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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

This announcement is made by Lygend Resources & Technology Co., Ltd. pursuant to Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of Lygend Resources & Technology Co., Ltd. (the “**Company**”) hereby announces that the proposal in relation to the application of certain shareholders holding unlisted domestic shares to apply for conversion to overseas listed shares and listing on the main board of the Hong Kong Stock Exchange (the “**Full Circulation**”) was reviewed and approved in the board meeting held on January 3, 2023, and having taken into account the contents of the Full Circulation proposal and the actual operation and development of the Company in the near future, it is proposed to make certain amendments to the Articles of Association of the Company (the “**Articles of Association**”). A comparative table of the proposed amendments to the Articles of Association is set out in the Appendix to this announcement.

The amendments to the Company’s Articles of Association will not take effect until the approval of the Company’s shareholders’ meeting. The Board of the Company will hold an extraordinary shareholders’ meeting as and when appropriate. The specific time and venue of the shareholders’ meeting are subject to the final notice of the shareholders’ meeting issued by the Board of the Company.

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

The PRC, January 3, 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.

APPENDIX: TABLE OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Provision	Original Article	Proposed amendments
<p>Article 3</p>	<p>The Company was approved by the China Securities Regulatory Commission (“CSRC”) on August 2, 2022 to issue no more than 267,429,600 overseas listed foreign shares (“H Shares”) in Hong Kong.</p>	<p>The Company was approved by the China Securities Regulatory Commission (“CSRC”) on August 2, 2022 to issue no more than 267,429,600 overseas listed foreign shares in Hong Kong.</p> <p><u>The foreign shares of the Company issued and listed on the Stock Exchange of Hong Kong Limited (the “SEHK”), as well as the original domestic shares and unlisted foreign shares listed and traded on the SEHK upon approval of the securities regulator of the State Council, collectively referred to as H shares.</u></p>

Provision	Original Article	Proposed amendments
Article 13	<p>The business scope of the Company as legally registered: general items: research and development of emerging energy technologies; smelting of commonly used non-ferrous metals; sales of metal ores; sales of metal materials; sales of chemical products (excluding permitted chemical products); sales of construction materials; sales of mechanical equipment; sales of timber; sales of cotton and hemp; sales of knitwear textiles and raw materials; domestic trade agent; import and export of goods; import and export of technology; import and export agent; investment activities with its owned funds; (without the approval of the financial and other regulatory authorities, shall not engage in deposit-taking, financial guarantee, discretionary wealth management, collection (financing) from the public and other financial business). (Carry out business activities legitimately and independently under the business license, except for items subject to approval in accordance with the law). Permitted items: operations of hazardous chemicals (for items subject to approval by competent authorities, shall only engage in such items after such approval is obtained, and the final business scope is subject to approval).</p>	<p>The business scope of the Company as legally registered: general items: research and development of emerging energy technologies; smelting of commonly used non-ferrous metals; sales of metal ores; sales of metal materials; sales of chemical products (excluding permitted chemical products); sales of construction materials; sales of mechanical equipment; sales of timber; sales of cotton and hemp; sales of knitwear textiles and raw materials; domestic trade agent; import and export of goods; import and export of technology; import and export agent; investment activities with its owned funds; (without the approval of the financial and other regulatory authorities, shall not engage in deposit-taking, financial guarantee, discretionary wealth management, collection (financing) from the public and other financial business). (Carry out business activities legitimately and independently under the business license, except for items subject to approval in accordance with the law). Permitted items: operations of hazardous chemicals (for items subject to approval by competent authorities, shall only engage in such items after such approval is obtained, and the final business scope is subject to approval).</p>

