

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**联想控股**  
**LEGEND HOLDINGS**  
EMPOWERING COMPANIES TOWARD GREATNESS

**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)

## **Inside Information Possible Discloseable Transaction**

### **Deemed Disposal of Equity Interest in Levima Advanced Materials**

On December 19, 2022, the Board and the board of directors of Levima Advanced Materials approved the proposed Non-public Issuance of A-Shares. If the Issuance is proceeded, it is expected that the Group's equity interest in Levima Advanced Materials will be reduced from 51.77% to 43.14% (assuming that the maximum number of 267,113,600 A-Shares will be issued under the Issuance). Upon the completion of the Issuance, Levima Advanced Materials will remain as an indirect non-wholly owned subsidiary of the Company.

#### **IMPLICATIONS UNDER THE LISTING RULES**

If the Issuance will be materialized, it will constitute a deemed disposal of the equity interest in Levima Advanced Materials held by the Group. As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements but is exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules. The Issuance has not yet determined the target subscribers, therefore, it is not sure whether the Issuance constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Upon the completion of the Issuance, the Company will comply with the notification, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules, if applicable.

**Shareholders and potential investors of the Company should note that, the Issuance is subject to, among other things, the prevailing market conditions and the approvals from the relevant authorities (including CSRC and SZSE) and the general meeting of Levima Advanced Materials. Therefore, Shareholders and potential investors should be aware that, the Company does not guarantee the Issuance will be materialized, nor the timing of its completion. Shareholders and potential investors are advised to exercise caution when dealings in the securities of the Company. Further announcements will be made by the Company in respect of the progress of the Non-public Issuance of A-Shares as and when appropriate.**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules of the Stock Exchange and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **BACKGROUND**

On December 19, 2022, the Board and the board of directors of Levima Advanced Materials approved the proposed Non-public Issuance of A-Shares. If the Issuance is proceeded, it is expected that the Group's equity interest in Levima Advanced Materials will be reduced from 51.77% to 43.14% (assuming that the maximum number of 267,113,600 A-Shares will be issued under the Issuance). Upon the completion of the Issuance, Levima Advanced Materials will remain as an indirect non-wholly owned subsidiary of the Company.

### **Non-public issuance of A-Shares**

#### **The Issuance is summarized as below:**

Listing Place:	SZSE
Class and nominal value of shares to be issued:	A-shares with a nominal value of RMB1.00 each.
Method and time of Issuance:	By way of non-public issuance of shares to specific subscribers. Levima Advanced Materials will issue A-Shares at an appropriate time within the validity period of the CSRC approval.
Target subscribers and subscription method:	A maximum of 35 (inclusive) specific investors, including securities investment fund management companies, securities firms, trust companies, finance companies, insurance institutional investors, asset management companies, qualified foreign institutional investors and other institutional investors and natural persons which satisfy the laws and regulations and the relevant requirements of the CSRC. Pursuant to the requirements of Detailed Implementation Rules for the Non-Public Offering of Stocks of Listed Companies (《上市公司非公开发行股票实施细则》), the final target subscribers will be determined after negotiation between the board of directors of Levima Advanced Materials and its authorized representatives, and the sponsor (the lead underwriter) based on the subscription offer made by target subscribers subject to the authorization from the general meeting of Levima Advanced Materials in accordance with the requirements of relevant laws, administrative regulations, departmental rules or regulatory documents after Levima Advanced Material has obtained the approval from the CSRC.

All target subscribers shall subscribe for the shares issued under the Issuance in cash.

