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联想控股
LEGEND HOLDINGS
BUILDING GREAT COMPANIES

聯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)

Profit Warning

This announcement is made by Legend Holdings Corporation (the "Company" and, together with its subsidiaries, the "Group") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and its potential investors that, based on information currently available to the Board and a preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the "Group") for the six months ended June 30, 2020 (the "Period"), the Group recorded a net profit attributable to equity holders of the Company of approximately RMB300 million to RMB1,000 million, as compared to a net profit attributable to equity holders of the Company of approximately RMB2,665 million for the same period last year. To the knowledge of the Directors, the profit for the Period dropped year on year due to, among others, the following factors:

(i) The COVID-19 pandemic had led to global macroeconomic downturn and intensified volatility in capital markets. As a result, the fair values of certain investments under the Company's financial investment segment diminished or provisions were made for such impairment losses. The actual effects in this respect are to be further confirmed;

(ii) CAR Inc. (Stock Code: 00699), an associate of the Company (approximately 26.57% of its shares in aggregate are held by the Company), published a profit warning announcement on July 24, 2020. CAR Inc. expects to record a significant increase in net loss attributable to its shareholders for the Period; and

(iii) Economic uncertainties caused by the global spread of COVID-19 and the continual tensions of the Sino-U. S. trade war had slowed down global economic growth, increased downward pressure on the domestic economy in the short term, and weakened the demands for consumption, investment and foreign trade. As a result, the operating results of certain business segments of the Company decreased year-on-year.

The above-mentioned diminution in fair values or impairment losses and share of loss of an associate were non-cash items, and thus will not have any material impacts on the Group's cash flows and business operations.

During the first half of 2020, amid the COVID-19 pandemic and the drastic changes in capital markets, the Group, while continuing to consolidate and adjust its existing businesses, slowed down its investment pace appropriately to ensure the security and stability of the Group's overall cash flows. As a result, despite the market was still clouded by uncertainties and the business and investment environment was full of challenges, the overall financial positions of the Group remained healthy with sufficient funds. Paying close attention to market conditions, the Group adjusted its business strategies and operational strategies to mitigate negative impacts and minimize losses caused by the pandemic. It will also further enhance its competitiveness in order to maintain the continuous improvement and stable development of its businesses. Moreover, the Group actively assumed corporate social responsibility during the pandemic. It donated funds and supplies to medical institutions and, was in strict compliance with relevant national and local government regulations, promoted the resumptions of work and productions in an orderly manner, thereby ensuring the job security of its employees and safeguarding their health and safety.

The Board wishes to remind the shareholders and potential investors of the Company that the information contained in this announcement is based on an assessment made with reference to information currently available to the Company, and has not been reviewed by the audit committee and the independent auditor of the Company. The Group is still in the process of finalising the unaudited consolidated interim results for the Period (the "Interim Results"), which are subject to potential adjustments (if necessary). The Interim Results may differ from the data contained in this announcement. Shareholders and potential investors are advised to carefully read the Group's Interim Results, which are expected to be published by the end of August 2020.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Legend Holdings Corporation
NING Min
Chairman

July 31, 2020

As at the date of this announcement, the Executive Directors of the Company are Mr. NING Min and Mr. LI Peng; the Non-executive Directors of the Company are Mr. ZHU Linan, Mr. ZHAO John Huan, Mr. WU Lebin, Mr. SUO Jishuan and Mr. WANG Yusuo; and the Independent Non-executive Directors of the Company are Mr. MA Weihua, Mr. ZHANG Xuebing, Ms. HAO Quan and Mr. YIN Jian'an.