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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)

SUPPLEMENTAL ANNOUNCEMENT CONNECTED TRANSACTION NEW SHAREHOLDERS AGREEMENT IN RELATION TO THE JV COMPANY

INTRODUCTION

Reference is made to the announcement (the “**Announcement**”) of Lygend Resources & Technology Co., Ltd. (the “**Company**”) dated 30 May 2024 in relation to, among others, the entering into of the New Shareholders Agreement. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcement.

Further to the Announcement, the Board would like to provide additional information in relation to the entering into of the New Shareholders Agreement:–

(i) Accounting treatment of the JV Company

As disclosed in the Announcement, given that the Company is indirectly interested in 49% of the shares of the JV Company through HBW and the power of attorney entered into between HBW and TKJ on 15 December 2023, whereby TKJ granted HBW the power to act as its attorney to exercise its powers at General Meetings, ceased to be effective after TKJ ceased to be a shareholder of the JV Company, the financial results of the JV Company will not be consolidated into the consolidated financial statements of the Group.

Pursuant to the accounting policies currently adopted by the Group, the Group's investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss, whereas the Group's investments in associates and joint ventures, such as the Company's indirect interest in 49% of the JV Company's shares, will be stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

(ii) Information of the JV Company

As disclosed in the Announcement, the JV Company is a company incorporated under the laws of Indonesia with limited liability and has not commenced material business operations since its incorporation and is proposed to principally engage in sea freight activities sector business.

Set out below is the consolidated financial information of the JV Company for the period between 9 March 2023 and 31 March 2024 in IDR and RMB:

	For the period between 9 March 2023 and 31 March 2024 (<i>IDR</i>)	For the period between 9 March 2023 and 31 March 2024 (<i>RMB</i>)
Net profit (loss) before tax	(97,278,953)	(44,060.09)
Net profit (loss) after tax	(97,278,953)	(44,060.09)

As of 31 March 2024, the unaudited total assets and net assets of the JV Company were IDR67,417,490,209 (equivalent to approximately RMB30,535,081.42) and IDR67,402,721,047 (equivalent to approximately RMB30,528,392.09), respectively.

For the purpose of this announcement, the translation of IDR to RMB is based on the exchange rate of IDR 2207.87=RMB1. The conversions are for illustration purpose only and should not be taken as a representation that any amounts in IDR and RMB can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

All other information as set out in the Announcement remain unchanged and shall continue to be valid for all purposes, while this announcement is supplemental to and should be read in conjunction with the Announcement.

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

The PRC, 5 June 2024

As at the date of this announcement, the executive Directors are Mr. CAI Jianyong, 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.