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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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**联想控股**  
LEGEND HOLDINGS  
BUILDING GREAT COMPANIES

**联想控股股份有限公司**  
Legend Holdings Corporation

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 03396)

### POSSIBLE MAJOR TRANSACTION

**DEEMED DISPOSAL IN RELATION TO  
PROPOSED ISSUANCE AND ADMISSION OF CDRs  
ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD  
OF THE SHANGHAI STOCK EXCHANGE  
BY LENOVO GROUP LIMITED, A SUBSIDIARY OF THE COMPANY**

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The Letter from the Board is set out on pages 4 to 10 of this circular.

February 4, 2021

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“acting in concert”	has the meaning as defined in the Codes on Takeovers and Mergers and Share Buy-backs
“Board”	the board of Directors of the Company
“CAS Holdings”	Chinese Academy of Sciences Holdings Co., Ltd. (中國科學院控股有限公司), a limited liability company incorporated in the PRC, is a substantial shareholder of the Company, and holds 29.04% issued shares of the Company
“CDR(s)”	Chinese depository receipt(s)
“Company” or “Legend Holdings”	Legend Holdings Corporation, a joint stock limited company incorporated in the PRC with limited liability
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with the nominal value of RMB1.00 each which are subscribed for and paid up in RMB
“Group”, “our”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	share(s) in the share capital of the Company, which are listed on the Stock Exchange
“Latest Practicable Date”	January 29, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Legend Holdings Relevant Shareholders”	CAS Holdings, Beijing Lian Chi Zhi Yuan Management Consulting Center Limited Partnership (北京聯持志遠管理諮詢中心(有限合夥)) and Mr. LIU Chuanzhi
“LEL”	Legion Elite Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of RLL and directly holds an aggregate of 240,100,000 Lenovo Shares as at the Latest Practicable Date

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## DEFINITIONS

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“Lenovo”	Lenovo Group Limited and its subsidiaries (as the case may be). Lenovo is a company incorporated in Hong Kong whose shares are listed on the Stock Exchange with stock code 992, and our subsidiary
“Lenovo Announcements and Circular”	the announcements of Lenovo dated January 12, 2021 and January 17, 2021 and the circular of Lenovo dated January 18, 2021 in relation to, inter alia, the Lenovo CDRs Issuance
“Lenovo CDRs Issuance”	Lenovo’s issuance of CDRs represented by the issuance of an aggregate no more than 1,337,967,290 new Lenovo Shares (which is approximately 10% of the total number of issued Lenovo Shares that would be in issue as enlarged by the Lenovo CDRs Issuance) as underlying securities and the application for the admission to listing of the same and trading on STAR Market
“Lenovo Relevant Shareholders”	the Company, RLL and LEL, which together directly hold an aggregate of 3,496,556,041 Lenovo Shares (representing approximately 29.04% of the issued shares of Lenovo as at the Latest Practicable Date)
“Lenovo Shares”	the share(s) of Lenovo, including, for the avoidance of doubt, the share(s) of Lenovo issued as underlying securities to the CDRs
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“PRC” or “China”	the People’s Republic of China
“RLL”	Right Lane Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company and directly holds an aggregate of 388,819,317 Lenovo Shares as at the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

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## DEFINITIONS

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“Shares”	share(s) in the share capital of the Company with the nominal value of RMB1.00 each, including the Domestic Shares and the H Shares
“Shareholders”	shareholders of the Company
“STAR Market”	the Science and Technology Innovation Board of the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Union Star”	Union Star Limited, a company incorporated under the laws of the Cayman Islands, of which the Company indirectly holds approximately 37.91% of its issued share capital through its wholly owned subsidiary, LEL. Union Star directly holds 764,868,248 Lenovo Shares (representing approximately 6.35% of the issued shares of Lenovo as at the Latest Practicable Date). The attributable interests of the Group in Lenovo held through Union Star is approximately 2.41% as at the Latest Practicable Date
“US\$”	US dollars, the lawful currency of the United States of America

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## LETTER FROM THE BOARD

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**联想控股**  
**LEGEND HOLDINGS**  
BUILDING GREAT COMPANIES

**联想控股股份有限公司**  
**Legend Holdings Corporation**

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
**(Stock Code: 03396)**

*Executive Directors:*

Mr. NING Min (*Chairman*)  
Mr. LI Peng

*Non-executive Directors:*

Mr. ZHU Linan  
Mr. ZHAO John Huan  
Mr. WU Lebin  
Mr. SUO Jishuan  
Mr. WANG Yusuo

*Independent non-executive Directors:*

Mr. MA Weihua  
Mr. ZHANG Xuebing  
Ms. HAO Quan  
Mr. YIN Jian'an

*Registered office:*

Room 1701, 17/F  
Block 1, Court No. 2  
Ke Xue Yuan Nanlu  
Haidian District  
Beijing  
PRC

*Principal place of business in Hong Kong:*

Suite 06, 70/F  
Two International Finance Centre  
No. 8 Finance Street  
Central  
Hong Kong

February 4, 2021

*To the Shareholders*

Dear Sir or Madam,

### **POSSIBLE MAJOR TRANSACTION**

#### **DEEMED DISPOSAL IN RELATION TO PROPOSED ISSUANCE AND ADMISSION OF CDRs ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD OF THE SHANGHAI STOCK EXCHANGE BY LENOVO GROUP LIMITED, A SUBSIDIARY OF THE COMPANY**

#### **INTRODUCTION**

Reference is made to the announcements of the Company dated January 12, 2021 and January 17, 2021 in connection with the Lenovo CDRs Issuance.

