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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)

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

The Board announces the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2023 together with the unaudited comparative figures for the corresponding period of 2022, as follows:

	Six Months Ended June 30,	
	2023 (RMB million)	2022 (RMB million)
<b>Revenue</b>	<b>201,286</b>	237,685
Industrial Operations	<b>199,279</b>	235,775
Industrial Incubations and Investments	<b>2,011</b>	1,912
Elimination	<b>(4)</b>	(2)
<b>Net profit contributions attributable to equity holders of the Company</b>	<b>668</b>	2,131
Industrial Operations	<b>1,733</b>	2,830
Industrial Incubations and Investments	<b>(405)</b>	(3)
Unallocated	<b>(660)</b>	(696)
<b>Basic earnings per share (RMB)</b>	<b>0.29</b>	0.91
<b>Diluted earnings per share (RMB)</b>	<b>0.28</b>	0.83

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue contributions from the Company and its subsidiaries' businesses

*Unit: RMB million*

	For the six months ended June 30, 2023	For the six months ended June 30, 2022	Change in amount	Change %
<b>Industrial Operations</b>	<b>199,279</b>	235,775	(36,496)	(15%)
Lenovo	177,407	217,974	(40,567)	(19%)
Levima Group	3,247	4,483	(1,236)	(28%)
Joyvio Group	15,549	11,219	4,330	39%
BIL	3,076	2,099	977	47%
<b>Industrial Incubations and Investments</b>	<b>2,011</b>	1,912	99	5%
Elimination	(4)	(2)	(2)	N/A
<b>Total</b>	<b>201,286</b>	237,685	(36,399)	(15%)

### Net profit contributions attributable to equity holders of the Company from the Company and its subsidiaries' businesses

*Unit: RMB million*

	For the six months ended June 30, 2023	For the six months ended June 30, 2022	Change in amount	Change %
<b>Industrial Operations</b>	<b>1,733</b>	2,830	(1,097)	(39%)
Lenovo	650	1,973	(1,323)	(67%)
Levima Group	183	263	(80)	(30%)
Joyvio Group	239	185	54	29%
BIL	661	409	252	62%
<b>Industrial Incubations and Investments</b>	<b>(405)</b>	(3)	(402)	N/A
Unallocated	(660)	(696)	36	N/A
<b>Total</b>	<b>668</b>	2,131	(1,463)	(69%)

## Asset allocation of the Company and its subsidiaries' businesses

*Unit: RMB million*

	As of <b>June 30, 2023</b>	As of December 31, 2022	Change in amount	Change %
<b>Industrial Operations</b>	<b>539,551</b>	555,443	(15,892)	(3%)
Lenovo	<b>256,316</b>	274,520	(18,204)	(7%)
Levima Group	<b>15,794</b>	15,206	588	4%
Joyvio Group	<b>22,607</b>	23,088	(481)	(2%)
BIL	<b>244,834</b>	242,629	2,205	1%
<b>Industrial Incubations and Investments</b>	<b>104,686</b>	106,089	(1,403)	(1%)
Unallocated	<b>24,420</b>	22,696	1,724	8%
Elimination	<b>(3,115)</b>	(3,154)	39	N/A
<b>Total</b>	<b>665,542</b>	681,074	(15,532)	(2%)

## **Business Review**

In the first half of 2023, the Chinese economy continued to bounce back and remained on a positive trajectory under the strong leadership of the CPC Central Committee with President Xi Jinping at its core. China made solid progress in terms of high-quality development and maintained the stable functioning of society, as the economy exhibited strong resilience, ample potential and robust dynamism. China also made progress on identifying favorable factors for long-term economic growth, thus providing excellent support for its economic development. Overall, China's economy has experienced undulating development and progressed with twists and turns. Yet, at the same time, there still exist sluggish domestic demand, global financial volatility, profound changes in the geopolitical landscape, operational hardships faced by some domestic businesses and potential sector-specific risks. Against this complex and ever-changing backdrop, Legend Holdings has adhered to its primary mission of pursuing high-quality development and its original aspiration of revitalizing China through business. It also remained committed to the nation's overall development strategy, optimized resource allocation, fulfilled its corporate social responsibilities, and stabilized business development. These efforts have demonstrated resilience and perseverance that will help it ride out the current economic cycle and achieve long-term development.

- ***Stepping up investment in technological innovation to drive high-quality development***

Committed to innovation-led growth, Legend Holdings has increased its investment in technological innovation and stayed focused on commercialization of R&D output, innovative industrial development and core competitiveness, further driving deep integration between technological innovation and business development and boosting the high-quality growth of the Company. In the first half of 2023, Legend Holdings increased its total R&D expenditure to RMB7,087 million, raising its R&D spending ratio from 3% to 3.5% year on year, and giving boost to the Company's innovative energies to foster technological achievements. Adhering to the principle of innovation-driven development, Legend Holdings' subsidiary Lenovo has accumulated over 10,000 valid Chinese invention patents among its 38,000 granted and pending global patents and has ranked among the top 10 Chinese enterprises in terms of the number of annual invention patent grants for six consecutive years. Another subsidiary, Levima Advanced Materials, has been accelerating its in-house R&D and innovation in the fields of new energy materials, biomaterials and electronic materials, and deepening its partnerships with universities and research institutes. Levima Advanced Materials has applied for 305 patents, 231 of which have been granted to date. Fullhan Microelectronics, a portfolio company, consolidated its technological foundation and built technology and software development platforms through continuous R&D and innovation. Fullhan Microelectronics has obtained a total of 272 intellectual property rights, including 115 invention patents, 74 design rights for integrated circuits and 78 registration certificates of computer software copyright. Over the same period, funds controlled by Legend Holdings invested in approximately 50 technology companies, spanning multiple national strategic sectors such as next-generation IT, chips, new energy, advanced materials and AI.

- ***Making forward-looking investments in AI and building momentum for future breakthroughs***

President Xi has called on China to leverage the new generation of AI technologies for scientific and technological leapfrog, industrial optimization and productivity surges, all in the service of high-quality development. Legend Holdings remains committed to high-quality development, and is continuously discovering AI innovation that is aligned with its competitive strengths. Legend Holdings now boasts expansive AI footprints in both the industrial operations and industrial incubations & investments segments, and has grown to be one of the few Chinese enterprises with a full AI stack comprising “underlying layer – technology layer – model layer – platform layer – application layer (基礎層 – 技術層 – 模型層 – 平台層 – 應用層)”, securing certain advantages as a first mover and an ecosystem builder in the AI sector. Having expanded its AI-ready infrastructure portfolio to over 70 products, Lenovo announced that its global AI infrastructure business had surpassed RMB15 billion in annual revenue, and unveiled the next phase of its growth strategy, including an additional investment of RMB7 billion over the next three years to accelerate its global AI deployment. In terms of the PC business, Lenovo plans to launch its AI PC products within the year to meet the new workload requirements of generative AI. In the Solutions & Services Group (SSG) business, Lenovo intends to extensively deploy AI technology in its products and services, accelerate the application of AI across additional scenarios and drive intelligent transformation across all sectors. Meanwhile, BIL built a senior analytics and big data team dedicated to developing AI and machine learning models for banking operations, in a way to integrate AI with finance and to improve service quality and efficiency. At present, BIL has implemented a range of automated and intelligent solutions for functions such as credit card limit increase approval, account overdraft decision-making and customer solvency early-warning signals. Fullhan Microelectronics is focused primarily on AI visual applications, aiming to drive the widespread commercialization of inclusive AI by providing computing power, algorithms and AI product solutions. Its System on Chip (SoC) chips can already access APIs for large models. Moreover, Legend Holdings’ funds have invested in over 200 AI-related companies in various segments, covering underlying hardware, data, computing power, algorithms and applications. In the future, as the AI industry moves to the fast track, Legend Holdings will harness its long-term experience in core AI technology and its extensive investment in various technical and application fields to fully promote the development of China’s digital industry, and will contribute to China’s high-quality development and technological self-reliance and self-improvement while fostering its own development.

- ***Harnessing the systemic advantages of Legend Holdings Family Group to enhance the international competitiveness of China's industrial and supply chains***

With its origins in the Chinese Academy of Sciences, Legend Holdings boasts rich experience in facilitating the industrialization of technological achievements and fostering the growth of small and medium-sized enterprises (SMEs). By harnessing its experience and advantages as a supply chain leader, Legend Holdings supports the growth of SMEs through business collaboration, supply chain empowerment, fund investment and corporate responsibility training, thus modernizing and enhancing the global competitiveness of China's industrial and supply chains. Through an internally-developed supply chain management platform, Lenovo empowers SMEs in the industrial chain with its own products, services, design and R&D. Thanks to its excellent global supply chain operations and innovation capabilities, Lenovo has been listed in Gartner's Global Supply Chain Top 25 ranking for nine consecutive years, ranking eighth this year. It remained the only high-tech manufacturer from the Asia-Pacific region on the list, as well as the highest-ranked Chinese company. Lenovo also retained its championship on the Gartner's 2023 Asia/Pacific Supply Chain Top 10 list. To date, Lenovo's industrial chain has nurtured 45 national specialized and innovative enterprises, 15 niche-sector leaders, and seven product leaders. Meanwhile, funds under the Legend Holdings Family Group have re-doubled their efforts to incubate and grow specialized and innovative enterprises and niche-sector leaders. Legend Capital, for example, invested in 15 niche-sector leaders in the manufacturing industry and 15 state-level enterprise technology centers. To date, 120 are specialized and innovative enterprises among Legend Holdings' Family Group. The Legend Star Start-up CEOs Corporate Responsibility Training Program has fostered more than 1,000 entrepreneurs over a span of 15 years. Fifty-four of the enterprises founded by the trainees have gone public, while 111 have been selected as national specialized and innovative enterprises. Legend Holdings stands ready to make the best of its systemic strength to fully support the vigorous development of China's industrial and supply chains.

- *Embracing green development and nurturing the blossoming of green practices*

Dedicated to helping China achieve its de-carbonization goals, Legend Holdings has been actively adopting green practices across its Family Group. Targeting “zero-carbon” manufacturing, Lenovo, for instance, has been devoted to reaching net zero emissions across its entire value chain by 2050. The Lenovo (Wuhan) Industrial Base is the first zero-carbon emissions plant in China’s ICT industry, and the Lenovo (Tianjin) Smart Innovation Service Industrial Park is also designed to be a zero-carbon emissions plant. Moreover, Lenovo and the China Electronics Standardization Institute jointly compiled the first “zero-carbon factory” standard for the ICT industry, offering peers a science-based and scalable intelligent solution for “zero-carbon” manufacturing. Legend Holdings has also consistently pushed its subsidiaries to seize green opportunities, intensify technological innovation, reduce carbon emissions and improve efficiency. Levima Advanced Materials, which is designated as a state-level Green Factory, took the lead in achieving domestic substitution of Ethylene Vinyl Acetate (EVA) photovoltaic adhesive film materials, improving self-sufficiency in the supply of key raw materials for the photovoltaic industry. In addition, Levima delivered its PPC (a new biodegradable material) project, driving carbon dioxide utilization and carbon emissions reduction, which is furthered by ongoing process upgrades and technological innovation. Zhengqi Holdings also made strides in the field of green development by establishing Zhengqi Guangneng Technology Co., Ltd. (正奇光能), a producer of high-efficiency N-type solar cells. Moreover, funds under Legend Holdings shifted to green development and invested in over 50 enterprises in terms of de-carbonization technology and green investment, covering fields such as energy de-carbonization, terminal electrification/intelligence, digital and intelligent industrial empowerment, green development, synthetic biology, energy conservation, environmental preservation and ecological restoration. These enterprises include CATL, Lead Intelligence, MS Energy, PUTAILAI, CAES, Juna Technology and many other industry-leading companies. In the future, Legend Holdings will strive to make further contributions to green development.

