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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)

ANNOUNCEMENT IN RELATION TO (I) GRANT OF LISTING APPROVAL BY THE STOCK EXCHANGE (II) PROPOSED CONVERSION AND TRADING PROCEDURES FOR IMPLEMENTATION OF THE H SHARE FULL CIRCULATION

INTRODUCTION

Reference is made to the announcement (the “**Announcement**”) of the Company dated 20 July 2023 in relation to the issuance of the Filing Notice by the CSRC in respect of the Conversion and Listing. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcement.

LISTING APPROVAL GRANTED BY THE STOCK EXCHANGE

The Company has applied to the Listing Committee of the Stock Exchange for the approval (the “**Listing Approval**”) of the listing of and the permission to deal in 265,453,750 H shares (the “**Converted H Shares**”), representing the maximum number of Unlisted Shares to be converted under the Conversion and Listing. The Company is pleased to announce that the Listing Approval was granted by the Stock Exchange on 24 July 2023.

SHAREHOLDING STRUCTURE

The Conversion and Listing will involve a total of four participating holders of 265,453,750 Unlisted Shares who will, after the Conversion and Listing, hold approximately 17.06% of the total issued shares of the Company.

Set out below is the percentage holding in the Company in relation to the participating shareholders of the Unlisted Shares upon completion of the Conversion and Listing.

Name of the participating shareholders of the Unlisted Shares	Number of Unlisted Shares converted to H shares	Approximate percentage of total issued shares of the Company upon completion of the Conversion and Listing (%)
<i>For domestic shares:</i>		
Ningbo Yufeng Enterprise Management Partnership (Limited Partnership)* (寧波禹豐企業管理合夥企業(有限合夥))	200,000	0.01
Ningbo Litai Enterprise Management Partnership (Limited Partnership)* (寧波勵泰企業管理合夥企業(有限合夥))	1,500,000	0.10
Ningbo Xinpan Enterprise Management Partnership (Limited Partnership)* (寧波鑫盼企業管理合夥企業(有限合夥))	200,000	0.01
<i>For unlisted foreign shares:</i>		
Feng Yi Pte. Ltd.	263,553,750	16.94
Total	265,453,750	17.06

Note: The percentages have been rounded up to two decimal places.

Upon completion of the Conversion and Listing, the share capital structure of the Company will be as follows:

Class of shares	As at the date of this announcement		Upon completion of the Conversion and Listing	
	Number of shares	Approximate percentage %	Number of shares	Approximate percentage %
Domestic shares	1,054,215,000	67.75	1,052,315,000	67.63
Unlisted foreign shares	263,553,750	16.94	–	–
H shares	238,162,600	15.31	503,616,350	32.34
Total	1,555,931,350	100	1,555,931,350	100

Note: The percentages have been rounded up to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

CONVERSION AND TRADING PROCEDURES

Conversion

The Company will complete the following procedures in connection with the Conversion and Listing:

- (i) With their authorisation and on behalf of the participating shareholders of the Unlisted Shares, the Company will cancel the registration procedure for converted Unlisted Shares held by the participating shareholders of the Unlisted Shares in China Securities Depository and Clearing Corporation Limited (“**China Clearing**”) Shenzhen Branch so that the participating shareholders holding 265,453,750 Unlisted Shares will be removed from the register of members of Unlisted Shares maintained by China Clearing.
- (ii) With their authorisation and on behalf of the participating shareholders of the Unlisted Shares, the Company will appoint China Clearing as the nominee to deposit the relevant securities at China Securities Depository and Clearing (Hong Kong) Company Limited (“**China Clearing HK**”). China Clearing HK in its own name will deposit the relevant securities at Hong Kong Securities Clearing Company Limited (“**HKSCC**”). China Clearing as the nominee of the participating shareholders of the Unlisted Shares will handle all custody, maintenance of detailed records, cross-border settlement and corporate actions etc. relating to the Converted H Shares for the participating unlisted domestic shareholders.
- (iii) The Company will instruct the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, in relation to the issue of the relevant share certificates of the Converted H Shares.
- (iv) The Company will make arrangements to enable the Converted H Shares be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the Central Clearing and Settlement System.

Trading

The holders of the Converted H Shares may only conduct trading of the Converted H Shares after completion of the following arrangements:

- (i) The Company will apply to China Clearing, Shenzhen Branch for the maintenance of the detailed records of the initial holding of the Converted H Shares held by the relevant holders. Meanwhile, the Company will submit applications for a domestic transaction commission code and abbreviation, which will be confirmed by China Clearing, Shenzhen Branch pursuant to the authorisation of the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”).
- (ii) The Shenzhen Stock Exchange authorises Shenzhen Securities Communication Co., Ltd. to provide services relating to trading entrustment orders and transmission of trading messages between a domestic securities company (the “**Domestic Securities Company**”) and a Hong Kong securities company (the “**Hong Kong Securities Company**”) for the Converted H Shares, and the real-time market forwarding services of the relevant Converted H Shares.

- (iii) According to the “Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing” (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the holders of the Converted H Shares who are PRC nationals should complete the overseas shareholding registration with the local foreign exchange administration bureau before the shares are sold, and after the overseas shareholding registration, open a specified bank account for the purpose of holding of shares overseas by onshore investors at an designated onshore bank with relevant qualifications, and open a specified fund account for the purpose of H share “Full Circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for H share “Full Circulation” at the Hong Kong Securities Company.
- (iv) The holders of the Converted H Shares who are PRC nationals should, through the specified account, submit entrusted trading order of the Converted H Shares through the Domestic Securities Company. Such orders will be submitted to the Stock Exchange for trading through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. After completion of the transaction, the Hong Kong Securities Company and China Clearing HK, China Clearing HK and China Clearing, China Clearing and the Domestic Securities Company, the Domestic Securities Company and the holders of the Converted H Shares will conduct settlement respectively.

The Company has been liaising with China Clearing regarding the Conversion and will notify the Shareholders and potential investors of the Company the expected date on which the share certificates for the Converted H Shares will be issued to China Clearing HK and deposited into CCASS and the expected date on which the listing of the Converted H Shares on the Stock Exchange will commence. Further announcement(s) will be made by the Company when and where appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

The PRC, 23 August 2023

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

* *For identification purpose only*