The purposes of this circular is to provide you with, among other things, (i) further details on the Lenovo CDRs Issuance; and (ii) other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### THE LENOVO CDRs ISSUANCE

On January 12, 2021, Lenovo has approved, in principle, a preliminary proposal for the Lenovo CDRs Issuance and the application for the listing and trading of the CDRs on the STAR Market.

Under the Lenovo CDRs Issuance, Lenovo has approved, in principle, to issue CDRs representing no more than 1,337,967,290 new Lenovo Shares (which is no more than approximately 10% of the total number of Lenovo Shares that would be in issue as enlarged by the Lenovo CDRs Issuance) as underlying securities.

### Structure of the Lenovo CDRs Issuance

It is expected that upon completion of the Lenovo CDRs Issuance, the underlying Lenovo Shares will be issued to the depositary and the depositary will issue the CDRs to investors of the Lenovo CDRs Issuance and the CDRs will be centrally registered, deposited and settled at the China Securities Depository and Clearing Corporation Limited.

The underlying Lenovo Shares to be issued pursuant to the Lenovo CDRs Issuance will rank *pari passu* in all respects with all the issued Lenovo Shares prior to the completion of the Lenovo CDRs Issuance.

The conversion rate between the CDR and the underlying Lenovo Share is 1:1, meaning one underlying Lenovo Share will be issued by Lenovo to the depositary for every one CDR to be issued by the depositary to the CDRs investors, with the final conversion rate between the CDRs to be issued and the underlying Shares representing the CDRs as underlying securities to be determined by the number of CDRs agreed to be registered by relevant regulatory authorities.

However, it should be noted that the CDRs to be issued under the Lenovo CDRs Issuance cannot be converted into the underlying Lenovo Shares in principle in accordance with applicable domestic laws and regulations currently in force.

### Target subscribers

Qualified investors who are in compliance with the requirements of the laws, regulations and regulatory authorities of the PRC and those who have opened trading accounts on the STAR Market (other than those prohibited by the laws, regulations and regulatory documents of the PRC), or such other qualified natural persons in the PRC meeting the market investor suitability regulations of the Shanghai Stock Exchange.

If the CDRs to be issued under the Lenovo CDRs Issuance are subscribed by connected persons (as defined under the Listing Rules) of the Company, the Company will comply with the relevant requirements under the Listing Rules.

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## LETTER FROM THE BOARD

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### **Price of CDRs and method of pricing**

The pricing of the Lenovo CDRs Issuance shall be determined through price consultation with enquired persons or other methods permitted by the laws, regulations and requirements of the relevant securities regulatory authorities of the PRC.

The board of directors of Lenovo and the underwriters of Lenovo will take into account various factors, such as operational and financial conditions of Lenovo, trading price of the Lenovo Shares on the Stock Exchange, market conditions of the PRC stock markets and applicable laws and regulations, when determining the final offer price.

If the offer price is lower than the trading price of the Lenovo Shares, the board of directors of Lenovo will, after considering relevant factors, decide whether to proceed with the Lenovo CDRs Issuance.

### **Timing of issuance and listing of CDRs**

To be determined by the board of directors of Lenovo and relevant regulatory authorities upon obtaining approval due from the Shanghai Stock Exchange and after due filing with the China Securities Regulatory Commission in respect of registering the Lenovo CDRs Issuance.

### **Conditions Precedent**

The Lenovo CDRs Issuance is conditional upon and subject to, among others:

- (a) the passing of the resolutions to approve the Lenovo CDR Issuance by the shareholders of Lenovo;
- (b) necessary regulatory approvals for the Lenovo CDRs Issuance and all necessary written consents and approvals (if any) from the relevant authorities in respect of the Lenovo CDRs Issuance and the issuance of the underlying Lenovo Shares having been obtained; and
- (c) market conditions.

### **FINANCIAL EFFECT OF THE LENOVO CDRs ISSUANCE**

As disclosed in the notes to the relevant years ended consolidated financial statements of the Group audited by its auditor since the Company's listing on the Stock Exchange regarding the application of "critical judgements in applying the accounting policies" in relation to the "consolidation of entities in which the Group holds less than 50% voting rights", the Board considers that the Group has de facto control over Lenovo even though it has less than 50% voting rights based on the following factors: (1) the Group is the single largest shareholder of Lenovo holding approximately over 29% equity interests throughout the relevant years; (2) the Company obtained an "acting in concert" undertaking from another shareholder of Lenovo; and (3) the rest of the voting rights of Lenovo are dispersed and since the date of Lenovo's listing, there has been no history of any other shareholders of Lenovo collaborating to exercise their votes collectively or to out vote the Group.