During the Reporting Period, Legend Holdings posted revenue of RMB201,286 million, a 15% year-on-year decrease. Net profit attributable to equity holders of Legend Holdings was RMB668 million, down 69% from the same period last year. The results were mainly attributable to Lenovo’s performance downturn due to the PC industry’s cycle.

## **Industrial Operations**

### *Overview*

Legend Holdings regards revitalizing the country through business as our mission. As a controlling shareholder, we pursue long-term growth and a strategic buildout in the fields we operate in, leveraging substantive investments and refined post-investment operation and management to create industry-leading enterprises with scale advantages and excellent profitability. Our industrial operations segment includes:

- Lenovo (Stock Code: 0992.HK), our subsidiary, which mainly provides innovative intelligent devices and infrastructure solutions, and develops intelligent solutions, services and software;
- Levima Group, our subsidiary, which focuses on advanced materials research, development, production and sales;
- BIL, our subsidiary, which mainly provides comprehensive banking services, including corporate, institutional, retail and private banking, capital markets and other services; and
- Joyvio Group, our subsidiary, which operates businesses mainly in the fields of modern agriculture and food.

### *Highlights*

- Despite challenging macro environment, subject to which Lenovo's PC business declined in revenue and profitability, it managed to sustain robust growth in its service-oriented intelligent transformation business in the first half of 2023. The share of non-personal computer business in its overall revenue further rose to 42%, a success of diversified growth engines. Lenovo plans to allocate an additional RMB7 billion over the next three years to expedite the deployment of AI technologies and applications, fulfilling its commitment to double R&D investment. At the same time, Lenovo will put AI and computing power front and center, and proactively develop AI smart terminals, AI-ready and AI-optimized computing infrastructure, AI-empowered industrial intelligent solutions. In addition, Lenovo has been awarded on various occasions for its ESG performance.



- During the Reporting Period, Levima Advanced Materials continued its work towards technological breakthroughs to improve operational efficiency while ensuring the safe, stable and efficient operations of its production facilities. Meanwhile, it stepped up independent R&D and innovation efforts in the fields of new energy materials, biomaterials and electronic materials to drive the development of new products and technologies, while accelerating new projects and striving for an early production.
- Despite uncertainties created by global financial market volatility and geopolitical shifts during the Reporting Period, BIL maintained positive business momentum and delivered solid financial performance, posting revenue of RMB3,076 million, an increase of 47% year on year and net profit attributable to equity holders of Legend Holdings of RMB661 million, up by 62% year over year and registering higher Assets Under Management (AUM) at EUR44.1 billion. Meanwhile, BIL showcased sound asset quality and strong liquidity indicators, with CET-1 ratio remaining healthy at 13.63%, and liquidity coverage ratio at 154%. Its ratings by both Moody's and Standard & Poor's remained high relative to the banking industry at A2/Stable/P-1 and A-/Stable/A-2, respectively.
- During the Reporting Period, Joyvio Group recorded revenue of RMB15,549 million, a year-on-year increase of 39%, and net profit attributable to equity holders of Legend Holdings of RMB239 million. Joyvio Group's fruit business achieved rapid growth in revenue and profits during the Reporting Period as it continued to leverage its core product strategy and channel advantages, further sharpening its products' competitive edge.

During the Reporting Period, the industrial operations segment’s revenue and net profit were set out as follows:

*Unit: RMB million*

	<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
Revenue	<b>199,279</b>	235,775
Net profit	<b>3,262</b>	7,644
Net profit attributable to equity holders of Legend Holdings	<b><u>1,733</u></b>	<u>2,830</u>

During the Reporting Period, the industrial operations segment’s revenue was RMB199,279 million, a year-on-year decrease of 15%. The industrial operations segment’s net profit attributable to equity holders of Legend Holdings was RMB1,733 million, a year-on-year decrease of 39%. The decline was caused by the global economic slowdown and industry factors, the latter of which led to drops in revenue and profit of Lenovo.

### ***Lenovo***

Lenovo, a Fortune Global 500 company, develops, manufactures and sells high-end technology products and provides related services to corporate and individual customers. As of June 30, 2023, Legend Holdings held 32.12% equity interest in Lenovo, directly and indirectly.

Despite multifaceted external challenges, Lenovo still made good progress on its service-oriented intelligent transformation business in the first half of 2023. The share of non-personal computer business in its overall revenue further rose to 42%, demonstrating the effectiveness of diversified growth engines. Additionally, committed to its goal of doubling R&D investment, Lenovo plans to expand its R&D spending by RMB7 billion over the next three years to accelerate the deployment of AI technologies and applications and support the development of AI smart terminals, AI-ready and AI-optimized computing infrastructure and AI-powered industry intelligent solutions. Lenovo’s ESG performance also won it several accolades: it was named among the world’s “Best Employers for Diversity” by Forbes; its ESG rating was upgraded by MSCI to AAA. Additionally, Lenovo achieved its highest-ever position in the supply chain rankings, securing a place again in Gartner’s Global Supply Chain Top 25 for 2023 and claiming the eighth spot among global supply chain operators.

During the Reporting Period, Lenovo's revenue and net profit were set out as follows:

*Unit: RMB million*

	<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
Revenue	<b>177,407</b>	217,974
Net profit	<b>2,017</b>	6,224
Net profit attributable to equity holders of Legend Holdings	<b>650</b>	1,973

During the Reporting Period, Lenovo posted revenue of RMB177,407 million, down 19% year on year. The decrease was mainly attributable to a 26% year-on-year decline in Intelligent Devices Group (IDG) revenue caused by inventory digestion which plagued the whole industry. Lenovo's net profit attributable to equity holders of Legend Holdings decreased by 67% year over year to RMB650 million, due to the 36% year-on-year decline in IDG's operating profit and the RMB361 million loss recorded by the Infrastructure Solutions Group (ISG) as result of short-term market pressures.

#### *Intelligent Devices Group (IDG)*

IDG is composed of PC, tablet, smartphone and other smart device businesses. During the Reporting Period, the segment's revenue and operating profit margin declined year on year due to the industry's inventory digestion cycle.

During the Reporting Period, the PC business remained in a period of adjustment as channels continued to digest inventory, resulting in a year-on-year decline in PC shipments. Despite this challenging environment, Lenovo retained its top position in terms of market share in the global PC industry. By the end of the Reporting Period, channel inventories in most regional markets had returned to a healthy level. In the non-PC business, Lenovo achieved a 10-year high in Q2 smartphone activations and successfully launched the Motorola Razr Series, a next-generation folding-screen phone, entrenching its position in the high-end and 5G handset segments.

Lenovo expects its PC business to recover in the second half of 2023, when global PC market volume will, over the long term, remain structurally larger than before the pandemic, propelled by the accelerating global digitalization and intelligent transformation. Lenovo will seize the opportunities created by the business upgrade cycle and product premiumization to fuel IDG's industry outperformance. In the meantime, while capitalizing on the accelerated adoption of 5G smartphones, the smartphone business will boost its market share and sustain profit growth through expanding and differentiating its portfolio. Moreover, Lenovo will increase investment in non-PC business, focusing on fostering new businesses including fast-growing accessories and work collaboration solutions.

### *Infrastructure Solutions Group (ISG)*

As the world's largest provider of computing power infrastructure and services, Lenovo is committed to developing industry-leading end-to-end integrated solutions with its full-stack product and solutions portfolio, broad customer coverage and unique ODM+ (Original Design and Manufacturing) model. During the Reporting Period, ISG shifted from profit to loss due to multiple factors, including weakening demand among Cloud Service Providers (CSPs) for conventional computer servers, rapidly growing requirements for AI computing power coupled with GPU constraints, as well as the slower-than-expected transition to next-generation server platforms during the second quarter.

The advent of the Artificial General Intelligence (AGI) era will greatly boost demand for smart devices, computing power infrastructure and AI solutions. Having leveraged its deep-seated expertise in AI infrastructure and forward-looking strategy, Lenovo seized these opportunities and provided a broad portfolio of AI products to the global market. Moreover, committed to its plan to double R&D investment, Lenovo is scheduled to increase R&D spending by RMB7 billion over the next three years. These investments will accelerate Lenovo's worldwide deployment of AI technology and empower its customers to seize the growth opportunities of intelligent transformation. During the Reporting Period, Lenovo developed more than 150 leading AI solutions through the "Lenovo AI Innovators Program", building strong momentum for technological change in high-growth industries.

Propelled by demand for AI, ISG achieved record-high results across a number of key business indicators, with strong growth in the storage, software and high-performance computing businesses. Its storage server market share jumped to No. 4 globally, and the high-performance computing business maintained its market-leading position, registering revenue growth by 96% year on year.

Going forward, Lenovo will continue to strengthen the competitiveness of its high-margin and high value-added product portfolio and invest in innovative technologies, particularly those relating to AI-enabled areas like edge computing and hybrid cloud. Moreover, Lenovo's unique ODM+ business model will position it to address the growing demand for vertically integrated supply chains, build a diversified customer base, win new accounts and sustain rapid growth through design wins.

#### *Solutions & Services Group (SSG)*

Targeting the fast-growing "New IT" service field, SSG consists of three major business segments: Support Services, Maintenance Services and Project & Solutions. During the Reporting Period, SSG delivered high revenue growth and profitability. Its revenue increased by 26% year on year to RMB23.4 billion, and operating profit grew by 14% year on year to RMB4.8 billion, on a profit margin of 20%, which was significantly higher than those of other business segments.

During the Reporting Period, SSG continued to enrich its service portfolio across all three segments to achieve better profitability and scalability while meeting evolving customer needs. Support Services delivered stable performance and achieved year-on-year revenue growth thanks to the higher penetration of Premier Support and Damage Protection services. Meanwhile, the Maintenance Services and Project & Solutions segments saw a notable expansion in non-hardware-driven business, which accounted for more than half of SSG's revenue.

Going forward, the sustained acceleration of digital and intelligent transformation will drive rapid growth in the IT services market. Lenovo will continue to unleash intelligent productivity and harness its proprietary intellectual property rights to scale up its businesses' critical general-purpose solutions, such as digital workspaces, sustainability services and hybrid cloud. Lenovo will also work to cater to growing customer demand through its X-as-a-Service ("XaaS", including device-as-a-service and software-as-a-service) solutions while enhancing cooperation with channels and business partners to achieve high-quality growth.

## *Levima Group*

Levima Advanced Materials (Stock Code: 003022.SZ) is held by the Company through our subsidiary Levima Group. Levima Advanced Materials mainly engages in the R&D, production and sale of advanced material products. As of June 30, 2023, the Company held 51.77% equity interest in Levima Advanced Materials.

In terms of business positioning, Levima Advanced Materials remained focused on the advanced materials sector, adhering to the strategy of green, low-carbon, shared and high-quality growth. To develop its business footprint, it invested heavily in new energy materials, biodegradable materials and specialized materials through the following projects:

- (1) Levima Advanced Materials' subsidiary Levima Advanced Green Materials (聯泓格潤) commenced the "New Energy Materials and Biodegradable Materials Integration Project (新能源材料和生物可降解材料一體化項目)", with a planned annual production capacity of 200,000 tons of EVA, 300,000 tons of PO and 50,000 tons of PPC. Once operational, the project will increase Levima Advanced Materials' market share in EVA photovoltaic materials and other areas, add new categories of biodegradable materials to its portfolio and expand the share of biodegradable materials in its product mix, thereby improving its capabilities and profitability.
- (2) Huayu Tongfang (華宇同方), a subsidiary of Levima Advanced Materials, accelerated the High-purity Electronic Specialty Gas and Lithium Battery Additive Project (電子級高純特氣和鋰電添加劑項目), which produces electronic-grade hydrogen chloride and electronic-grade chlorine. These products are widely used in applications including display panels, semiconductor chips and solar panels. Once operational, the project will expand Levima Advanced Materials' product portfolio to semiconductors.
- (3) Levima Advanced Materials and Beijing WeLion New Energy Technology (北京衛藍新能源科技有限公司) jointly established Levima WeLion (Jiangsu) New Energy Technology Co., Ltd. (聯泓衛藍) to ramp up the R&D, production and sale of key functional materials for solid-state batteries and semi-solid state batteries. The partnership will leverage the advantages of both companies to build synergies between upstream key battery materials production and downstream market applications. The partnership will also accelerate the transformation of the two companies' R&D results and build a new business platform for Levima Advanced Materials in the new energy battery sector.