Provision	Original Article	Proposed amendments
<p>Article 18</p>	<p>Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares”. Shares issued by the Company to overseas investors for subscription in foreign currency are “foreign shares”. If the foreign shares are listed overseas, they are known as “overseas listed foreign shares”. Shares held by overseas investors that are not listed domestically or overseas are known as “unlisted foreign shares”.</p> <p>Shares issued with the approval of the securities regulatory authority of the State Council and approved by the overseas securities regulatory authorities for listing and trading on overseas stock exchanges shall be collectively referred to as “overseas listed shares”.</p> <p>A “foreign currency” referred to in the preceding paragraph shall refer to the statutory currency of a country or region other than RMB that is recognised by the State Administration of Foreign Exchange and can be used to pay to the Company for the shares.</p>	<p>Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares”. Shares issued by the Company to overseas investors for subscription in foreign currency are “foreign shares”. If the foreign shares are listed overseas, they are known as “overseas listed foreign shares”. Shares held by overseas investors that are not listed domestically or overseas are known as “unlisted foreign shares”.</p> <p>Shares issued with the approval of the securities regulatory authority of the State Council and approved by the overseas securities regulatory authorities for listing and trading on overseas stock exchanges shall be collectively referred to as “overseas listed shares”.</p> <p>A “foreign currency” referred to in the preceding paragraph shall refer to the statutory currency of a country or region other than RMB that is recognised by the State Administration of Foreign Exchange and can be used to pay to the Company for the shares.</p>

Provision	Original Article	Proposed amendments
		<p><u>Upon approval of the securities regulator of the State Council, the holders of domestic shares and unlisted foreign shares of the Company may transfer all or part of the shares they hold to overseas investors and get them listed and traded overseas; all or part of the domestic shares and unlisted foreign shares may be converted into overseas listed shares, and the converted overseas listed shares may be listed and traded on an overseas stock exchange. When the transferred or converted shares are listed and traded on an overseas stock exchange, it shall comply with the regulatory procedures, regulations and requirements of overseas securities markets. The domestic shares and unlisted foreign shares shall be regarded as the same class of shares as the original overseas listed foreign shares after being converted into overseas listed shares.</u></p>

Provision	Original Article	Proposed amendments
<p>Article 21</p>	<p>With the approval of the securities regulatory authority of the State Council and the Hong Kong Stock Exchange, the Company may issue a total of 267,429,600 overseas listed foreign shares (including up to 34,882,000 shares under the over-allotment option).</p> <p>If the over-allotment option is not exercised, the share capital structure of the Company will be as follows: 1,550,316,176 ordinary shares, of which 507,000,000 shares are held by promoter Zhejiang Lygend Investment Co., Ltd., 1,000,000 shares are held by Ningbo Lizhan Trade Co., Ltd., 546,215,000 shares are held by other shareholders of domestic shares, 263,553,750 shares are held by shareholders of overseas unlisted foreign shares and 232,547,600 shares are held by shareholders of overseas listed foreign shares.</p>	<p>With the approval of the securities regulatory authority of the State Council and the Hong Kong Stock Exchange, the Company may issue a total of 267,429,600 overseas listed foreign shares (including up to 34,882,000 shares under the over-allotment option).</p> <p>If the over-allotment option is not exercised, the share capital structure of the Company will be as follows: 1,550,316,176 ordinary shares, of which 507,000,000 shares are held by promoter Zhejiang Lygend Investment Co., Ltd., 1,000,000 shares are held by Ningbo Lizhan Trade Co., Ltd., 546,215,000 shares are held by other shareholders of domestic shares, 263,553,750 shares are held by shareholders of overseas unlisted foreign shares and 232,547,600 shares are held by shareholders of overseas listed foreign shares.</p>

Provision	Original Article	Proposed amendments
	<p>If the over-allotment option is exercised, the share capital structure of the Company will be as follows: 1,585,198,289 ordinary shares, of which 507,000,000 shares are held by promoter Zhejiang Lygend Investment Co., Ltd., 1,000,000 shares are held by Ningbo Lizhan Trade Co., Ltd, 546,215,000 shares are held by other shareholders of domestic shares, 263,553,750 shares are held by shareholders of overseas unlisted foreign shares and 267,429,600 shares are held by shareholders of overseas listed foreign shares.</p>	<p>If the over-allotment option is exercised, the share capital structure of the Company will be as follows: 1,585,198,289 ordinary shares, of which 507,000,000 shares are held by promoter Zhejiang Lygend Investment Co., Ltd., 1,000,000 shares are held by Ningbo Lizhan Trade Co., Ltd, 546,215,000 shares are held by other shareholders of domestic shares, 263,553,750 shares are held by shareholders of overseas unlisted foreign shares and 267,429,600 shares are held by shareholders of overseas listed foreign shares.</p> <p><u>The current share capital structure of the Company is as follows: 1,555,931,350 ordinary shares, of which 507,000,000 shares are held by promoter Zhejiang Lygend Investment Co., Ltd., 1,000,000 shares are held by Ningbo Lizhan Trade Co., Ltd., 546,215,000 shares are held by other shareholders of domestic shares, 263,553,750 shares are held by shareholders of overseas unlisted foreign shares and 238,162,600 shares are held by shareholders of overseas listed foreign shares.</u></p>