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## LETTER FROM THE BOARD

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The Company will, subject to compliance of applicable laws, rules, and regulatory requirements, undertake such actions necessary to maintain the controlling shareholding in Lenovo such that immediately following completion of the Lenovo CDRs Issuance, Lenovo will remain as a subsidiary of the Company. On the basis that the Company will undertake such actions necessary to maintain the controlling shareholding in Lenovo (i.e. holding at least 30% interests in Lenovo and there will not be any material adverse change in other facts and circumstances such as the distribution and voting pattern of other investors), Lenovo's financial results, assets, liabilities and cash flows will continue to be consolidated in the Company's consolidated financial statements. Lenovo CDRs Issuance will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's consolidated income statement.

Assuming that the maximum of 1,337,967,290 new underlying Lenovo Shares will be issued pursuant to the Lenovo CDRs Issuance, and the total number of issued Lenovo Shares remain unchanged immediately before the completion the Lenovo CDRs Issuance, the Company will undertake such actions necessary to maintain the controlling shareholding in Lenovo before completion of the Lenovo CDRs Issuance. Accordingly, the Company's interests in Lenovo (directly and indirectly, through the Lenovo Relevant Shareholders and Union Star) will be no less than 30% upon completion of the Lenovo CDRs Issuance.

**Details on the terms and conditions of the Lenovo CDRs Issuance, including types of securities, number of underlying Lenovo Shares to be issued, manner and method of issuance, conversion rate between CDRs and Lenovo Shares, CDRs and underlying Lenovo Shares conversion restriction, place of listing of CDRs, method of underwriting, sponsor and lead underwriter and conditions precedent are set out in full in the Lenovo Announcements and Circular.**

### REASONS FOR AND BENEFITS OF THE LENOVO CDRs ISSUANCE

The Board believes that the strategic objectives of the Lenovo are clear and consistent, its business performance continues to improve, and it has great potential to develop in the future. Lenovo intends to issue CDRs in the PRC to raise funds, improve its corporate image, profile, brand awareness and future prospects as well as enlarge its investor base. The issuance of CDRs can also broaden the fundraising channels of the Lenovo in addition to the existing offshore platforms, and develop additional financing platforms domestically. The Lenovo CDRs Issuance is a new attempt in the capital market that will strengthen the financial positions of Lenovo and secure the funds required for its long-term business development and product innovation which aligns with the strategies of Legend Holdings regarding the continue promotion of its business segments to enter the domestic capital market.

After taking the above into consideration, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Lenovo CDRs Issuance are fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### INFORMATION OF THE COMPANY

Legend Holdings is a leading diversified investment holding group in China and has developed an innovative, two-wheel-driven synergy business model by “strategic investments + financial investments”. Its strategic investments business diversified into five segments: IT, financial services, innovative consumption and services, agriculture and food, and advanced manufacturing and professional services. Its financial investments business primarily consists of angel investments, venture capital investments, private equity investments and other investments that covers all stages of a company’s development. As at the Latest Practicable Date, CAS Holdings, the single largest shareholder of the Company, holds approximately 29.04% of the issued share capital of the Company.

### INFORMATION OF LENOVO

Lenovo is a limited liability company incorporated in Hong Kong and shares of which have been listed on the Stock Exchange since 1994. The principal activities of the Lenovo are the sales and manufacture of personal computers, tablets, smartphones, servers and related information technology products and the provision of advanced information services across the world.

Set out below is extract of the audited consolidated financial information of Lenovo for the two years ended March 31, 2020 and the unaudited consolidated financial information for the period ended September 30, 2020, respectively:

	<b>12 months ended March 31, 2019 (audited) US\$ million</b>	<b>12 months ended March 31, 2020 (audited) US\$ million</b>	<b>6 months ended September 30, 2020 (unaudited) US\$ million</b>
Profit before tax	856	1,018	802
Profit after tax	657	805	596

As at September 30, 2020, the unaudited consolidated total equity of Lenovo was approximately US\$4,456 million.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company is the single largest shareholder of Lenovo and is holding an aggregate of approximately 31.45% interests in Lenovo, directly and indirectly, through the Lenovo Relevant Shareholders and Union Star. Lenovo is a subsidiary of the Company. The Company will, subject to compliance of applicable laws, rules, and regulatory requirements, undertake such actions necessary to maintain the controlling shareholding in Lenovo such that immediately following completion of the Lenovo CDRs Issuance, Lenovo will remain as a subsidiary of the Company and its financial results, assets, liabilities and cash flows will continue to be consolidated in the Company's consolidated financial statements. On the basis that the Company will undertake such actions necessary to maintain the controlling shareholding in Lenovo, Lenovo's financial results, assets, liabilities and cash flows will continue to be consolidated in the Company's consolidated financial statements. Lenovo CDRs Issuance will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's consolidated income statement.

