力勤资源
LYGEND RESOURCES

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)

CONNECTED TRANSACTION
FURTHER CAPITAL CONTRIBUTION TO MJM

INTRODUCTION

References are made to (i) the announcement of the Company dated 15 December 2023 in relation to the entering into of the MJM Shareholders Agreement, (ii) the supplemental announcement of the Company dated 22 December 2023 in relation to additional information of the MJM Shareholders Agreement, (iii) the announcement of the Company dated 30 May 2024 in relation to the entering into of the New MJM Shareholders Agreement pursuant to the new policy of Indonesia, (iv) the supplemental announcement of the Company dated 5 June 2024 in relation to additional information of the New MJM Shareholders Agreement, and (v) the announcement of the Company dated 17 June 2024 in relation to the entering into of the CKM Shareholders' Agreement (collectively, the "**Announcements**").

The Board announces that on 30 September 2024, HBW, a wholly-owned subsidiary of the Company, and LSJ made the Capital Contribution to MJM in proportion to their respective shareholdings in MJM according to the relevant provisions under the MJM Shareholders Agreement and the New MJM Shareholders Agreement to increase the registered capital of MJM from IDR67,500,000,000 to IDR147,500,000,000, of which IDR39,200,000,000 (equivalent to RMB18,148,148) of the increased registered capital of MJM was contributed by HBW. After the Capital Contribution, the shareholding percentages of LSJ and HBW in MJM remained the same. As the Capital Contribution was made based on the MJM Shareholders Agreement and the New MJM Shareholders Agreement, which already provided that the remaining non-paid up authorized capital of IDR202,500,000,000 will be subscribed by the shareholders of MJM according to the actual operational needs of MJM and the applicable laws in Indonesia, the entering into of a further capital contribution agreement was not necessary.

Unless otherwise defined in this announcement, capitalised terms in this announcement shall have the same meanings as defined in the Announcements.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, MJM is owned as to 51% by LSJ and LSJ is owned as to 99.915% by HJR, and HJR is in turn 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. Ms. Lim's family members are deemed connected persons of the Company pursuant to Rule 14A.21 of the Listing Rules. Accordingly, HJR is an associate of Ms. Lim and is a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules, and MJM, being a subsidiary of LSJ which is in turn a subsidiary of HJR, is a connected person of the Company. Accordingly, the transactions contemplated under the MJM Shareholders Agreement and the New MJM Shareholders Agreement (including the Capital Contribution) constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

HBW previously entered into the CKM Shareholders Agreement with TBP, which is held as to 86.45% by HJR as at the date of this announcement. As the 2023 Capital Contribution, the Capital Contribution and the transactions contemplated under the CKM Shareholders Agreement were entered into with parties who are connected with one another and were entered into within a 12-month period, they are aggregated and treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions, whether on a standalone or aggregated basis, is higher than 0.1% but less than 5%, the transactions are subject to reporting, annual review and announcement requirements but exempt from circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

References are made to (i) the announcement of the Company dated 15 December 2023 in relation to the entering into of the MJM Shareholders Agreement, (ii) the supplemental announcement of the Company dated 22 December 2023 in relation to additional information of the MJM Shareholders Agreement, (iii) the announcement of the Company dated 30 May 2024 in relation to the entering into of the New MJM Shareholders Agreement pursuant to the new policy of Indonesia, (iv) the supplemental announcement of the Company dated 5 June 2024 in relation to additional information of the New MJM Shareholders Agreement, and (v) the announcement of the Company dated 17 June 2024 in relation to the entering into of the CKM Shareholders' Agreement (collectively, the "**Announcements**").

The Board announces that on 30 September 2024, HBW, a wholly-owned subsidiary of the Company, and LSJ made the Capital Contribution to MJM in proportion to their respective shareholdings in MJM according to the relevant provisions under the MJM Shareholders Agreement and the New MJM Shareholders Agreement to increase the registered capital of MJM from IDR67,500,000,000 to IDR147,500,000,000, of which IDR39,200,000,000 (equivalent to RMB18,148,148) was contributed by HBW. After the Capital Contribution, the shareholding percentages of LSJ and HBW in MJM remained the same. As this part of the Capital Contribution was made based on the MJM Shareholders Agreement and the New MJM Shareholders Agreement, which already provided that the remaining non-paid up authorized capital of IDR202,500,000,000 will be subscribed by the shareholders of MJM according to the actual operational needs of MJM and the applicable laws in Indonesia, the entering into of a further capital contribution agreement was not necessary.