In terms of production and operations, Levima Advanced Materials continued to achieve technological breakthroughs, improve operational efficiency and ensure the safe, stable and efficient operation of all production devices. After the EVA Device Tubular Tail Technology Upgrade Investment Project (EVA裝置管式尾技術升級改造項目) became operational, the operational cycle of the EVA device has been extended, driving a 33% year-on-year increase in EVA output in the first half of 2023. Levima Advanced Materials also reached a milestone in the revamp of its Polypropylene (PP) devices, increasing their workload, one of the steps taken to explore new products and reduce costs. Meanwhile, through benchmarked management, it overhauled the Methanol-to-Olefins (MTO) device for methanol pre-heating and optimized the reflux ratio of the EO rectifying tower, upgrading devices and reducing operational costs. It also capitalized on synergies with its subsidiary Levima Chemical (聯泓化學) to achieve cost reductions and efficiency improvement, through a new desalinated water linkage and a 0.3MPa steam pipeline network.

In terms of market expansion, Levima Advanced Materials stayed centered on market demand and secured a good foothold in the niche markets for advanced polymer materials and specialty fine materials. It flexibly scheduled production and optimized product mix based on market demand and product profitability, thus increasing the proportion of high-margin products such as EVA and niche products such as specialty surfactants.

In terms of innovation, Levima Advanced Materials holds innovation as the growth engine, and earnestly pursued it. During the Reporting Period, Levima Advanced Materials accelerated independent R&D and innovation in new energy materials, biomaterials and electronic materials through collaboration with universities and research institutions. In the realm of new energy materials, it further strengthened R&D efforts for new products in key new energy battery materials. By improving its materials synthesis and R&D application platform, Levima Advanced Materials aims to innovate battery materials. With regard to biomaterials, Levima Advanced Materials developed key technologies for the chemical recycling of biodegradable materials and bio-based chemicals, driving the formation of a new biomaterials industry. In electronic materials, it diversified its footprint in electronic specialty gases by conducting various relevant process technology demonstrations. In addition, committed to the development and innovation of new products and technologies, Levima Advanced Materials completed the laboratory R&D for seven new products and processes, production process development for seven new products and the industrialization of six. Besides, Levima Advanced Materials applied for 17 patents, including eight invention patents, and added 15 granted patents, including eight invention patents, to its portfolio. As of the end of the Reporting Period, Levima Advanced Materials has 305 patents, of which 142 are invention patents, and holds a total of 231 granted patents, including 76 invention patents.

Additionally, Levima Advanced Materials was named among 2022's Top 500 Global New Energy Enterprises; Top 500 Chinese Petroleum and Chemical Enterprises; Top 500 Listed Enterprises in China by Market Capitalization; Top 100 Private Chinese Petroleum and Chemical Enterprises; Top 100 Fine Chemical Enterprises in China; Best Managed Companies in China; Top Advanced Material Enterprises of the Year by Brand Influence; Excellent Enterprises in Shandong Province; Top 10 New Chemical Materials Companies in Shandong Province; and Top 10 Leaders of Industrial Clusters in Shandong Province. It also won first prize at the Sinopec Scientific and Technological Progress Awards, and the Shandong Province May 1st Labor Award. Levima Advanced Materials' subsidiary, Jiangsu Chaoli (江蘇超力), was named a specialized and innovative small and medium-sized enterprise in



Jiangsu Province. Levima Advanced Materials was included in the list of underlying stocks for margin trading on the Shenzhen Stock Exchange. It was also included in the SZSE Component Index, the Shenzhen Stock Connect and the FTSE Russell Large Cap, CSI 300 Alternative and CSI Photovoltaic Industry indices.

During the Reporting Period, Levima Group's revenue and net profit were set out as follows:

*Unit: RMB million*

	<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
Revenue	<b>3,247</b>	4,483
Net profit	<b>348</b>	514
Net profit attributable to equity holders of Legend Holdings	<b>183</b>	263

During the Reporting Period, Levima Group recorded revenue of RMB3,247 million, a decrease of 28% year on year, which was mainly attributable to slower demand growth and declining product prices. Levima Group's net profit attributable to equity holders of Legend Holdings was RMB183 million, a decrease of 30% year on year. The decrease in performance was largely attributable to the decline in revenue, coupled with elevated energy prices, narrowing product-to-material price spreads, and diminishing gross profit margin.

## ***BIL***

Founded in 1856, BIL is one of the oldest financial institutions in Luxembourg. It has always played an active role in the main stages of Luxembourg's economic development. It is a top three bank in Luxembourg in terms of market share and is recognized as systemically important by the European Central Bank. As of June 30, 2023, Legend Holdings held 89.98% equity interest in BIL.

Prior to the acquisition by Legend Holdings, BIL's operations were mainly focused on the European market. After the acquisition, China became the core market of its international business. Currently, BIL has established an international service network that connects China (Beijing and the Greater Bay Area), Luxembourg and Switzerland.

During the Reporting Period, global economic growth continued to slow down and remained under pressure due to tightening monetary policies from Central Banks (despite falling energy prices and easing global inflation), persistent geopolitical conflicts, crises at Silicon Valley Bank (SVB) and Credit Suisse, and various other factors. BIL navigated these challenges by remaining committed to supporting its clients, which include entrepreneurs, institutions and individual clients, with innovative financial solutions. It also provided solid backing to its business clients in major markets with reliable advisory services to tide them over the aforementioned challenges. Moreover, BIL refined its risk management system and managed to maintain the sustainability of its business model. It has also been working towards expanding sustainable product and service offering into new areas.



In the first half of 2023, BIL made progress towards delivering its new core banking system, which will allow BIL to be even more responsive to customer needs and more efficient, while speeding up its structural strategic transformations, including the development of a future-proof and robust operating model.

In terms of sustainability investments, BIL has made significant progress in developing its ESG investment product offering. It now has six BIL Investment Funds for this purpose. In addition, BIL has launched a range of products in green financing, including solar panel loans, climate loans and green vehicle financing. Since the inauguration of the Green Bond Framework in May 2022, a key element in its business, BIL has issued multiple green bonds to investors.

Despite a complex macroeconomic environment, BIL seized the opportunities brought by rising interest rates and delivered sound financial performance during the Reporting Period thanks to the resilience of its business and its solid risk management capabilities:

- Facing adverse global landscape, BIL prudently increased its provision, and reported a net profit after tax of EUR103 million for the six months ended June 2023, up by over EUR34 million compared with EUR68 million in the same period last year, a year-on-year increase of 50%. The surge was driven by solid revenue growth and good expense control;
- Assets Under Management (AUM) increased to EUR44.1 billion, compared with EUR43.5 billion at year end 2022. Customer deposits decreased by 6.8% to EUR19.6 billion compared with EUR21 billion at year-end 2022. Customer loans decreased slightly to EUR16.4 billion, down from EUR16.5 billion at the end of 2022. Customer deposits and loans shrank as high interest rates incentivized clients to move their deposits to more remunerative products and proceed to the early repayment of their floating rate loans;
- At the end of June 2023, BIL showcased sound asset quality and strong liquidity indicators, with CET-1 ratio remaining healthy at 13.63%, and liquidity coverage ratio registering at 154%;
- At the end of June 2023, BIL's ratings by both Moody's and Standard & Poor's remained unchanged at A2/Stable/P-1 and A-/Stable/A-2, respectively.

During the Reporting Period, BIL's revenue and net profit were set out as follows:

	<i>Unit: RMB million</i>	
	<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
Revenue	<b>3,076</b>	2,099
Net profit	<b>735</b>	454
Net profit attributable to equity holders of Legend Holdings	<b>661</b>	409

## *Joyvio Group*

Joyvio Group is a company in our industrial operations segment that focuses on agriculture and food. Joyvio Group's core businesses cover high-end fruit and premium animal protein, and it is now expanding its footprint in the smart nutrition and intelligent agricultural technology businesses. As of June 30, 2023, Legend Holdings held 81.72% equity interest in Joyvio Group.

In the fruit supply chain, Joyvio Group owns Joy Wing Mau, China's largest vertically integrated fruit company, and Bountifresh, China's leading fruit producer. Joy Wing Mau capitalized on the economic recovery of fruit market and implemented a core product strategy leveraging its channel advantages, achieving a year-on-year revenue growth of over 50%. Bountifresh continued to reinforce its advantages in the production of premium blueberries, achieving record-high output and introducing new fruit varieties to upgrade its offerings. It also actively expanded into new product categories, and explored new business areas such as storing and processing and digital brand empowerment.

In the seafood supply chain, Joyvio Group owns Australis Seafoods S.A., Chile's leading salmon producer, under Joyvio Food (Stock Code: 300268.SZ), and leading Australian seafood supplier, KB Food. Based on this business structure, Joyvio Group continued to expand and consolidate its global animal protein supply chain.

During the Reporting Period, Joyvio Group's revenue and net profit were set out as follows:

*Unit: RMB million*

	<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
Revenue	<b>15,549</b>	11,219
Net profit	<b>162</b>	452
Net profit attributable to equity holders of Legend Holdings	<b>239</b>	185

During the Reporting Period, Joyvio Group posted revenue of RMB15,549 million, up 39% year-on-year, mainly attributable to the rapid growth in revenue of its subsidiary Joy Wing Mau, which seized the opportunities of market recovery and focuses on core products through its channel advantages. Joyvio Food, another subsidiary of Joyvio Group, recorded a net loss during the first half of the year, caused by falling salmon prices and rising feeds costs, resulting in an overall net profit decline of the Joyvio Group compared with the same period last year.

(1) *Fruit business*

During the Reporting Period, Joy Wing Mau continued to capitalize on economic recovery, with a focus on core products in key regions, achieving year-on-year revenue growth of over 50%. Joy Wing Mau also continued to strengthen its supply chain. Its intelligent warehousing and logistics centers in Shenyang and Shenzhen commenced trial operations. As of June 30, 2023, Joyvio Group held 39.46% equity interest in Joy Wing Mau.

Bountifresh comprehensively upgraded its blueberry varieties during the Reporting Period, achieving record-high output and maintaining high prices thanks to its brand recognition, which fueled rapid revenue growth. Apart from maintaining its leading position in the blueberry market, Bountifresh also steadily increased its market share in the pineapple market, a new category of business. To identify new growth opportunities, it enhanced standardization, informatization and branding in the new category. As of June 30, 2023, Joyvio Group held 63.78% equity interest in Bountifresh.

(2) *Animal protein business*

Joyvio Food's new salmon processing plant in Chile commenced operations during the Reporting Period, creating a new pattern for salmon processing in Chile with global leading technology and equipment. However, due to rising input costs and financial expenses, profit declined year-on-year. China Starfish, based in Qingdao, further reinforced its leading position in the pollock and coldwater shrimp categories, and delivered steady growth in both revenue and net profit. Joyvio Food also established an innovative offline fresh-cut chain brand to meet consumer needs directly. As of June 30, 2023, Joyvio Group held 46.08% equity interest in Joyvio Food.