Assuming that the maximum of 1,337,967,290 new underlying Lenovo Shares will be issued pursuant to the Lenovo CDRs Issuance, and the total number of issued Lenovo Shares remain unchanged immediately before the completion the Lenovo CDRs Issuance, the Company will undertake such actions necessary to maintain the controlling shareholding in Lenovo (i.e. holding at least 30% interests in Lenovo and there will not be any material adverse change in other facts and circumstances such as the distribution and voting pattern of other investors) before completion of the Lenovo CDRs Issuance. Accordingly, the Company's interests in Lenovo (directly and indirectly, through the Lenovo Relevant Shareholders and Union Star) will be no less than 30% upon completion of the Lenovo CDRs Issuance.

### LISTING RULES IMPLICATIONS

The Lenovo CDRs Issuance constitutes a deemed disposal of interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios represented by the Lenovo CDRs Issuance are more than 25% but less than 75%, the Lenovo CDRs Issuance, if proceeded, may constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### WRITTEN SHAREHOLDERS' APPROVAL

As at the Latest Practicable Date, Legend Holdings Relevant Shareholders, being a closely allied group of Shareholders, are interested in an aggregate of 684,376,910 Domestic Shares and 548,000,000 H Shares, representing approximately 52.30% of the issued share capital of the Company. On the basis that no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Lenovo CDRs Issuance, the Company has obtained written approval from Legend Holdings Relevant Shareholders for the Lenovo CDRs Issuance in accordance with Rule 14.44 of the Listing Rules. Accordingly, the Lenovo CDRs Issuance will be taken to have been duly approved in lieu of holding a general meeting of the Company.

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## LETTER FROM THE BOARD

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The Legend Holdings Relevant Shareholders are (1) CAS Holdings; (2) Beijing Lian Chi Zhi Yuan Management Consulting Center Limited Partnership (北京聯持志遠管理諮詢中心(有限合夥)) (“Lian Chi Zhi Yuan”); and (3) Mr. LIU Chuanzhi (“Mr. LIU”) and they are a closely allied group of Shareholders.

The Institute of Computing Technology, Chinese Academy of Sciences (中國科學院計算技術研究所), an academic establishment of Chinese Academy of Sciences (中國科學院) (the “CAS”), funded the establishment of the predecessor of the Company, Chinese Academy of Sciences Computer Technology Research Institute New Technology Development Company (中國科學院計算技術研究所新技術發展公司) in 1984. In 2002, the CAS funded the CAS Holdings to exercise its shareholder’s right in the Company and CAS Holdings remained as a Shareholder since then. As at the Latest Practicable Date, CAS Holdings held approximately 29.04% of the issued share capital of the Company. In 2001, certain managerial and administrative personnel and IT personnel of the Company obtained 35% equity interests in the Company from CAS as awardees of employees incentive and set up an employee shareholding association (職工持股會) (the “Employee Shareholding Association”) to hold such equity interests. The Employee Shareholding Association merged with Lian Chi Zhi Yuan in 2010 and Lian Chi Zhi Yuan became the surviving entity. As at the Latest Practicable Date, Lian Chi Zhi Yuan held approximately 20.37% of the issued share capital of the Company. Mr. LIU, as a previous staff member of CAS, joined the Group in 1984 as the founder. In 2011, Mr. LIU obtained 3.4% equity interests in the Company pursuant to the Company’s senior management long-term incentive scheme and he has remained as a Shareholder since then. As at the Latest Practicable Date, Mr. LIU directly held approximately 2.89% of the issued share capital of the Company. CAS Holdings, Lian Chi Zhi Yuan and Mr. LIU have voted in the same way on all the Shareholders’ resolutions on which they are entitled to vote since the date they became Shareholders up to now.

### RECOMMENDATION

The Directors (including independent non-executive Directors) believe that the terms and conditions of the Lenovo CDRs Issuance are fair and reasonable and the Lenovo CDRs Issuance in the best interests of the Company and the Shareholders as a whole. As such, if a general meeting is convened to approve the Lenovo CDRs Issuance, the Directors would recommend the Shareholders to vote for the resolutions to approve the Lenovo CDRs Issuance.

### ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

By the order of the Board  
**Legend Holdings Corporation**  
**NING Min**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the financial years ended December 31, 2018 and 2019 and the unaudited consolidated financial information of the Group for the six months ended June 30, 2020 are disclosed in the following documents, which have been published and are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.legendholdings.com.cn](http://www.legendholdings.com.cn)):

- the annual report of the Company for the financial year ended December 31, 2018, published on April 18, 2019:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0418/lt20190418672.pdf>;

- the annual report of the Company for the financial year ended December 31, 2019, published on April 24, 2020:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042401236.pdf>;

and

- the interim report of the Company for the six months ended June 30, 2020, published on September 15, 2020:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0915/2020091500255.pdf>

Each of the aforesaid financial statements of the Group is incorporated by reference to this circular and forms part of this circular.