Provision	Original Article	Proposed amendments
<p>Article 129</p>	<p>If the Company proposes to vary or abrogate certain rights of a certain class of shareholders, this proposal should be passed by a special resolution at the general meeting and passed at the meeting convened according to Articles 131 to 135 by the related class of shareholders. The approval of a general meeting or a class meeting of shareholders is not required if the rights conferred on a class of shareholders are varied or abrogated as a result of changes in domestic or foreign laws and regulations and the listing rules of the place where the Company's shares are listed, as well as decisions made by domestic or foreign regulatory authorities in accordance with the law.</p>	<p>If the Company proposes to vary or abrogate certain rights of a certain class of shareholders, this proposal should be passed by a special resolution at the general meeting and passed at the meeting convened according to Articles 131 to 135 by the related class of shareholders. The approval of a general meeting or a class meeting of shareholders is not required if the rights conferred on a class of shareholders are varied or abrogated as a result of changes in domestic or foreign laws and regulations and the listing rules of the place where the Company's shares are listed, as well as decisions made by domestic or foreign regulatory authorities in accordance with the law.</p> <p><u>The behaviors that upon approval of the State Council or the securities regulators authorized by the State Council, the shareholders of domestic shares and unlisted foreign shares of the Company transfer all or part of their holdings of shares to overseas investors, or convert all or part of their holdings of domestic shares or unlisted foreign shares into overseas listed shares and get them listed and traded on an overseas stock exchange shall not be regarded as the Company's intention to change or abolish the rights of class shareholders, and are not subject to the approval of the general meeting of shareholders or class meeting of shareholders.</u></p>

Provision	Original Article	Proposed amendments
<p>Article 135</p>	<p>Apart from the holders of other classes of shares, the holders of the domestic shares and holders of overseas listed foreign shares shall be regarded as shareholders of different classes. The special voting procedures at a general meeting for class shareholders shall not apply for the following circumstances:</p> <p>(I) upon the approval by way of a special resolution passed by a general meeting, the Company issues overseas listed foreign shares every twelve months, provided that the amount of shares intended to be issued is not more than twenty percent of the issued and outstanding shares of the class;</p> <p>(II) the Company’s plan on issuing overseas listed foreign shares at the time of establishment which is completed within fifteen months from the date of approval from competent securities department under the State Council; or</p> <p>(III) where with the approval by the security’s regulatory authorities of the State Council the shareholders who hold the domestic shares of the Company transfer the shares held by them to foreign investors and causes these shares to be listed and traded on an overseas stock exchange.</p>	<p>Apart from the holders of other classes of shares, <u>the holders of domestic shares and holders of unlisted foreign shares are deemed to be the same type of shareholders</u>, the holders of the domestic shares, <u>the holders of unlisted foreign shares</u> and holders of overseas listed foreign shares shall be regarded as shareholders of different classes. The special voting procedures at a general meeting for class shareholders shall not apply for the following circumstances:</p> <p>(I) upon the approval by way of a special resolution passed by a general meeting, the Company issues overseas listed foreign shares every twelve months, provided that the amount of shares intended to be issued is not more than twenty percent of the issued and outstanding shares of the class;</p> <p>(II) the Company’s plan on issuing overseas listed foreign shares at the time of establishment which is completed within fifteen months from the date of approval from competent securities department under the State Council; or</p> <p>(III) where with the approval by the security’s regulatory authorities of the State Council the shareholders who hold the domestic shares <u>and the unlisted foreign shares</u> of the Company transfer the shares held by them to foreign investors <u>or the conversion of domestic shares and unlisted foreign shares into overseas listed shares</u> and causes these shares to be listed and traded on an overseas stock exchange.</p>