KB Food doubled the output of its seafood processing factory on Australia's east coast during the Reporting Period. It continued to consolidate its leading position in the Australian retail market through its branding strategy and the development of new products. Having transitioned from product-oriented to customer-oriented operations, and benefiting from its expanded market shares in the highly-processed food and pre-made food markets, its food business posted rapid revenue growth. As of June 30, 2023, Joyvio Group held 100% equity interest in KB Food.

(3) *Intelligent nutrition services and the digital and intelligent transformation business for agricultural and food industries*

During the Reporting Period, Joyvio Group developed its intelligent nutrition business by completing a restructuring process, rolling out a number of national demonstration projects, achieving regional integration of the smart meal business and launching new features and upgrades including an AI nutritionist chatbot. Joyvio Group also advanced the commercialization of its digital and intelligent transformation business for agricultural and food industries, as several collaborative projects are progressively moving into the implementation and delivery phase. As of June 30, 2023, Joyvio Group held 40.81% equity interest in Safe Kitchens, a company in the aforementioned sectors.

## **Industrial Incubations and Investments**

### *Overview*

Legend Holdings integrates its own aspiration of revitalizing China through business with the mission of driving forward China's technological innovation. Legend Holdings leverages both its experience in supporting the industrialization of technological achievements and its professional advantages in fund investment to pursue its goal of long-term development or abundant financial returns. Legend Holdings intends to nurture or establish its presence in a range of enterprises that have the potential to become leading businesses with excellent profitability in multiple industries. Legend Holdings' industrial incubations and investments segment covers:

- Legend Capital, a fund management company under Legend Holdings that focuses on early-stage venture capital and growth-stage private equity investment;
- Legend Star, an early-stage investment and incubation arm of Legend Holdings that provides specialized services for entrepreneurs in terms of early-stage investment and in-depth incubation;
- Fullhan Microelectronics (Stock Code: 300613.SZ), which mainly specializes in the design and development of chips for video-based smart surveillance, smart home and smart automotive products;
- Lakala (Stock Code: 300773.SZ), which mainly provides merchants with a full spectrum of digitalization services covering payments, technology, supply sourcing, logistics, finance, branding and marketing;
- EAL (Stock Code: 601156.SH), which mainly engages in the air logistics business;
- Zhengqi Holdings, which mainly provides SMEs with comprehensive financial solutions, such as equity investment, direct loans, financial leasing and commercial factoring;
- JC Finance & Leasing, which mainly provides financial leasing services for MSMEs;
- Hony Capital, which runs private equity, real estate, public offering fund, hedge fund and venture capital businesses;
- Shanghai Neuromedical Center, which provides neurology specialty and other comprehensive hospital services;
- Hankou Bank, which mainly engages in commercial banking services;
- Bybo Dental, a chain provider of dental healthcare services; and
- Raycom Property and Raycom Technology, which mainly holds the Raycom Info Tech Park, the investment property.

During the Reporting Period, the industrial incubations and investments segment's revenue and net (loss)/profit were set out as follows:

*Unit: RMB million*

	<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
Revenue	<b>2,011</b>	1,912
Net (loss)/profit	<b>(387)</b>	222
Net loss attributable to equity holders of Legend Holdings	<b>(405)</b>	<b>(3)</b>

During the Reporting Period, revenue from the industrial incubations and investments segment was RMB2,011 million, a year-on-year increase of 5%. The net loss attributable to equity holders of Legend Holdings was RMB405 million, representing an increase in loss year on year, which was mainly attributable to the reduced investment returns influenced by capital market factors and a reduced number of newly-invested companies that the industrial incubation and investment segment invested in.

### ***Legend Capital***

Legend Capital is one of the leading private equity investment institutions in China. As of June 30, 2023, Legend Capital managed a total of nine USD TMT funds (two of which were settled), six RMB general growth funds (one of which was settled), three RMB TMT innovation funds, three USD funds specializing in the healthcare sector, four RMB funds specializing in the healthcare sector, one RMB healthcare sector frontier fund, two RMB funds specializing in the culture and sports sector, two funds operated in collaboration with local governments, one fund focusing on the red-chip return concept, two USD continuation funds and one RMB continuation fund, with a combined AUM of nearly RMB80 billion. The total amount raised by the funds during the Reporting Period was RMB3.82 billion.

During the Reporting Period, Legend Capital completed 12 new investment projects, spanning innovative and growth-stage enterprises in the advanced manufacturing, technology and services, TMT, innovative consumption and healthcare sectors. It partially or completely exited 41 projects.

As of June 30, 2023, 106 of Legend Capital's portfolio companies had gone public (excluding those listed on National Equities Exchange and Quotations (NEEQ)).

## ***Legend Star***

Legend Star is one of China's leading angel investment institutions. Since its establishment in 2008, Legend Star has leveraged its unique brand advantages and resources to systematically expand its presence in three major fields: TMT, healthcare and cutting-edge technology.

As of June 30, 2023, Legend Star managed 11 funds, the combined AUM of which exceeded RMB4.5 billion. It has invested in over 300 domestic and overseas projects, including iDreamSky Games (樂逗遊戲), Megvii Face++ (曠視科技Face++), AISpeech (思必馳), Yunding Technology (雲丁科技), Axera (愛芯科技), CAES (中儲國能), Pony.ai (小馬智行), CIDI (希迪智駕), Hai Robotics (海柔創新), Teemsun (國科天成), Burning Rock Dx (燃石醫學), Kintor Pharmaceuticals (開拓藥業), PegBio (派格生物), Keymed Biosciences (康諾亞生物), Axonics, HiFiBiO (高誠生物), Ribo Life Science (瑞博生物), Coyote Bioscience (卡尤迪生物), Jingfeng Medical (精鋒醫療) and other high-quality projects.

During the Reporting Period, Legend Star engaged in more than 10 domestic and overseas investment projects, spanning various niche segments such as semiconductor chips, new energy, advanced materials, biopharmaceuticals and digital healthcare. Among the projects under management, nearly 30 completed their next funding round, and Legend Star exited nearly 10 projects.

## ***Fullhan Microelectronics***

In 2020, Legend Holdings made a strategic investment in Fullhan Microelectronics through its subsidiary, gaining its first foothold in the semiconductor sector. As of June 30, 2023, Legend Holdings held 15.77% equity interest in Fullhan Microelectronics through its subsidiary.

Fullhan Microelectronics is a video-based chips and solutions provider with a long track-record in the field of vision, covering applications such as special-purpose video processing, smart IoT and smart automotive products. Through continuous technological innovation and refinement, it has grown to become an “internationally renowned and domestically leading” provider of intelligent vision chips and technical solutions.

During the Reporting Period, Fullhan Microelectronics achieved positive results through its focus on R&D innovation and market development. In terms of R&D, it capitalized on industrial trends such as HD video, smart video and diverse application scenarios, and catered to rising downstream customer demand to upgrade its existing core R&D capabilities and improve its technology and products, maintaining its industry-leading R&D and innovation capabilities. It has owned a range of core technologies such as image signal processing, audio and video codecs, smart algorithms, advanced SoC design and large-scale integrated circuit design, through which it has built up a unique set of core competencies that are highly valued by its clients.



In terms of market expansion, Fullhan Microelectronics leveraged its branding, reputation and customer loyalty, which are based on its competitive, reliable and high-performance products, to achieve growth in overseas markets while maintaining its leading position in China. Based on its one-stop, front-end and back-end coordinated offering of products and solutions, it has become a trusted long-term partner to benchmark companies, and acquired well-known brands as new clients. These top companies mirror the prevailing trends of the industries and markets, providing Fullhan Microelectronics with an in-depth understanding of the latest developments and customer demands, which enables it to accurately plan chip specifications and production schedules. During the Reporting Period, Fullhan Microelectronics covered all major regional markets in China through a network of branches and subsidiaries located in Shenzhen, Hangzhou, Chengdu and other locations. It has also built strategic partnerships with several solution providers, covering fields such as cloud services and device production, worked with clients to optimize and integrate their products, computing power, algorithms and services, improved its capabilities of designing solutions and expanded its market reach.

Turning to special-purpose video processing, Fullhan Microelectronics grew its market share by deepening its customer insights. In the smart IoT segment, it worked with top brands in emerging application scenarios to build scale and brand advantage. In the smart automotive segment, Fullhan Microelectronics obtained AEC-Q100 certification and accelerated the process of gaining ISO-26262 functional safety system certification. Its comprehensive in-vehicle camera solution entered mass production, and it took steps to promote and transform in-vehicle transmission technology.

In addition, Legend Holdings and Fullhan Microelectronics have achieved closer collaboration in the semiconductor industry through the establishment of the Jiangyin Hanlian Zhixin Equity Investment Partnership (Limited Partnership) (江陰瀚聯智芯股權投資合夥企業(有限合夥)) (“Hanlian Semiconductor Industry Fund” 瀚聯半導體產業基金). The fund mainly focuses on areas that synergize with Fullhan Microelectronics’ core businesses, so as to create favorable conditions for Fullhan Microelectronics and Legend Holdings to closely track industry trends and capitalize on industry advancements. The Hanlian Semiconductor Industry Fund has also received support from the local government; the Jiangsu Jiangyin People’s Government (江蘇省江陰市人民政府) invested RMB300 million in the fund, providing full support to upgrade the semiconductor industry and improve its industrial layout and ecosystem.

### ***Lakala***

Lakala’s principal operations comprise digital payments and technology services. As a provider of digitalized commercial operations service, Lakala is committed to “people-oriented payments” and the philosophy of “compliance is productivity”. Guided by its missions to digitalize China and serve the real economy, Lakala promotes digital payments, shares digital technology and delivers digital value. These initiatives have driven robust business performance in line with expectations, laying a solid foundation for Lakala’s sustainable development. As of June 30, 2023, Legend Holdings held 26.14% equity interest in Lakala.

Lakala's digital payments business recorded total transactions of RMB2.27 trillion during the Reporting Period, maintaining its industry-leading position in terms of transaction volume. Its QR-code transactions by micro and small merchants enjoyed rapid growth; the base of industrial clients expanded; its open platform's capabilities improved; its collaboration with overseas card networks deepened; its strengths in e-CNY were consolidated; innovation in the digital payments software and hardware accelerated; and its cross-border business extended. Revenue from Lakala's technology services segment increased by 14.73% year-on-year, attributable to the introduction of a series of AI and big data products in the fintech segment. By accelerating the rollout of the "Payment+" industrial solution, Lakala won key accounts in the food and beverage, retail, transportation, e-commerce, supply chain, aesthetic medicine and culture and entertainment sectors, driving its industrial client base through demonstration effect.

## *EAL*

EAL mainly engages in the air logistics business. As of June 30, 2023, Legend Holdings held 14.29% equity interest in EAL.

During the Reporting Period, the air logistics market was pressured by declining demand in import and export caused by slowing demand growth both in China and overseas. EAL prioritized stability and progress, and maintained stable financial performance despite the adverse conditions. In the air express business, EAL continued to strengthen operational capacity, expanding their fleet size to 17 aircraft by adding two aircraft in the first half of the year. EAL remained focused on establishing a "two-hub, two-wing" air freight network with Shanghai as the primary hub, Guangzhou and Shenzhen regions as the secondary hubs and Beijing and Chengdu & Chongqing regions as the "wings". EAL also announced a new flight route between Shenzhen and London. In terms of comprehensive ground services, EAL further enhanced its freight terminal service capacity and expanded its one-stop air services to several airports, including Shanghai Hongqiao International Airport. As the Northwestern Airport Industrial Park was completed and commenced operation in September 2022, EAL sped up construction of the Western Freight Area of Pudong International Airport and the Logistics Industrial Park at Zhengzhou Airport, thereby expanding its ground service network and enhancing ground service capacity. EAL also made progress on building smart freight terminals and achieving digital transformation to boost operational efficiency. In terms of comprehensive logistics solutions, EAL drew on its resource integration strengths and service capabilities to ensure the security and stability of customers' supply chains, rapidly responding to their needs and smoothing logistics channels. In addition, EAL continued to expand its presence in various market segments and achieved remarkable results in terms of direct customer acquisition. It also partnered with Freightos, the world's leading cargo booking and payment company, and the German online air freight booking platform the cargo.one to deepen the development of the global freight logistics market.