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on January 15, 2021, being the Latest Practicable Date for the purpose of this indebtedness prior to the bulk printing of this circular, the bank borrowings and corporate bonds of the Group represent:

- Borrowings:

	As at January 15, 2021			
	Bank loans	Other loans	Corporate bonds	Total
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Secured	6,656	2,508	936	10,100
Guaranteed	22,077	2,012	3,010	27,099
Unsecured	36,020	2,250	73,275	111,545
	<u>64,753</u>	<u>6,770</u>	<u>77,221</u>	<u>148,744</u>

- Deposits from clients and from other banks and financial institutions, monetary market positions, financial assets sold under agreements to repurchase, written put option liabilities and convertible preferred shares issued by the Group.
- Loan commitments, promissory notes and letters of guarantee issued by the Group.
- The contingent liabilities of the Group at the close of business on January 15, 2021 of approximately RMB17,825 million.
- The lease liabilities of the Group at the close of business on January 15, 2021 of approximately RMB3,718 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as at the close of business on January 15, 2021, the Group did not have any debt securities issued and outstanding, debt securities authorised or otherwise created but unissued, term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, mortgages, charges, guarantees or other material contingent liabilities.

### **3. WORKING CAPITAL STATEMENT**

The Directors, after due and careful consideration and taking into account the financial resources available to the Group, including the internally generated funds, available loan or banking facilities and the estimated net proceeds from Lenovo CDRs Issuance, are of the opinion that the Group will have sufficient working capital for its requirements for at least the next twelve months following the date of this circular.

### **4. TRADING AND FINANCIAL PROSPECTS OF THE GROUP**

The COVID-19 and capital market turmoil at the beginning of 2020 have compounded the challenges and uncertainties of the business environment. While ensuring prevention and fight against the disease, Legend Holdings immediately provided support to the portfolio companies, helping them to make dynamic assessments on the business operation and to adopt measures to survive the epidemic. Legend Holdings will continue to consolidate and refine the current businesses, and will also dynamically formulate work plans for the next few years based on the external business environment and the proprietary resources.

We will accelerate the strengthening and building of pillar assets. Lenovo, a pillar asset of Legend Holdings, will further consolidate the competitive advantage of its global leading IT equipment supplier and undergo the Lenovo CDRs issuance. Banque Internationale à Luxembourg, acquired in 2018 and a new pillar assets of Legend Holdings, has taken root in the European market and is gradually entering the Chinese market; Joyvio Group Co., Ltd has attained its competitive advantage in the field of high-end fruit and high-end animal protein and is preparing to raise more fund from the capital market and to release their value. Levima Advanced Materials Corporation (“Levima Advanced Materials”) has achieved success in the field of fine chemicals and become listed on the Shenzhen Stock Exchange in December 2020. We are confident in the future of the pillar assets we have built and are building.

Based on the external environment and the Company's resource allocation needs, Legend Holdings will further focus on the main businesses while exit from some portfolio companies to enable more backflow of resources and to accumulate resources for the upcoming business layout in the new strategic cycle.

We will continue to build up the synergy under the "two-wheel-drive" model. Our strategic investments have formed some industry focuses, and the financial investments platforms have accumulated in-depth industry insights and project resources in multiple sectors. This makes it possible for us to source from the portfolio companies under financial investments the projects in line with strategic investment standards with higher success probability, particularly in TMT, artificial intelligence, healthcare, high-end manufacturing and other specific sectors.

Meanwhile, with the "two-wheel-drive" model, the portfolio companies have built extensive commercial networks in common, which is also the unique advantage of our value-added services. We will establish internal mechanisms to commercialize this advantage to create cooperation between our portfolio companies, to reduce the cost of communication, to realize the real returns, and to strengthen Legend Holdings' business framework.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (i) Interests in the shares of the Company

Name of Director/ Chief Executive	Nature of interest	Class of Shares/ underlying shares	Number of Shares/ underlying shares held	Total number of long position	Approximate percentage of holding in the relevant class of Shares <sup>(i)</sup>	Approximate percentage of holding in the total issued Shares <sup>(i)</sup>
NING Min	Beneficial owner	H Shares	36,000,000	40,150,000	3.15%	1.70%
		Restricted Shares <sup>(ii)</sup>	1,400,000			
		Share Options <sup>(iii)</sup>	2,750,000			
LI Peng	Beneficial owner	H Shares	544,100	4,394,100	0.34%	0.18%
		Restricted Shares <sup>(ii)</sup>	1,300,000			
		Share Options <sup>(iii)</sup>	2,550,000			
ZHU Linan	Beneficial owner	H Shares	50,830,000	56,230,000	4.42%	2.38%
		Restricted Shares <sup>(ii)</sup>	1,800,000			
		Share Options <sup>(iii)</sup>	3,600,000			
ZHAO John Huan	Beneficial owner	Restricted Shares <sup>(ii)</sup>	600,000	1,800,000	0.14%	0.07%
		Share Options <sup>(iii)</sup>	1,200,000			
WANG Yusuo	Interest in controlled corporation <sup>(iv)</sup>	H Shares	54,090,000	54,090,000	4.25%	2.29%



*Notes:*

- (i) As at the Latest Practicable Date, the Company issued 1,271,853,990 H Shares and 1,084,376,910 Domestic Shares and the total number of Shares in issue were 2,356,230,900 Shares.
- (ii) Refers to the restricted Share issued under the medium to long-term incentive plan for the year 2019 approved by the Shareholders of the Company on June 13, 2019. Please refer to the Company's circular dated April 18, 2019 for details of the rules of the restricted Shares incentive plan.
- (iii) Refers to the share options granted under the medium to long-term incentive plan for the year 2019 approved by the Shareholders of the Company on June 13, 2019 for a term commencing on January 1, 2021 and ending on December 31, 2025, at an exercise price HK\$16.856. Please refer to the Company's circular dated April 18, 2019 for details of the rules of the share options incentive plan.
- (iv) As at the Latest Practicable Date, ENN Group International Investment Limited ("EGII"), the controlled corporation of Mr. WANG Yusuo, holds 54,090,000 H shares of the Company. Mr. WANG is deemed to hold 54,090,000 H Shares through EGII under the SFO.

