to cause such clause to become valid.

6.6 This Agreement may be amended only by written agreement signed by the authorized representatives of the Parties after taking all appropriate corporate action and upon compliance and satisfaction of the Listing Rules and any other applicable laws and regulations.

7. ANNOUNCEMENTS

Neither Party shall make any announcement concerning this Agreement without the other Party's prior written consent, except for announcements required by the laws of Hong Kong,

the Stock Exchange, the Securities and Futures Commission of Hong Kong or provided by any other relevant laws, regulations or rules.

8. NOTICES

8.1 Any notice or other communication to be given by each Party hereto to the other Party under this Agreement shall be in writing in English, and can be delivered personally, by registered post to an address specified by the other Party, or emailed to an email address specified by the other Party. The effective date of the service of such notice shall be determined as follows:

8.1.1 if delivered personally, such notice shall be deemed to be served at the time that its receipt is signed for;

8.1.2 if sent by registered post, such notice shall be deemed to be served at the expiry of 5 (five) days after postage (according to the date of postal chop) (if the last day is a Saturday, Sunday or statutory holiday, such notice shall be deemed to be served on the next working day); and

8.1.3 if sent by email, such notice shall be deemed to be served when sent and provided that the sender does not receive any automated message that the e-mail has not been delivered to the recipient.

8.2 The correspondence information of the Parties is as follows:

Lygend Resources & Technology Co., Ltd. (宁波力勤资源科技股份有限公司)

Address : 10/F, Building C10, R&D Park, Lane 299, Guanghua Road, Yinzhou District, Zhejiang Province, Ningbo, People's Republic of China

Email address : qianfeng@lygend.com

Telephone : (86) 574 2770 2203

Attention : Mr. QIAN Feng

PT Harita Guna Dharma Bhakti

Address : Gedung Bank Panin Lantai 3, Jl. Jend. Sudirman Kav No. 1, Kel. Gelora, Kec. Tanah Abang, Kota Adm. Jakarta Pusat, Prov. DKI Jakarta

Email address : lenny.salim@haritagroup.com

Telephone : (62) 21 5735432

Attention : Lenny Salim

8.3 If there is any change to the correspondence information of any Party as stated in Clause 8.2 hereof, such Party shall inform the other Party in writing as soon as possible.

9. GOVERNING LAW AND DISPUTE RESOLUTION

- 9.1 The rights and obligations herein shall in all aspects be governed by and construed in accordance with the laws of Hong Kong. Any dispute between the Parties arisen from or related to this Agreement shall first be resolved through amicable negotiations. If the dispute cannot be resolved through negotiations, either Party may submit the dispute to be resolved through arbitration.
- 9.2 The Parties agree that:
- 9.2.1 disputes to be resolved through arbitration pursuant to Clause 9.1 hereof shall be submitted to the Hong Kong International Arbitration Centre and settled under its local rules of arbitration; and
- 9.2.2 the seat of arbitration shall be Hong Kong. The language of arbitration shall be English. The decision of the arbitration body shall be final and binding upon the Parties, and the arbitration award shall be in English. There shall be three arbitrators selected in accordance with the Rules.

10. MISCELLANEOUS

- 10.1 Each Party agrees to bear all relevant costs and expenses, including legal fees, incurred by it in connection with its entry into this Agreement.
- 10.2 Neither Party shall transfer all or part of its rights and obligations hereunder without the other Party's written consent.
- 10.3 This Agreement and all relevant documents referred hereto constitutes the entire agreement between the Parties and replaces all prior oral or written agreements, contracts, understandings and communications between them regarding these matters.
- 10.4 Unless otherwise specified, failure or delay by a Party to exercise its rights, powers or privileges hereunder shall not constitute a waiver of such rights, powers or privileges, nor will the single or partial exercise of such rights, powers or privileges preclude the exercise of any other right, power or privilege.
- 10.5 Any appendix hereto is an integral part of this Agreement and is equally binding as this Agreement.
- 10.6 This Agreement may be executed in any number of counterparts and by the Parties on different counterparts but shall not be effective until both Parties have executed at least one counterpart. Each counterpart shall be deemed an original and all counterparts shall together constitute a single agreement.

IN WITNESS whereof this Agreement has been duly executed by the authorized representatives of the Parties on the day and year first above written.

SIGNED BY

for and on behalf of

LYGEND RESOURCES & TECHNOLOGY CO., LTD

(宁波力勤资源科技股份有限公司)



)
)
)
)

SIGNED BY
for and on behalf of
PT HARITA GUNA DHARMA BHAKTI



3
C
1
5