Price determination date, issue price and pricing method:	Price determination date is the first day of the issuance period for the Issuance. The issue price shall not be lower than 80% of the average trading price of the A-Shares of Levima Advanced Materials within 20 trading days (excluding the price determination date) preceding the price determination date. The final issue price will be determined in accordance with the relevant laws, regulations and requirements as well as the requirements of the regulatory authorities by the board of directors of Levima Advanced Materials and its authorized representatives under the authorization granted at the general meeting of Levima Advanced Materials to negotiate with the sponsor (the lead underwriter) for the Issuance based on the market quotations after Levima Advanced Material has obtained the approval for the Issuance from the CSRC.
Issue size:	No more than 267,113,600 Shares (inclusive), not exceeding 20% of the total share capital of Levima Advanced Materials before the Issuance, and the total amount of proceeds shall not exceed RMB2.02 billion (inclusive) and shall be subject to the prevailing of the approval documents of CSRC in relation to the Issuance.
Total amount and the use of proceeds:	The total proceeds from the Issuance will not exceed RMB2.02 billion (inclusive), which will, after deducting the issuance expenses, be used for the proposed investment of the new energy materials and biodegradable materials integration project.
Lock-up period:	Non-transferrable within 6 months from the completion date of the Issuance. Where there are other provisions of relevant laws and regulations on the lock-up period, those provisions shall also be complied with.
Arrangement of accumulated undistributed profits:	Both new shareholders and existing shareholders of Levima Advanced Materials shall be entitled to the undistributed accumulated profits after the completion of the Issuance.
Validity period of the Issuance resolutions:	Effective within 12 months from the date when the resolutions relating to the Issuance are considered and approved at the general meeting of Levima Advanced Materials.
Conditions precedent:	The Issuance shall be subject to the consideration and approval obtained at the general meeting of Levima Advanced Materials and the approval of CSRC.

Details of the Issuance of Levima Advanced Materials are available on the websites of SZSE ([www.szse.cn](http://www.szse.cn)) and 巨潮資訊網 ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

## INFORMATION ON LEVIMA ADVANCED MATERIALS

Levima Advanced Materials is a joint-stock company incorporated with limited liability under the laws of the PRC, the shares of which are listed on the SZSE, under the stock code of 003022. Levima Advanced Materials is a high-tech enterprise and a national “green factory”, engaging in production, research and development, and sales of advanced materials. After more than ten years of development, Levima Advanced Materials has become a modern high-end enterprise engaging in advanced materials, built with a high value-added olefin deep processing industry chain. Its main products such as EVA photovoltaic film material, EVA wire and cable material, PP thin wall injection special materials, special surfactant, polyether macromonomer, high performance water reducing agent and electronic specialty gas rank at the forefront of subdivisions in the industry, while the production and operation is at the leading level in the industry. Meanwhile, Levima Advanced Materials continues to follow the direction of advanced materials, by adhering to the innovation-driven development strategy and focusing on the concept of green, low-carbon and shared development. It also focuses on the national needs and shortage of high-end advanced materials in the market, with emphasis on new energy materials (such as photovoltaic materials, new energy battery materials, etc.), biomaterials (such as biodegradable materials, biomass materials, etc.) and special materials (such as special fine materials, special engineering plastics, etc.) so as to carry out a high-end, differentiated and refined layout, aiming to build an excellent platform-oriented enterprise engaging in advanced materials to create a leading industrial cluster in certain subdivisions of advanced materials. As of the end of June 2022, after obtaining 188 granted patents, it has hosted and participated in the formulation and revision of 13 national and industry standards, and has undertaken projects such as the 863 Program of the Ministry of Science and Technology of the PRC and the Major Science and Technology Innovation Project of Shandong Province. The Group and CAS Holdings hold approximately 51.77% and 25.27% interest in Levima Advanced Materials respectively as at the date of this announcement.

The following are financial information of Levima Advanced Materials, as extracted from the audited consolidated financial statement of Levima Advanced Materials for the two years ended 31 December 2021 and the unaudited consolidated financial statement for the nine months ended 30 September 2022:

	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b>	<b>For the nine months ended 30 September 2022</b>
	<i>RMB million</i> (audited)	<i>RMB million</i> (audited)	<i>RMB million</i> (unaudited)
Profit before tax	768	1,270	908
Profit after tax	655	1,106	783

The unaudited consolidated total equity of Levima Advanced Materials as at 30 September 2022 was approximately RMB7,233 million.

## **FINANCIAL EFFECTS OF THE ISSUANCE**

Should the Issuance be materialized, the Group's shareholding in Levima Advanced Materials is expected to decrease from 51.77% to 43.14% (assuming that the maximum number of A-Shares under the Issuance is 267,113,600). Levima Advanced Materials is expected to remain as an indirect non-wholly owned subsidiary of the Company, and its financial results will continue to be consolidated into the consolidated accounts of the Group. Accordingly, the Deemed Disposal will not result in recognizing any gains or losses in the Group's income statement.