**(ii) Interests in the shares of associated corporations**

Name of Director	Name of associated corporation	Nature of interest	Long Position/ Short Position	Number of Shares/underlying shares held	Approximate percentage of shareholding in the total issued Shares <sup>(c)</sup>
NING Min	Lenovo	Beneficial owner	Long Position	1,370,401	0.01%
ZHU Linan	Lenovo	Beneficial owner	Long Position	6,268,934 <sup>(a)</sup>	0.05%
ZHAO John Huan	Lenovo	Beneficial owner	Long Position	5,000,988 <sup>(b)</sup>	0.04%

*Notes:*

- (a) Mr. ZHU Linan owns 2,987,155 ordinary shares and 3,281,779 units of share awards which are convertible into ordinary shares.
- (b) Mr. ZHAO John Huan owns 990,262 ordinary shares and 4,010,726 units of share awards which are convertible into ordinary shares.
- (c) The calculation is based on the total number of 12,041,705,614 shares issued by Lenovo as at the Latest Practicable Date.

## 3. INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as the Directors are aware, the following persons had an interest and/or a short position in the Shares or underlying shares of the Company which will be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and an interest and/or a short position as recorded by the Company in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Class of Shares	Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total issued Shares <sup>(2)</sup>
CAS Holdings	Domestic Shares	Beneficial owner	684,376,910	63.11%	29.04%
Beijing Lian Chi Zhi Yuan Management Consulting Center (Limited Partnership) (北京聯持志遠管理諮詢中心(有限合夥)) (“Lian Chi Zhi Yuan”)	H Shares-Long Position	Beneficial owner	480,000,000	37.74%	20.37%
Beijing Lian Chi Zhi Tong Management Consulting Limited (北京聯持志同管理諮詢有限責任公司) (“Lian Chi Zhi Tong”) <sup>(3)</sup>	H Shares-Long Position	Interest in controlled corporation	480,000,000	37.74%	20.37%
LU Zhiqiang <sup>(4)</sup>	Domestic Shares	Interest in controlled corporation	400,000,000	36.88%	16.97%
China Oceanwide Holdings Group Co., Ltd. (“China Oceanwide”)	Domestic Shares	Beneficial owner	400,000,000	36.88%	16.97%
Oceanwide Group Co., Ltd. (“Oceanwide Group”) <sup>(4)</sup>	Domestic Shares	Interest in controlled corporation	400,000,000	36.88%	16.97%
Tohigh Holdings Co., Ltd. (“Tohigh”) <sup>(4)</sup>	Domestic Shares	Interest in controlled corporation	400,000,000	36.88%	16.97%

Name of Shareholder	Class of Shares	Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total issued Shares <sup>(2)</sup>
Beijing Lian Heng Yong Xin Investment Center (Limited Partnership) (北京聯永信投資中心(有限合夥)) (“Lian Heng Yong Xin”) <sup>(5)</sup>	H Shares-Long Position	Beneficial owner	114,287,500	8.98%	4.85%
Beijing Lian Heng Yong Kang Management Consulting Limited (北京聯永康管理諮詢有限公司) (“Lian Heng Yong Kang”) <sup>(5)</sup>	H Shares-Long Position	Interest in controlled corporation	114,287,500	8.98%	4.85%
LIU Chuanzhi	H Shares-Long Position Restricted Shares-Long Position Share Options-Long Position	Beneficial owner	73,600,000	5.78%	3.12%

*Notes:*

- (1) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares as at the Latest Practicable Date. As at the Latest Practicable Date, the Company has issued 1,271,853,990 H Shares and 1,084,376,910 Domestic Shares.
- (2) The calculation is based on the total number of 2,356,230,900 Shares in issue as at the Latest Practicable Date.
- (3) Lian Chi Zhi Tong is the sole general partner of Lian Chi Zhi Yuan and has de facto control over it. Accordingly, Lian Chi Zhi Tong is deemed to be interested in the 480,000,000 H Shares.
- (4) Oceanwide Group and Tohigh are corporations controlled by Mr. LU Zhiqiang. Tohigh holds the entire equity interest in the Oceanwide Group which in turn holds 98% equity interest in China Oceanwide. Accordingly, Mr. LU Zhiqiang is deemed to be interested in the 400,000,000 Domestic Shares held by China Oceanwide.
- (5) Lian Heng Yong Kang is the sole partner of Lian Heng Yong Xin and has de facto control over it. Accordingly, Lian Heng Yong Kang is deemed to be interested in the 114,287,500 H Shares.