Unless otherwise defined in this announcement, capitalised terms in this announcement shall have the same meanings as defined in the Announcements.

CHANGES IN THE SHAREHOLDING STRUCTURE

The shareholding structure of MJM immediately after the Capital Contribution is set out as below:

	Original shareholding structure			Shareholding structure immediately after the Capital Contribution		
Shareholders	**Amount of contribution *(IDR)***	**Amount of contribution *(RMB)***	**Shareholding percentage**	**Amount of contribution *(IDR)***	**Amount of contribution *(RMB)***	**Shareholding percentage**
LSJ	34,425,000,000	15,937,500	51%	75,225,000,000	34,826,389	51%
HBW	33,075,000,000	15,312,500	49%	72,275,000,000	33,460,648	49%
Total	**67,500,000,000**	**31,250,000**	**100%**	**147,500,000,000**	**68,287,037**	**100%**

As the Company holds only 49% of the shares in MJM, the financial results of MJM will not be consolidated into the consolidated financial statements of the Group.

The capital contribution by HBW was funded by the internal resources of the Group.

EXCHANGE RATE

As the Capital Contribution is made based on the MJM Shareholders Agreement and the New MJM Shareholders Agreement, unless otherwise specified, conversions of IDR to RMB are based on the approximate exchange rate of IDR2,160 to RMB1 as specified in the MJM Shareholders Agreement and the New MJM Shareholders Agreement.

REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION

As previously disclosed in the Announcements relating to the MJM Shareholders Agreement and the New MJM Shareholders Agreement, MJM was set up with a view to be involved in the sea freight activities sector business by obtaining a license and/or permit to run a vessels company in Indonesia. This will enable the Company to have the ability to transport raw materials, construction materials and products required for the Company's OBI projects (as defined in the prospectus of the Company dated 21 November 2022) within the territory of Indonesia. The self-owned vessels of MJM may help the Company reduce operating costs, ensure the continuity and flexibility of logistics and transportation, and better meet production and sales needs. In addition, the Company and PT Trimegah Bangun Persada (the "**Indonesian Partner**") have collaborated on various projects, such as setting up joint ventures involved in the OBI projects. The Company is of the view that strengthening the relationship with HJR, an investment holding company and the parent entity of the Indonesian Partner, is beneficial for the Group as a whole.

In order for the Group to reap the benefits of setting up MJM, and having regard to MJM's actual operational needs and the applicable laws in Indonesia, the Company considered it necessary to make the Capital Contribution in accordance with the MJM Shareholders Agreement and the New MJM Shareholders Agreement.

Considering the above, the Directors (including the independent non-executive Directors) believe that the MJM Shareholders Agreement, the New MJM Shareholders Agreement and the Capital Contribution are on normal commercial terms, fair and reasonable, have been entered into in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

For further details, please refer to the announcements of the Company dated 15 December 2023, 22 December 2023, 30 May 2024 and 5 June 2024.

DIRECTORS' CONFIRMATION

None of the Directors has any material interest in the MJM Shareholders Agreement, the New MJM Shareholders Agreement and the transactions contemplated thereunder (including the Capital Contribution). Hence, no Director was required to abstain from voting on the relevant Board resolutions.

INFORMATION ON THE GROUP

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

INFORMATION ON MJM

MJM is a company incorporated under the laws of Indonesia with limited liability on 9 March 2023, and was owned as to 51% by LSJ and 49% by HBW prior to the completion of the Capital Contribution. After the Capital Contribution, the shareholding percentages of LSJ and HBW in MJM remained the same. MJM has been principally engaged in sea freight business since its incorporation.

Set out below is the consolidated financial information of MJM for the period between 9 March 2023 and 31 August 2024:

	For the period between 9 March 2023 and 31 August 2024 (*IDR*)	**For the period between 9 March 2023 and 31 August 2024 (*RMB*)**
Net profit before tax	11,437,277,494	5,272,189.72
Net profit after tax	11,007,236,347	5,073,904.44

As of 31 March 2024, the unaudited total assets and net assets of MJM were IDR106,467,064,918 (equivalent to RMB49,077,638) and IDR78,507,125,349 (equivalent to RMB36,189,072), respectively.