## *Zhengqi Holdings*

Zhengqi Holdings is an innovative investment holding group focused on innovative technology enterprises. Through its “finance + investment + industry” (金融+投資+產業) business model, it promotes the development of innovative technology enterprises through investment-loan linkage and various empowerment initiatives, thus enhancing industrial chain value. As of June 30, 2023, Legend Holdings held 94.62% equity interest in Zhengqi Holdings.

During the Reporting Period, Zhengqi Holdings aligned with Legend Holdings’ aspiration of revitalizing China through business and oriented itself towards “ecological empowerment, industrial and financial coordination, investment-loan linkage and winning market share” (生態賦能、產融共創、投貸聯動、正合奇勝). It focused on strategically important emerging industries, leveraging its advantages in investment-loan linkage to provide financial services and investment in core industries and the real sector with a persistent commitment to empower industries.

Zhengqi Holdings continued to improve the quality and structure of its debt business, with a higher proportion of clients operating in strategically important emerging industries such as semiconductors, high-end equipment manufacturing, advanced materials, new energy, energy conservation and environmental protection. In terms of equity investment, its investee company Hefei Snowky Electric Co., Ltd. was approved to go public on the main board in the Shenzhen Stock Exchange on July 14, 2023. Another two investee companies, Hanshow Technology Co., Ltd. and Shenzhen Chengjie Intelligent Equipment Co., Ltd., submitted listing applications that were accepted for review. Two more investee companies, Baotou iNST Magnetic New Materials Co., Ltd. and YEESTOR Microelectronics Co. Ltd., explored listing options. By the end of the Reporting Period, Zhengqi Holdings had served more than 6,000 industrial clients and made equity investment in 68 companies, 12 of which had gone public.

During the Reporting Period, Zhengqi Holdings established a subsidiary called Zhengqi Photovoltaic Power Technology, marking its first foray into the photovoltaic industry. The move aligns with the national carbon-peak and carbon-neutrality goals. It also signed a contract for a 20GW N-type cell smart manufacturing project in Anhui Province’s Ma’anshan city, with the 5GW Phase I project commencing construction on May 28. This represents a key step in Zhengqi Holdings’ transition from industrial investment to industrial operations, which will fuel its long-term sustainable development.

## ***JC Finance & Leasing***

JC Finance & Leasing is a Legend Holdings subsidiary that specializes in financial leasing and related financial businesses. Backed by its collaboration with well-regarded domestic and overseas equipment manufacturers, it focuses on industries and industrial chains and develops its financial leasing business in fields that comprise new key growth drivers of China's economy, such as advanced manufacturing, energy conservation and environmental protection, digital information, agri-food, healthcare services, public services and transportation. As of June 30, 2023, Legend Holdings held 90.31% equity interest in JC Finance & Leasing.

As the Chinese economy recovered during the Reporting Period, JC Finance & Leasing seized the opportunity to achieve robust business growth. The leasing assets increased to RMB12,526 million as of the end of the Reporting Period, as the business provided high-quality financial services to entity enterprises including over 4,000 MSMEs. During the Reporting Period, JC Finance & Leasing issued Series 4 of its asset-backed notes (ABN), totaling RMB800 million, and its first RMB-denominated ESG syndicated loan of RMB600 million. The proceeds will be used to support domestic MSMEs, create jobs and promote sustainable development. JC Finance & Leasing was named among China's top 50 financial leasing companies by Forbes in 2022, demonstrating further recognition from the market.

## ***Hony Capital***

Hony Capital runs private equity investment, real estate investment, public offering fund, hedge fund and venture capital businesses. As of June 30, 2023, Honky Capital mainly managed eight equity investment funds, three property funds, one cultural industry fund and one venture capital fund. Honky Horizon Fund Management Co., Ltd., a public offering fund management company under Honky Capital that specializes in the secondary market investment and fund management businesses, managed seven public funds, including six hybrid funds and one index fund, as of the end of the Reporting Period.

Hony Capital's private equity funds stayed focused on industry-specific investments in intelligent services, life sciences, chain catering, the green and low-carbon economy and advanced manufacturing, among other sectors. The property funds focused on office buildings in first-tier cities, achieving above-market-average returns by carrying out various value-added initiatives such as renovations, operational enhancements and functional adjustments. The cultural industry fund focused on integrated investments, cross-border investments and early-stage investments in cultural industry projects. It prioritized the film and television, culture, entertainment and sports industries, and closely monitored new media and digital consumer businesses driven by new technologies. Honky Horizon Fund leverages Honky Capital's expertise in consumer services, catering, healthcare and other industries, and focuses on value investment to create distinctive and high-performing public offering fund products.

Goldstream Investment, Hony Capital's overseas secondary market investment platform, focuses on investments in liquid assets. It deploys a variety of strategies to invest in Greater China long and short position funds, Greater China long position funds, global macro funds, global healthcare funds, bonds and asset securitizations, commodity trading advisor/quantitative strategies, and special opportunity securities. Hony Venture Capital, which operates under Hony Capital, focuses on early and mid-stage venture capital businesses, primarily investing in the B2B technology field in relation to digital consumption and industrial digitalization.

### ***Shanghai Neuromedical Center***

Shanghai Neuromedical Center is a specialized hospital built in accordance to specialized tertiary hospital standards. It specializes in clinical neuroscience and comprehensive hospital services. As of June 30, 2023, Legend Holdings held 58% equity interest in Shanghai Neuromedical Center through its subsidiary.

During the Reporting Period, Shanghai Neuromedical Center further developed its advanced neurology specialty and other departments to facilitate medical discipline development, improve overall medical quality and service capability and strengthen its unique healthcare advantages. Following efforts of more than a decade, Shanghai Neuromedical Center was certified and licensed by the China Heart Failure Association (中國心衰中心), which marked an important milestone in the Shanghai Neuromedical Center's overall development, including treatment techniques of heart failure, rules of diagnosis and treatment as well as management.

Shanghai Neuromedical Center has always fulfilled its social responsibilities. It held various public welfare activities to serve both nearby residents and those in remote areas, including events in conjunction with World Parkinson's Day, International Epilepsy Day and National Knees Day, in which it raised public awareness about diseases, provided patients with professional diagnosis and treatment, and donated medicines and funds for surgical treatment to those in need.

### ***Hankou Bank***

Hankou Bank primarily operates commercial banking businesses covering banking, retail banking and the financial markets. Hankou Bank operates a network covering all the cities in Hubei Province, and it also has branches in Chongqing. As of June 30, 2023, Legend Holdings held 13.11% equity interest in Hankou Bank.

During the first half of 2023, Hankou Bank reinforced its contribution to the real economy by providing additional financial support in key areas, using multiple means to aid companies facing hardships and empowering technology companies with targeted measures. Hankou Bank also deepened its partnership with government entities, optimized its investment structure and steadily developed its personal finance business. It achieved remarkable results in four major aspects, namely, structure, quality, performance efficiency and compliance, driving continuous improvement in its operations and management. Hankou Bank, a state-owned company, also held Party-building and education activities, and provided quality and efficiency enhancement training and targeted assistance to villages.

During the Reporting Period, Hankou Bank was named as Outstanding Financial Contributor to Economic Development in Wuhan; Outstanding Financial Contributor to MSMEs; Outstanding Financial Contributor to Green Development; Best Innovative Bank in Green Finance; Excellent Municipal Commercial Bank in Asset Management; and a Top 10 Exemplary Financial Service Provider.

### ***Bybo Dental***

Bybo Dental provides dental healthcare services spanning the whole dental lifecycle from prevention to treatment. It caters to dental patients' needs by combining quality dental care with insurance services, leveraging its unique advantages. Bybo Dental and Taikang Insurance have jointly launched dozens of dental insurance products to date. As of June 30, 2023, Legend Holdings held 26.05% equity interest in Bybo Dental.

During the Reporting Period, Bybo Dental achieved rapid revenue and profit growth by seizing the market opportunity to enhance both the quality and efficiency of its services. As of June 30, 2023, Bybo Dental operated 190 outlets, including 26 hospitals and 164 clinics, across 20 municipalities and provinces. Together they housed 1,887 dental chairs.

The dental industry faces both opportunities and challenges, thanks to price declines and rising market demand driven by the implementation of centralized procurement of dental implants policy. This initiative shall help establish a more transparent pricing system and a fair, quality-driven market, while raising the bar for medical services and operational expertise among medical service providers.

In addition to improving its discipline development, medical quality and services, Bybo Dental also promoted industry and academia exchanges and held seminars with implant experts as well as international academic forums. During the Reporting Period, it organized a dental sub-forum at the World Health Expo, titled "Summit on Digital Innovation and Development".

## ***Raycom Property and Raycom Technology***

Through its subsidiaries Raycom Property and Raycom Technology, Legend Holdings holds high-end office buildings, the Raycom Info Tech Park's Towers A, B, and C in Zhongguancun, Beijing<sup>Note</sup>. Raycom Info Tech Park is leased as premium office space and shops, with a portion reserved for our own use. The buildings hold US Green Building Council's "Leadership in Energy and Environmental Design" (LEED) certification for their high energy-efficient design standards. As of June 30, 2023, Raycom Info Tech Park's occupancy rate was about 94%, and the fair value of its investment properties amounted to RMB11,780 million (excluding the portion reserved for our own use).

*Note:* The address of Raycom Tech Info Park Tower A, B and C is No. 2 Kexueyuan South Road, Haidian District, Beijing 100190. The land use rights of the buildings expire in 2051, 2057 and 2053 respectively.

## **Financial Review**

### ***Finance costs***

Finance costs after deducting capitalized amounts rose from RMB2,929 million for the six months ended June 30, 2022 to RMB4,663 million for the six months ended June 30, 2023. Increase in finance costs was mainly attributed to escalated interest rates of foreign currency borrowing and the utilization of the factoring project of Lenovo, a subsidiary of the Company.

### ***Taxation***

Our taxation decreased from RMB721 million for the six months ended June 30, 2022 to RMB170 million for the six months ended June 30, 2023. Decrease in the amount of taxation was mainly due to the decrease in profit before tax.

### ***Capital expenditures and capital commitments***

Our capital expenditures mainly arise from purchases of property, plant and equipment, new construction in progress and intangible assets, and payment for investment. Capital expenditures were mainly funded by internally generated resources and external borrowings.

As of June 30, 2023, we had RMB4,631 million of capital expenditures contracted but not yet generated. Such capital commitments were mainly used for purchases of property, plant and equipment, and investment.

### ***Liquidity and financial resources***

Our principal sources of funds have been, and we expect to continue to utilize, cash generated from operations, various short-term and long-term bank borrowings, credit facilities and debt financing including corporate bonds and private placement bonds, to satisfy our future funding needs.

### *Cash at bank and on hand*

Our cash at bank and on hand include cash and cash equivalents, mandatory reserve deposits, bank deposit and restricted funds. As of June 30, 2023, our cash at bank and on hand were RMB69,491 million, among which, RMB, CHF, USD, EUR, HKD and other currencies accounted for 29%, 11%, 17%, 25%, 1% and 17%, respectively, while the amount as of December 31, 2022 was RMB84,403 million, among which, RMB, CHF, USD, EUR, HKD and other currencies accounted for 22%, 16%, 23%, 26%, 1% and 12%, respectively. It is our policy to place our cash in interest-bearing principal-protected demand or short-term deposits in reputable PRC and foreign banks.