As at the Latest Practicable Date, save as disclosed above, there was no other person who held interests and/or short positions in the Shares or underlying shares of the Company which are required to be recorded in the register to be kept under section 336 of Part XV of the SFO, or was a substantial Shareholder.

**4. NO MATERIAL ADVERSE CHANGES**

As at the Latest Practicable Date, the Directors have confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2019, being the date to which the latest published audited accounts of the Group have been made up.

**5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group, and none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Group, or are proposed to be acquired or disposed of by or leased to the Group since December 31, 2019, being the date to which the latest published audited accounts of the Group have been made up.

**6. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has entered into any service contract with the Group (excluding contracts which have expired or are determinable by the Company within one year without payment of compensation (other than statutory compensation)).

**7. DIRECTORS' COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors nor his associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

**8. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material:

- (a) On February 28, 2019, Beijing Joyvio Zhencheng Technology Co., Ltd. (an indirectly-owned subsidiary of the Company, as the Buyer), the Sellers and Joyvio Group Co., Ltd. (a subsidiary of the Company, as the guarantor) entered into the Stock Purchase Agreement, pursuant to which the Buyer has conditionally agreed to purchase and the Sellers have conditionally agreed to sell approximately 95.26% of the issued shares of Australis Seafoods S.A. (For further details, please refer to the announcements of the Company dated February 28, 2019 and July 2, 2019).

- (b) On June 12, 2019, Lenovo Enterprise Technology Company Limited (“LETCL”) (an indirect wholly-owned subsidiary of Lenovo) entered into the Subscription Agreement with the Investors and Lenovo. Pursuant to the Subscription Agreement, the Investors agreed to severally subscribe for a total of 2,054,791 Convertible Preferred Shares of LETCL with the aggregate subscription price of approximately USD300,000,000 (For further details, please refer to the announcement of the Company dated June 12, 2019).
- (c) On August 2, 2019, RLL (a wholly-owned subsidiary of the Company, as the Guarantor), entered into the Facility Agreement relating to a term loan facility with a maximum amount of US\$130,000,000 with Well Faith Management Limited (“Well Faith”) (an Associate of the Company, as the borrower) and the Banks (as the lenders), to provide a guarantee to secure the whole amount of such term loan together with any interest and other fees payable by Well Faith under the Facility Agreement and associated finance documents (For further details, please refer to the announcement of the Company dated August 2, 2019).
- (d) On November 1, 2019, the Company (as the lender) and the Borrower (and as the guarantor), by mutual consent, entered into a supplemental agreement, pursuant to which, the Company, on the basis of the terms set out in the Original Loan Agreement, agreed to extend the repayment term of a loan that had been previously granted to the Borrower in the principal amount of RMB660,000,000 to December 31, 2021 (For further details, please refer to the announcement of the Company dated November 1, 2019).
- (e) On December 24, 2019, Tibet Dongfangqihui Investment Co., Ltd. (“Dongfangqihui”) (a subsidiary of the Company, and as one of the limited partners) and other limited partners jointly entered into the Partnership Agreement with Hony Capital Management (Tianjin) (Limited Partnership) (as the general partner and manager) to set up a fund, pursuant to which, the total amount of the final capital commitment of Dongfangqihui shall not exceed RMB800 million, and the proportion of its commitment shall not exceed 20% of the total size of the Fund (For further details, please refer to the announcement of the Company dated December 24, 2019).
- (f) On April 3, 2020, the Company and Levima Advanced Materials (a subsidiary of the Company) entered into the Continuing Guarantee Support Framework Agreement, pursuant to which the Company agreed to grant the Guarantees to Levima Advanced Materials for an aggregate amount not exceeding RMB3,800 million upon the requests made by Levima Advanced Materials during the period commencing from the Effective Date till June 30, 2021, subject to the then financial positions of the Company and compliance with the Listing Rules (For further details, please refer to the announcement of the Company dated April 3, 2020).