For the purpose of the above financial information of MJM, conversions of IDR are based on the approximate exchange rate of IDR2,169 to 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 rate or at any other rates at all.

INFORMATION ON THE CONTRIBUTING PARTIES

HBW is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in the business of vessel subleasing. As at the date of this announcement, HBW is a wholly-owned subsidiary of the Company.

LSJ is a company established under the laws of Indonesia and is principally engaged in the business of domestic sea transportation for specific goods. As at the date of the announcement, LSJ is held as to 0.085% by Mr. Lim Gunardi Hariyanto and as to 99.915% by HJR. HJR is ultimately controlled by family members of Ms. Lim.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, MJM is owned as to 51% by LSJ and LSJ is owned as to 99.915% by HJR, and HJR is in turn 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. Ms. Lim's family members are deemed connected persons of the Company pursuant to Rule 14A.21 of the Listing Rules. Accordingly, HJR is an associate of Ms. Lim and is a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules, and MJM, being a subsidiary of LSJ which is in turn a subsidiary of HJR, is a connected person of the Company. Accordingly, the transactions contemplated under the MJM Shareholders Agreement and the New MJM Shareholders Agreement (including the Capital Contribution) constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

HBW previously entered into the CKM Shareholders Agreement with TBP, which is held as to 86.45% by HJR as at the date of this announcement. As the 2023 Capital Contribution, the Capital Contribution and the transactions contemplated under the CKM Shareholders Agreement were entered into with parties who are connected with one another and were entered into within a 12-month period, they are aggregated and treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the transactions, whether on a standalone or aggregated basis, is higher than 0.1% but less than 5%, the transactions are subject to reporting, annual review and announcement requirements but exempt from circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors
"Capital Contribution"	a further capital contribution in the sum of IDR80,000,000,000 made by LSJ and HBW to MJM pursuant to the MJM Shareholders Agreement and the New MJM Shareholders Agreement of which IDR39,200,000,000 was contributed by HBW

"CKM Shareholders Agreement"	the shareholders' agreement entered into between HBW and TBP on 17 June 2024 in relation to the proposed increase in the authorized capital of and capital contribution to PT. Cipta Kemakmuran Mitra. Please refer to the announcement of the Company dated 17 June 2024 for further details
"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
"Director(s)"	the director(s) of the Company
"GRM"	PT Gunung Rimba Makmur, a limited liability company incorporated under the laws of Indonesia
"Group"	the Company and its subsidiaries
"HBW"	Hong Kong Blue Whale International Ltd (香港藍鯨國際有限公司), a limited liability company incorporated under the laws of the Hong Kong and a wholly-owned subsidiary of 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
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IDR"	Indonesian rupiah, the lawful currency of Indonesia
"Indonesia"	The Republic of Indonesia
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"LSJ"	PT Lima Srikandi Jaya, a limited liability company incorporated under the laws of Indonesia and ultimately controlled by family members of Ms. Lim
"MJM"	PT Makmur Jaya Maritimindo, a limited liability company established under the laws of Indonesia on 9 March 2023
"MJM Shareholders Agreement"	the shareholders' agreement entered into among HBW, LSJ, TKJ and GRM on 15 December 2023, in relation to the proposed increase in authorized capital and capital contribution to MJM. Please refer to the announcements of the Company dated 15 December 2023 and 22 December 2023 for further details

"Ms. Lim"	Ms. Lim Shu Hua, Cheryl, the de facto controller of Feng Yi Pte. Ltd., a 17% Shareholder of the Company
"New MJM Shareholders Agreement"	the shareholders' agreement entered into between HBW and LSJ on 30 May 2024 in relation to, among other things, the shareholding structure of shareholders as well as the composition of the board of directors and board of commissioners of MJM. Please refer to the announcements of the Company dated 30 May 2024 and 5 June 2024 for further details
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the share(s) of the Company from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"TKJ"	PT Teratai Kemakmuran Jayaraya, a limited liability company established under the laws of Indonesia
"2023 Capital Contribution"	the capital contribution made by LSJ, TKJ, GRM and HBW to MJM in December 2023, as disclosed in the announcements of the Company dated 15 December 2023 and 22 December 2023
"%"	per cent.

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

The PRC, 2 October 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.