## **REASONS FOR AND BENEFITS OF THE ISSUANCE**

As a supplier of advanced material products and solutions, Levima Advanced Materials continues to focus on the government's strategic development of and deployment in the high-end advanced materials sector, as well as focus on the field of high-end advanced materials that the country needs and the market is in short supply of. Levima Advanced Materials intends to use the proceeds from the Issuance to invest in the integration project of new energy materials and biodegradable materials and plans to construct projects of 200,000 tonnes/per year of EVA, 300,000 tonnes/per year of PO, and 50,000 tonnes/per year of PPC. The implementation of the above projects are conducive to strengthening Levima Advanced Materials' sustainable development abilities and further enhancing its core competitive advantages and market positions. In addition, from a financial perspective, the Issuance is beneficial to optimizing Levima Advanced Materials' capital structure and strengthening its financial stability, and the Issuance also helps to provide higher profit returns and value enhancement for its shareholders in future, which is in line with the strategic consideration of the Company as its single largest shareholder.

In view of the above, the Directors believe that the terms of the Issuance are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY**

Legend Holdings is a leading industrial investments and operations company in the PRC and the Company focuses on technological innovation and the real economy, and has established two business segments of "industrial operations" and "industrial incubations and investments". Through strategic management, operational improvement, resource allocation, financial supports and value-added services, etc., the Company is committed to building industrial pillars, incubating or investing in start-up and growing-stage companies with great potential, so as to promote the continuous growth of the Company's overall value. As at the date of this announcement, CAS Holdings, the single largest Shareholder of the Company, holds approximately 29.04% equity interest of the Company.

## IMPLICATIONS UNDER THE LISTING RULES

If the Issuance will be materialized, it will constitute a deemed disposal of the equity interest in Levima Advanced Materials held by the Group. As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements but is exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules. The Issuance has not yet determined the target subscribers, therefore, it is not sure whether the Issuance constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Upon the completion of the Issuance, the Company will comply with the notification, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules, if applicable.

**Shareholders and potential investors of the Company should note that, the Issuance is subject to, among other things, the prevailing market conditions and the approvals from the relevant authorities (including CSRC and SZSE) and the general meeting of Levima Advanced Materials. Therefore, Shareholders and potential investors should be aware that, the Company does not guarantee the Issuance will be materialized, nor the timing of its completion. Shareholders and potential investors are advised to exercise caution when dealings in the securities of the Company. Further announcement will be made by the Company in respect of the progress of the Non-public Issuance of A-Shares as and when appropriate.**

## DEFINITIONS

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

“A-Share(s)”	The proposed issuance of new ordinary shares of Levima Advanced Materials with a nominal value of RMB1.00 each, the shares of which are listed on the Shenzhen Stock Exchange
“CSRC”	the China Securities Regulatory Commission
“Deemed Disposal”	The deemed disposal of equity interest in Levima Advanced Materials held by Group constituted by the proposed Non-public Issuance of A-shares pursuant to Chapter 14 of the Listing Rules
“CAS Holdings”	Chinese Academy of Sciences Holdings Co., Ltd. (中國科學院控股有限公司), a substantial shareholder of the Company
“Board”	the board of Directors of the Company
“Director(s)”	director(s) of the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Levima Advanced Materials”	Levima Advanced Materials Corporation, a joint-stock company established with limited liability under the laws of the PRC, the shares of which are listed on the SZSE (stock code: 003022.SZ), and an indirect non-wholly owned subsidiary of the Company
“Legend Holdings” or “Company”	Legend Holdings Corporation, a joint-stock company incorporated with limited liability under the laws of the PRC, the H shares of which are listed on the Main Board of the Stock Exchange
“Non-public Issuance of A-Shares” or “Issuance”	the 2022 non-public issuance of A-Shares of Levima Advanced Materials Corporation
“Group”	the Company and its subsidiaries
“SZSE”	Shenzhen Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

December 20, 2022

*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. SUO Jishuan and Mr. YANG Jianhua; and the Independent Non-executive Directors of the Company are Mr. MA Weihua, Ms. HAO Quan and Mr. YIN Jian'an.*