On the basis of cash generated from operations accumulated over the years and to be obtained in the future, we expect to continue to maintain finance portions of our capital expenditures with bank loans, other loans and other corporate bonds at a proper scale in the foreseeable future.

### *Indebtedness*

The following table sets forth our outstanding bank loans, other loans and corporate bonds as of the dates indicated:

	<i>Unit: RMB million</i>	
	<b>As of June 30, 2023</b>	As of December 31, 2022
<b>Bank loans</b>		
– Unsecured loans	<b>34,094</b>	33,203
– Guaranteed loans	<b>22,165</b>	20,790
– Collateralized loans	<b>8,082</b>	8,403
<b>Other loans</b>		
– Unsecured loans	<b>1,370</b>	870
– Guaranteed loans	<b>560</b>	727
– Collateralized loans	<b>6,451</b>	5,592
<b>Corporate bonds</b>		
– Unsecured	<b>48,251</b>	54,959
– Asset-backed notes	<b>1,820</b>	2,270
– Convertible bonds	<b>5,969</b>	5,673
	<b>128,762</b>	132,487
<b>Less: Non-current portion</b>	<b>(79,194)</b>	(81,585)
<b>Current portion</b>	<b>49,568</b>	50,902

As of June 30, 2023, among our total borrowings, 48% was denominated in RMB (December 31, 2022: 47%), 33% was denominated in USD (December 31, 2022: 34%) and 19% was denominated in other currencies (December 31, 2022: 19%). If categorized by whether the interest rates were fixed or not, the fixed interest rates borrowings and the floating interest rates borrowings accounted for 55% and 45% of our total borrowings, respectively, while as of December 31, 2022, accounted for 58% and 42%, respectively. Our indebtedness reduction was mainly due to the repayment of our debts.

The following table sets forth the maturity profile of our indebtedness as of each of the details indicated:

*Unit: RMB million*

	<b>As of June 30, 2023</b>	As of December 31, 2022
Within 1 year	<b>49,568</b>	50,902
After 1 year but within 2 years	<b>25,551</b>	25,680
After 2 years but within 5 years	<b>28,724</b>	25,949
After 5 years	<b>24,919</b>	29,956
	<b>128,762</b>	132,487

As of June 30, 2023, we had the following major corporate bonds outstanding:

<b>Issuer</b>	<b>Type of bonds</b>	<b>Currency</b>	<b>Issuance date</b>	<b>Term</b>	<b>Principal amount</b>
The Company	Corporate bonds	RMB	July 6, 2016	10 years	RMB2,000 million
The Company	Corporate bonds	RMB	January 15, 2019	5 years	RMB1,000 million
The Company	Corporate bonds	RMB	June 21, 2019	5 years	RMB2,000 million
Lenovo	Convertible bonds	USD	January 24, 2019	5 years	USD220 million
Lenovo	Medium term notes	USD	April 24, 2020 and May 12, 2020	5 years	USD1,000 million
Lenovo	Medium term notes	USD	November 2, 2020	10 years	USD929 million
Lenovo	Medium term notes	USD	July 27, 2022	5.5 years	USD625 million
Lenovo	Medium term notes	USD	July 27, 2022	10 years	USD610 million
Lenovo	Convertible bonds	USD	August 26, 2022	7 years	USD675 million
Joyvio Food	Convertible bonds	USD	June 14, 2019	5 years	USD62.5 million
BIL	Bank subordinate bonds	EUR	June 8, 2016	12 years	EUR50 million
BIL	Bank subordinate bonds	USD	October 18, 2016	12 years	USD100 million
BIL	Bank subordinate bonds	EUR	May 18, 2021	10.25 years	EUR100 million
BIL	Bank subordinate bonds	EUR	February 1, 2023	10.25 years	EUR100 million



Issuer	Type of bonds	Currency	Issuance date	Term	Principal amount
BIL	Medium term notes	JPY	September 1, 2021 and February 8, 2022	5 years	JPY1,000 million
BIL	Medium term notes	EUR	2014-2023	1.5-50 years	EUR2,039 million
BIL	Medium term notes	USD	2019-2023	1-5 years	USD29 million
BIL	Medium term notes	CHF	November 30, 2020	4.6 years	CHF180 million
BIL	Medium term notes	SEK	January 29, 2021	3 years	SEK166 million
BIL	Medium term notes	GBP	2021-2022	2-5 years	GBP11 million
JC Finance & Leasing	Asset-backed notes	RMB	January 28, 2022	1-2 years	RMB71 million
JC Finance & Leasing	Asset-backed notes	RMB	May 31, 2022	1-2 years	RMB301 million
JC Finance & Leasing	Asset-backed notes	RMB	October 27, 2022	1-2 years	RMB724 million
JC Finance & Leasing	Asset-backed notes	RMB	May 8, 2023	1-2 years	RMB724 million

The annual interest rates of our bonds listed above as of June 30, 2023 ranged from 0 to 7.2%.

#### ***Current ratio and total debts to total capital ratio***

	<b>As of June 30, 2023</b>	As of December 31, 2022
Current ratio ( <i>times</i> )	<b>0.7</b>	0.8
Total debts to total capital ratio	<b>55%</b>	56%

#### ***Current ratio***

Current ratio is our current assets divided by our current liabilities at the end of each financial period. Our current ratio at the end of the Reporting Period has declined slightly as compared with December 31, 2022. Current ratio of less than 1 was mainly as a result of consolidation of BIL into our consolidated financial statements. The measures used to gauge liquidity risk in the banking industry differ from those commonly used in other non-banking industries. BIL is not required to classify and present separately the current and non-current portion of its assets and liabilities on its standalone statement of financial position. Nonetheless, such classification was effected to the extent that uniform accounting policies on consolidated accounts are required, which may not reflect the underlying liquidity characteristics of the banking business of the Company. As at the end of the Reporting Period, the Core Equity Tier 1 ratio of BIL stood at 13.63%, bespeaking robust business stability. Moreover, despite of a current ratio of less than 1, we have confidence to honor maturing debts when they fall due in consideration of our operating cash flow forecast, undrawn credit facilities of the Company and its subsidiaries.



### ***Total debts to total capital ratio***

Total debts to total capital ratio is calculated by dividing total debts (total borrowings) by equity and total debts at the end of each financial period. The total debts to total capital ratio decreased slightly at the end of the Reporting Period compared to December 31, 2022, which mainly due to the combined impacts of the increase in the size of our total equity and the decrease in the size of our total debts.

### ***Pledged assets***

As of June 30, 2023, we pledged the assets of RMB23.6 billion (December 31, 2022: RMB21.3 billion) to secure our borrowings, assets of RMB2.1 billion (December 31, 2022: RMB3 billion) to secure other payables and accruals and other non-current liabilities.

As of June 30, 2023, BIL's other financial assets at amortized cost, financial assets at fair value through other comprehensive income and loans to customers and credit institutions with a total carrying amount of RMB6.9 billion (December 31, 2022: RMB10.1 billion) was encumbered.

As of June 30, 2023, other restricted assets were mainly restricted deposits of RMB1.6 billion (December 31, 2022: RMB1.7 billion), and financial assets at fair value through profit or loss of RMB80 million (December 31, 2022: RMB80 million).

### ***Contingencies***

Our contingencies primarily comprise (i) financial guarantees provided by our subsidiaries in the financial services business to third parties for their borrowings from certain financial institutions; and (ii) guarantees we provided in respect of the borrowings provided by commercial banks and other financial institutions to associates and third parties for their business operations.

We evaluated the financial positions of financial guarantees provided in connection with our financial services business periodically and made provisions accordingly. As of June 30, 2023 and December 31, 2022, the provision made by us were RMB95 million and RMB100 million respectively.

The table below sets forth our total contingent liabilities as of the dates indicated:

*Unit: RMB million*

	<b>As of June 30, 2023</b>	As of December 31, 2022
Financial guarantee of guarantee business	<b>7,795</b>	8,171
Other guarantee		
– Related parties	<b>1,208</b>	1,728
– Unrelated parties	–	180

***Fluctuations in exchange rates and any relevant hedging***

We operate internationally and are exposed to foreign currency risks arising from various currency exposures, primarily with respect to USD, RMB, EUR and CHF. Foreign currency risks arise from the future commercial transactions, recognized assets and liabilities and net investment in foreign operations denominated in a currency other than the functional currency of the Company and its subsidiaries. We and each subsidiary monitor the amount of assets and liabilities and transactions denominated in foreign currencies closely in order to minimize the foreign exchange risks, and, when necessary, enter into forward exchange contracts to mitigate the foreign currency risks as appropriate.

***Dividend***

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2023 (six months ended June 30, 2022: Nil).

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended June 30, 2023

		<b>Unaudited</b>	
		<b>Six months ended June 30,</b>	
		<b>2023</b>	<b>2022</b>
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Sales of goods and services	5	<b>199,153,610</b>	236,431,504
Interest income		<b>4,890,718</b>	1,940,584
Interest expense		<b>(2,758,334)</b>	(687,541)
Net interest income	5	<b>2,132,384</b>	1,253,043
<b>Total revenue</b>	5	<b>201,285,994</b>	237,684,547
Cost of sales and services	7	<b>(165,532,039)</b>	(195,550,137)
<b>Gross profit</b>		<b>35,753,955</b>	42,134,410
Selling and distribution expenses	7	<b>(10,670,024)</b>	(12,452,253)
General and administrative expenses	7	<b>(18,840,333)</b>	(18,742,356)
Expected credit loss	7	<b>(223,897)</b>	(88,300)
Investment income and gains/(losses)	6	<b>1,000,726</b>	(1,208,538)
Other (losses)/gains – net		<b>(1,140,735)</b>	257,141
Finance income	8	<b>1,148,902</b>	535,626
Finance costs	8	<b>(4,663,467)</b>	(2,928,680)
Share of profit of associates and joint ventures accounted for using the equity method	5	<b>19,808</b>	384,387
<b>Profit before income tax</b>		<b>2,384,935</b>	7,891,437
Income tax expense	9	<b>(169,648)</b>	(721,049)
<b>Profit for the period</b>		<b>2,215,287</b>	7,170,388

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (CONTINUED)***For the six months ended June 30, 2023*

		<b>Unaudited</b>	
		<b>Six months ended June 30,</b>	
		<b>2023</b>	<b>2022</b>
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit attributable to:</b>			
– Equity holders of the Company		<b>667,950</b>	2,131,427
– Other non-controlling interests		<b>1,547,337</b>	5,038,961
		<b><u>2,215,287</u></b>	<b><u>7,170,388</u></b>
<b>Earnings per share for the profit attributable to the equity holders of the Company</b> <i>(expressed in RMB per share)</i>			
<b>Basic earnings per share</b>	<i>10</i>	<b><u>0.29</u></b>	<b><u>0.91</u></b>
<b>Diluted earnings per share</b>	<i>10</i>	<b><u>0.28</u></b>	<b><u>0.83</u></b>
<b>Dividends</b>	<i>19</i>	<b><u>471,257</u></b>	<b><u>942,506</u></b>