- (g) On April 9, 2020, (i) Tibet Kaola Jinke Network Technology Services Co., Ltd. (“Kaola Jinke”) (an indirectly-owned subsidiary of the Company, as Vendor) and Lakala Payment Corporation (“Lakala”) (as Purchaser) entered into a conditional agreement, pursuant to which, Kaola Jinke agreed to sell and Lakala agreed to purchase 100% equity interest in Guangzhou Zhongying Weirong Technology Co., Ltd. at a consideration of approximately RMB1,909,410,000; and (ii) Tibet Kaola Science & Technology Development Co., Ltd. (“Kaola Technology”) (a subsidiary of the Company) and Tibet Liantou Qihui Enterprise Management Limited (“Liantou Qihui”) (a subsidiary of the Company) (as two of the Vendors) and Lakala (as Purchaser) entered into a conditional agreement, pursuant to which, Kaola Technology, Liantou Qihui and Other shareholders of Shenzhen Zhongying Weirong Technology Co., Ltd. (“Shenzhen Zhongying Technology”) agreed to sell and Lakala agreed to purchase 100% equity interest in Shenzhen Zhongying Technology at a consideration of approximately RMB207,470,000 (For further details, please refer to the announcement of the Company dated April 9, 2020).
- (h) On September 30, 2020, Crest Success Limited (a subsidiary of the Company) conditionally agreed to sell up to 57,342,625 ordinary shares in Pension Insurance Corporation Group Limited (“PIC”) which represents approximately 4.3% of the total issued capital in PIC, being all the ordinary shares of PIC owned by it, to MP 2019 K2 Aggregator, L.P. (the Consideration was up to GBP174,895,006 pursuant to the terms and conditions of the SPA) (For further details, please refer to the announcement of the Company dated September 30, 2020).
- (i) On September 30, 2020, Chinese Academy of Sciences Linked Innovation Equity Investment Fund (Shaoxing) Partnership (Limited Partnership) (中科院聯動創新股權投資基金(紹興)合夥企業(有限合夥)) (“CASLIF”) and The Chinese Academy of Sciences Venture Capital Fund (Wuhan) Partnership (Limited Partnership) for the Transformation of Scientific and Technological Achievements (中科院科技成果轉化創業投資基金(武漢)合夥企業(有限合夥)) (“Fund of Funds”) (both as limited partners of the Fund) jointly entered into the Suzhou Xing Fan Venture Capital Partnership (Limited Partnership) Limited Partnership Agreement with Qushui County Xing Huan Venture Capital Management Center (Limited Partnership) (曲水縣星環創業投資管理中心(有限合夥)) (“Xing Huan Venture”) (as the general partner of the Fund, and an indirect subsidiary of the Company) and certain other limited partners. Pursuant to the Partnership Agreement, a total amount of not exceeding RMB100 million will be invested by CASLIF in the Fund, and a total amount of not exceeding RMB20 million will be invested by the Fund of Funds in the Fund. These amounts include the regular payment of a management fee to the Manager designated by the general partner, as consideration for the services provided by the Manager (For further details, please refer to the announcement of the Company dated September 30, 2020).

- (j) On October 9, 2020, the Company (as a limited partner of the Project Partnership), CAS Holdings (as a limited partner of the Project Partnership) and CAS Venture Capital Investment Management Co., Ltd. (中科院創業投資管理有限公司) (as a general partner and manager of the Project Partnership) jointly entered into the Partnership Agreement. According to the Partnership Agreement, the Company will subscribe a total amount of RMB150 million in the Project Partnership. The Project Partnership will specifically invest in the Fund of Funds and will not be involved in other investments (For further details, please refer to the announcement of the Company dated October 9, 2020).
- (k) On November 13, 2020, the Company, through LEL and Grand Union Investment Fund, L.P. (“Grand Union”), holds an aggregate of 563,583,025 Shares of Car Inc., representing approximately 26.56% of the issued share capital of Car Inc.. On November 13, 2020, LEL and Grand Union provided an Irrevocable Undertaking in favour of Indigo Glamour Company Limited (“Indigo”). Pursuant to the Irrevocable Undertaking, LEL and Grand Union have agreed and irrevocably undertaken to accept the Share Offer in respect of the IU Shares until the Irrevocable Undertaking lapses. Assuming that the Share Offer will become or declare unconditional in all respects, LEL and Grand Union will receive an aggregate cash consideration of approximately HK\$2,254 million (For further details, please refer to the announcement of the Company dated November 13, 2020).
- (l) On December 4, 2020, the Fund of Funds (as a limited partner of the Fund), Dongfangqihui (an indirect wholly-owned subsidiary of the Company, and as a limited partner of the Fund) and Beijing Lianrong Zhidao Asset Management Co., Ltd. (北京聯融志道資產管理有限公司) (“Lianrong Zhidao”, a subsidiary of the Company, and as the general partner and manager of the Fund) jointly entered into the Partnership Agreement. According to the Partnership Agreement, the Fund of Funds, Dongfangqihui and Lianrong Zhidao will subscribe a total amount of RMB200 million, RMB290 million and RMB5 million respectively in the Fund (For further details, please refer to the announcement of the Company dated December 4, 2020).

## 9. LITIGATION

As at the Latest Practicable Date, none of the Company and its subsidiaries was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group.

**10. GENERAL**

- (a) The registered office of the Company is at Room 1701, 17/F, Block 1, Court No. 2, Ke Xue Yuan Nanlu, Haidian District, Beijing, PRC.
- (b) The principal place of business of the Company in Hong Kong is at Suite 06, 70/F, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong.
- (c) The H Share registrar of the Company is Link Market Services (Hong Kong) Pty Limited at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong.
- (d) The joint company secretaries of the Company are Mr. WANG Wei and Ms. YEUNG Yee Har. Ms. YEUNG is a fellow member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (e) Should there be any discrepancies between the Chinese and English versions of this circular, the English version shall prevail.

**11. DOCUMENT AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Suite 06, 70/F, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong from the date of this circular up to the date which is 14 days from the date of this circular (both days inclusive):

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the section headed "Material Contracts" in this appendix;
- (c) the annual reports of the Company for each of the two financial years ended December 31, 2018 and 2019;
- (d) the interim report of the Company for the six months ended June 30, 2020; and
- (e) this circular.