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2023

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the period</b>	<b>2,215,287</b>	<b>7,170,388</b>
<b>Other comprehensive income/(losses):</b>		
<b>Items that will not be reclassified to income statement</b>		
Change in fair value of non-trading equity securities measured at fair value through other comprehensive income/(losses), net of taxes	114,451	(526,889)
Change in credit risk on financial liabilities measured at fair value through profit, net of taxes	2,684	7,231
Share of other comprehensive income of associates using equity accounting, net of taxes	–	13,131
Remeasurements of post-employment benefit obligation, net of taxes	226,512	555,892
Revaluation of investment properties upon reclassification from property, plant and equipment, net of taxes	(2,448)	1,129
<b>Items that may be reclassified subsequently to income statement</b>		
Change in fair value of debt securities measured at fair value through other comprehensive loss, net of taxes	(8,595)	(136,110)
Currency translation differences	1,789,223	279,237
Share of other comprehensive income of associates using equity accounting, net of taxes	40,959	28,652
Fair value change on cash flow hedges, net of taxes	1,189,917	904,919
<b>Other comprehensive income for the period, net of taxes</b>	<b>3,352,703</b>	<b>1,127,192</b>
<b>Total comprehensive income for the period</b>	<b>5,567,990</b>	<b>8,297,580</b>
<b>Attributable to:</b>		
– Equity holders of the Company	2,647,988	2,997,754
– Other non-controlling interests	2,920,002	5,299,826
	<b>5,567,990</b>	<b>8,297,580</b>

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at June 30, 2023

		Unaudited As at June 30, 2023 RMB'000	Audited As at December 31, 2022 RMB'000
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		33,401,368	32,230,915
Right-of-use assets		5,883,998	5,959,354
Investment properties	11	15,601,552	15,807,609
Intangible assets		71,886,364	68,394,957
Associates and joint ventures using equity accounting	5	16,115,992	16,714,672
Associates measured at fair value through profit or loss	5	16,802,686	18,521,268
Financial assets at fair value through other comprehensive income		6,704,659	6,682,661
Financial assets at fair value through profit or loss		11,249,080	10,959,316
Loans to customers		86,584,567	82,584,125
Derivative financial assets		5,514,854	5,856,183
Other financial assets at amortised cost		56,309,224	51,077,681
Deferred income tax assets		22,451,834	20,299,139
Other non-current assets		12,118,130	12,036,748
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>360,624,308</b>	<b>347,124,628</b>

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

*As at June 30, 2023*

		Unaudited As at <b>June 30, 2023</b> <i>RMB'000</i>	Audited As at December 31, 2022 <i>RMB'000</i>
	<i>Note</i>		
<b>Current assets</b>			
Inventories		<b>45,905,144</b>	55,976,227
Consumable biological assets		<b>1,396,601</b>	1,240,637
Properties under development		<b>19,252</b>	19,252
Accounts and notes receivables	<i>12</i>	<b>64,909,379</b>	77,932,211
Prepayments, other receivables and other current assets	<i>13</i>	<b>37,524,178</b>	33,377,120
Loans to customers		<b>47,704,269</b>	44,999,257
Loans to credit institutions		<b>4,051,511</b>	4,214,574
Derivative financial assets		<b>1,620,655</b>	1,028,367
Financial assets at fair value through profit or loss		<b>21,405,738</b>	21,322,964
Financial assets at fair value through other comprehensive income		<b>696,302</b>	1,852,118
Other financial assets at amortised cost		<b>10,193,500</b>	7,583,530
Balances with central banks		<b>1,342,783</b>	1,309,158
Restricted deposits		<b>1,657,044</b>	1,800,681
Bank deposits		<b>243,785</b>	134,427
Cash and cash equivalents		<b>66,247,418</b>	81,159,017
		<hr/>	<hr/>
<b>Total current assets</b>		<b>304,917,559</b>	333,949,540
		<hr/>	<hr/>
<b>Total assets</b>		<b>665,541,867</b>	681,074,168
		<hr/>	<hr/>

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

As at June 30, 2023

		Unaudited As at <b>June 30, 2023</b> <i>RMB'000</i>	Audited As at December 31, 2022 <i>RMB'000</i>
	<i>Note</i>		
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		2,356,231	2,356,231
Reserves		<u>61,832,729</u>	<u>60,229,196</u>
<b>Total equity attributable to equity holders of the Company</b>		<b>64,188,960</b>	62,585,427
Perpetual securities		1,361,000	1,360,118
Other non-controlling interests		43,286,298	41,843,891
Put option written on non-controlling interests	<i>15(iii), 16(c)(1)</i>	<u>(3,633,810)</u>	<u>(3,633,810)</u>
<b>Total equity</b>		<b><u>105,202,448</u></b>	<u>102,155,626</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	<i>17</i>	79,193,515	81,584,846
Lease liabilities		2,908,354	2,893,169
Amounts due to credit institutions		473,992	2,324,565
Amounts due to customers		3,479,151	2,986,590
Derivative financial liabilities		1,991,873	1,843,337
Deferred revenue		9,788,676	9,730,974
Retirement benefit obligations		1,851,311	2,045,291
Provisions	<i>18</i>	1,620,520	1,844,006
Financial liabilities at fair value through profit or loss		13,944,745	11,053,595
Deferred income tax liabilities		9,748,630	9,675,846
Other non-current liabilities	<i>16</i>	<u>8,140,461</u>	<u>7,924,679</u>
<b>Total non-current liabilities</b>		<b><u>133,141,228</u></b>	<u>133,906,898</u>



## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

*As at June 30, 2023*

		Unaudited As at <b>June 30, 2023</b> <i>RMB'000</i>	Audited As at December 31, 2022 <i>RMB'000</i>
	<i>Note</i>		
<b>Current liabilities</b>			
Trade and notes payables	<i>14</i>	<b>71,597,766</b>	80,492,436
Other payables and accruals	<i>15</i>	<b>101,283,788</b>	106,070,837
Amounts due to credit institutions		<b>23,206,488</b>	22,898,166
Amounts due to customers		<b>150,926,177</b>	153,161,123
Financial liabilities at fair value through profit or loss		<b>5,770,729</b>	4,228,212
Derivative financial liabilities		<b>902,643</b>	2,563,646
Provisions	<i>18</i>	<b>6,879,759</b>	6,248,117
Advance from customers		<b>1,852,432</b>	1,749,006
Deferred revenue		<b>11,507,800</b>	11,263,168
Income tax payables		<b>2,620,899</b>	4,281,068
Lease liabilities		<b>1,081,319</b>	1,153,466
Borrowings	<i>17</i>	<b>49,568,391</b>	50,902,399
<b>Total current liabilities</b>		<b>427,198,191</b>	445,011,644
<b>Total liabilities</b>		<b>560,339,419</b>	578,918,542
<b>Total equity and liabilities</b>		<b>665,541,867</b>	681,074,168

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

*For the six months ended June 30, 2023*

	Unaudited													
	Attributable to the equity holders of the Company													
	Share capital RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Revaluation reserve RMB'000	Share-based compensation reserve RMB'000	Shares held for share scheme RMB'000	Hedging reserve RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Perpetual securities RMB'000	Other non-controlling interests RMB'000	Put option written on non-controlling interests RMB'000	Total RMB'000
As at January 1, 2023	2,356,231	11,281,940	919,845	(127,215)	4,320,128	(336,574)	(145,490)	(4,376,379)	(828,997)	49,521,938	1,360,118	41,843,891	(3,633,810)	102,155,626
Profit for the period	-	-	-	-	-	-	-	-	-	667,950	-	1,547,337	-	2,215,287
Other comprehensive income/(losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	104,239	-	-	-	-	-	-	-	1,617	-	105,856
Credit risk changes on financial liabilities measured at fair value through profit or loss	-	-	-	2,415	-	-	-	-	-	-	-	269	-	2,684
Share of other comprehensive income of associates using equity accounting	-	-	-	40,959	-	-	-	-	-	-	-	-	-	40,959
Fair value change on cash flow hedges	-	-	-	-	-	-	321,721	-	-	-	868,196	-	-	1,189,917
Currency translation differences	-	-	-	-	-	-	-	1,439,617	-	-	349,606	-	-	1,789,223
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	-	-	73,290	-	-	153,222	-	226,512
Revaluation of investment properties upon reclassification from property, plant and equipment	-	-	-	(2,203)	-	-	-	-	-	-	(245)	-	-	(2,448)
Total comprehensive income for the period	-	-	-	145,410	-	-	321,721	1,439,617	73,290	667,950	-	2,920,002	-	5,567,990
Total transfer to retained earnings	-	-	-	(3,843)	-	-	-	-	-	3,843	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	1,532	-	1,532
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(2,601)	-	(2,601)	-	-	(2,601)
Transaction with other non-controlling interests	-	-	-	-	-	-	-	(1,986,690)	-	-	(1,986,690)	-	-	(2,725,692)
Contribution from other non-controlling interests	-	-	-	-	-	-	-	19,164	-	-	596,946	-	-	616,110
Transfer to reserve	-	-	-	-	-	-	-	713	-	65,419	(1,475)	-	-	64,657
Share of other reserve of associates	-	-	-	-	-	-	-	(18,037)	-	-	78	-	-	(17,959)
Share-based compensation	-	-	-	-	3,633	129,379	-	-	-	294,327	-	294,327	-	427,339
Dividends declared	-	-	-	-	-	-	-	-	-	(471,257)	-	(375,874)	-	(847,131)
Coupon paid/interest adjustment holders of perpetual securities	-	-	-	-	-	-	-	-	-	882	(34,467)	(3,838)	-	(37,423)
Total transactions with owners, recognised directly in equity	-	-	-	-	3,633	129,379	-	-	(737,162)	(440,305)	882	(1,477,595)	-	(2,521,168)
As at June 30, 2023	2,356,231	11,281,940	919,845	14,352	4,323,761	(207,195)	176,231	(2,936,762)	(1,492,869)	49,753,426	1,361,000	43,286,298	(3,633,810)	105,202,448

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
*For the six months ended June 30, 2023*

	Unaudited													
	Attributable to the equity holders of the Company													
	Share capital RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Revaluation reserve RMB'000	Share-based compensation reserve RMB'000	Shares held for share scheme RMB'000	Hedging reserve RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Perpetual securities RMB'000	Other non-controlling interests RMB'000	Put option written on non-controlling interests RMB'000	Total RMB'000
As at January 1, 2022	2,356,231	11,281,940	696,229	528,785	3,772,216	(336,574)	107,478	(6,334,456)	(530,982)	49,729,021	1,538,457	35,006,747	(5,024,368)	92,810,724
Profit for the period	-	-	-	-	-	-	-	-	-	2,131,427	-	5,038,961	-	7,170,388
Other comprehensive (loss)/income	-	-	-	(584,532)	-	-	-	-	-	-	-	(78,467)	-	(662,999)
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit risk changes on financial liabilities measured at fair value through profit or loss	-	-	-	6,506	-	-	-	-	-	-	-	725	-	7,231
Share of other comprehensive income of associates using equity accounting	-	-	-	41,783	-	-	-	-	-	-	-	-	-	41,783
Fair value change on cash flow hedges	-	-	-	-	-	-	341,761	-	-	-	-	563,158	-	904,919
Currency translation differences	-	-	-	-	-	-	-	857,403	-	-	-	(578,166)	-	279,237
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	-	-	202,390	-	-	353,502	-	555,892
Revaluation of investment properties upon reclassification from property, plant and equipment	-	-	-	1,016	-	-	-	-	-	-	-	113	-	1,129
Total comprehensive (loss)/income for the period	-	-	-	(535,227)	-	-	341,761	857,403	202,390	2,131,427	-	5,299,826	-	8,297,580
Total transfer to retained earnings	-	-	-	769	-	-	-	-	-	(769)	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	15,352	-	15,352
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	98	-	98
Disposal of subsidiaries	-	-	-	-	-	-	-	376,856	-	-	-	77,275	-	454,131
Transaction with other non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	285,670	-	285,670
Contribution from other non-controlling interests	-	-	-	-	-	-	-	-	-	-	(200,000)	-	-	(200,000)
Decrease of perpetual capital	-	-	-	-	-	-	-	-	-	(126,632)	-	(12,106)	-	(131,222)
Transfer to reserve	-	-	-	-	-	-	-	7,516	3,990	-	-	205	-	4,195
Share of other reserve of associates	-	-	-	-	-	-	-	-	-	(942,506)	-	(300,518)	-	(646,835)
Share-based compensation	-	-	-	218,882	-	-	-	-	-	(31,697)	829	(3,520)	-	(34,388)
Dividends declared	-	-	-	-	-	-	-	-	(214,776)	-	-	(1,179,486)	-	(3,704)
Coupon paid/interest adjustment holders of perpetual securities	-	-	-	-	-	-	-	-	-	-	-	-	1,390,538	(3,704)
Exercise of put option written on non-controlling interest (Note 16(c)(1))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-	218,882	-	-	-	173,586	(1,100,835)	(199,171)	(689,057)	1,390,538	(206,037)
As at June 30, 2022	2,356,231	11,281,940	696,229	(5,673)	3,991,098	(336,574)	449,239	(5,477,053)	(155,006)	50,758,844	1,359,286	39,617,516	(3,633,810)	100,902,267

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended June 30, 2023

	Unaudited	
	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	1,661,064	17,441,357
Income tax paid	(3,633,160)	(2,534,181)
	<u>(1,972,096)</u>	<u>14,907,176</u>
<b>Net cash (used in)/generated from operating activities</b>		
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment, and intangible assets	(6,713,159)	(6,429,282)
Proceeds from sale of property, plant and equipment, and intangible assets	416,848	153,193
Purchases of financial assets at fair value through profit or loss	(4,023,955)	(4,971,402)
Proceeds from the disposal of financial assets at fair value through profit or loss	4,506,744	4,439,682
Dividends from financial assets at fair value through profit or loss	104,225	133,700
Capital injection in associates measured at fair value through profit or loss	(184,885)	(929,534)
Distributions from associates measured at fair value through profit or loss	1,692,416	857,146
Acquisition of and capital injection in associates and joint ventures using equity accounting	(17,507)	(767,746)
Proceeds from disposal of associates using equity accounting	626,455	380,847
Dividends from associates using equity accounting	116,532	318,939
Purchases of financial assets at fair value through other comprehensive income	(141,798)	(547,351)
Disposal of financial assets at fair value through other comprehensive income	373,971	112,013
Dividends from financial assets at fair value through other comprehensive income	8,297	29,789
Disposal of financial assets at amortized cost	138,914	88,796
Acquisition of subsidiaries, net of cash acquired	87,501	(615,092)
Disposal of subsidiaries, net of cash disposed	7,263	10,721
Loans repaid from/(granted to) related parties and third parties	498,837	(47,804)
Interest received	672,052	251,156
(Increase)/decrease in fixed deposits for more than 3 months	(62,474)	533,068
	<u>(1,893,723)</u>	<u>(6,999,161)</u>
<b>Net cash used in investing activities</b>		

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
(CONTINUED)**

*For the six months ended June 30, 2023*

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>43,469,963</b>	54,089,101
Repayments of borrowings	<b>(49,274,576)</b>	(61,483,671)
Repayments of lease liabilities	<b>(543,731)</b>	(672,335)
Issue of bonds, net of issuance costs	<b>1,491,540</b>	1,821,880
Other capital contributions from non-controlling interests	<b>146,090</b>	307,420
Payment for written put option liabilities <i>(Note 16(c)(1))</i>	<b>–</b>	(1,895,000)
Distribution to other non-controlling interests	<b>(440,191)</b>	(274,461)
Transaction with other non-controlling interests	<b>(2,744,018)</b>	383,371
Repurchase of convertible preferred shares	<b>(322,667)</b>	–
Interest paid	<b>(5,361,087)</b>	(3,310,801)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(13,578,677)</b>	(11,034,496)
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(17,444,496)</b>	(3,126,481)
Cash and cash equivalents at beginning of the period	<b>81,159,017</b>	59,956,630
Exchange gains on cash and cash equivalents	<b>2,532,897</b>	660,937
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>66,247,418</b>	57,491,086
	<hr/>	<hr/>

## 1. GENERAL INFORMATION

Legend Holdings Corporation (the “Company”) is a joint stock company with limited liability under Company Law of the People’s Republic of China (“PRC”, “China”). It was incorporated in November 1984 under the name of 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), as an enterprise owned by the whole people (全民所有制企業). Since then, the Company has completed a series of reorganizations and was converted into a joint stock limited liability company on February 18, 2014, the registered capital is RMB2,356 million now. The Company’s H Shares have been listed on the Main Board of the Hong Kong Stock Exchange since June 29, 2015.

The registered address of the Company is Room 1701, 17/F, Block 1, Court No. 2, Ke Xue Yuan Nanlu, Hai Dian District, Beijing, PRC.

The Company operates its business through two sectors: industrial operations and industrial incubations and investments.

The industrial operations consist of operations in (a) Lenovo Group Limited (“Lenovo”), which is primarily engaged in providing innovative intelligent devices and infrastructure, and creates intelligent solutions, services and software; (b) Levima Group Limited (“Levima Group”), which mainly engaged in the research and development, production and sales of advanced material products; (c) Joyvio Group Co., Ltd. (“Joyvio Group”), which operates mainly to engaged in modern agriculture and food related business; and (d) Banque Internationale à Luxembourg S.A. (“BIL”), which mainly offers integrated banking services, including corporate and institutional banking, retail banking, private banking, capital markets, etc.

The industrial incubations and investments sector conducts investment in private equity funds (“PE Funds”) and venture capital funds (“VC Funds”) as a limited partner and holds interest in the general partners of certain funds. The Group also makes early stage or “angel” investments in technology start-ups and minority investments in other entities. It also provides aviation logistics, financial services, medical and health care, and office leasing services, etc.

## 2. BASIS OF PREPARATION

Management has assessed the potential cash generation of the Group, the liquidity of the Group, existing funding available to the Group, credit limit of the Group and mitigating actions which have been and may be taken to reduce discretionary spend and other operating cash outflows to ensure the plenty, security and stability of the Group's overall cash flows. On the basis of these assessments, we have determined that, at the date on which the Interim Financial Information were authorised for issue, the use of the going concern basis of accounting to prepare the Interim Financial Information is appropriate.

This unaudited condensed consolidated interim financial information for the six months ended June 30, 2023 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2022 which has been prepared in accordance with International Financial Reporting Standards ("IFRS") by the Group, and all public announcements made by the Company during the interim reporting period.

## 3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2022, except as described below.

### 3.1 *New and amended standards and interpretations adopted*

The following amended standards and interpretations are mandatory for the first time for the Group's financial year beginning on January 1, 2023 and are applicable for the Group:

IFRS 17	Insurance Contracts
IAS 1 and IFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
IAS 8 (Amendments)	Definition of Accounting Estimates
IAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules

Except for the Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction, other amendments to IFRS and IAS effective for the financial year beginning on January 1, 2023 do not have a material impact on the Group's Interim Financial Information.



### 3. ACCOUNTING POLICIES (CONTINUED)

#### 3.1 *New and amended standards and interpretations adopted (continued)*

The Group has initially applied the Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction, from January 1, 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases liabilities. For leases liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases that results in a similar outcome to the amendments, except that the deferred tax asset or liability was recognized on a net basis. Following the amendments, the Group has recognized a separate deferred tax asset in relation to its lease liability and a deferred tax liability in relation to its right-of-use asset. However, there is no impact on the Condensed Consolidated Interim Balance Sheet because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings at January 1, 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognized – this disclosure will be provided in the 2023 annual report.

The change in accounting policy will also be reflected in the Group's consolidated financial statements at and for the year ended December 31, 2023.

### 3. ACCOUNTING POLICIES (CONTINUED)

#### 3.2 *New and amended standards not yet adopted*

The following are new and amended standards that have been issued but are not yet effective for the financial year beginning on January 1, 2023 and have not been early adopted.

		<b>Effective for financial year beginning on or after</b>
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
IAS 16 (Amendments)	Lease Liabilities in a Sale-and-Leaseback	1 January 2024
International Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contain a Repayment on Demand Clause	1 January 2024
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be Determined

The Group will apply the above new and amended standards when they become effective.

#### *Impact of new standard released not yet adopted*

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the financial year beginning on January 1, 2023 and have not been early adopted by the Group. The Group's assessment of the impact of these new and amended standards is still in progress.

#### **4. ESTIMATES**

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense, the actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the sources of the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty came from the significant judgements that applied in the preparation of the annual financial statements of the Group for the year ended December 31, 2022.

#### **5. SEGMENT INFORMATION**

The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purpose of allocating resources and assessing performance.

For management purpose, the Group is organized into business units based on their products and services. Different businesses require different technologies and marketing strategies. The Group, therefore, separately manages the production and operation of each segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

## 5. SEGMENT INFORMATION (CONTINUED)

### **Industrial operations:**

- Lenovo, which is primarily engaged in providing innovative intelligent devices and infrastructure, and creates intelligent solutions, services and software;
- Levima Group, which mainly engaged in the research and development, production and sales of advanced material products;
- Joyvio Group, which operates mainly to engaged in modern agriculture and food related business; and
- BIL, which mainly offers integrated banking services, including corporate and institutional banking, retail banking, private banking, capital markets, etc.

### **Industrial incubations and investments:**

Which is engaged in investment in the PE Funds and VC Funds as a limited partner and holds interest in the general partners of certain funds. It also makes early stage or “angel” investments in technology start-ups and minority investments in other entities. It also provides aviation logistics, financial services, medical and health care, and office leasing services related business, etc.

The unallocated amounts primarily represent corporate expenses that are not directly allocated to one of the aforementioned operating segments. The unallocated amounts also include other income statement items such as employee benefit expenses, finance income and finance costs, which cannot be directly identified to specific operating segments. Segment assets consist, primarily of investment properties, property, plant and equipment, intangible assets, right-of-use assets, inventories, receivables and cash and cash equivalents. Segment liabilities primarily comprise operating liabilities.

The Board of Directors assesses the performance of the operating segments based on a measure of net profit and profit attributable to equity holders of the Company.

## 5. SEGMENT INFORMATION (CONTINUED)

### Revenue and Profit

Six months ended June 30, 2023

	Unaudited							Total RMB'000
	Industrial operations			Industrial incubations and investments		Unallocated RMB'000	Elimination RMB'000	
	Lenovo RMB'000	Levima Group RMB'000	Joyvio Group RMB'000	BIL RMB'000	investments RMB'000			
<b>Segment revenue</b>								
Sales/provide services to external customers	177,407,105	3,246,824	15,549,280	1,093,689	1,856,712	-	-	199,153,610
Net interest income	-	-	-	1,982,096	150,288	-	-	2,132,384
Inter-segment sales/provide services	-	-	-	-	4,118	-	(4,118)	-
<b>Total</b>	<b>177,407,105</b>	<b>3,246,824</b>	<b>15,549,280</b>	<b>3,075,785</b>	<b>2,011,118</b>	<b>-</b>	<b>(4,118)</b>	<b>201,285,994</b>
<b>Segment results</b>								
Profit/(loss) before income tax	2,502,912	414,726	34,593	830,999	(518,040)	(880,255)	-	2,384,935
Income tax (expense)/credit	(486,294)	(67,212)	127,682	(96,428)	132,540	220,064	-	(169,648)
<b>Profit/(loss) for the period</b>	<b>2,016,618</b>	<b>347,514</b>	<b>162,275</b>	<b>734,571</b>	<b>(385,500)</b>	<b>(660,191)</b>	<b>-</b>	<b>2,215,287</b>
<b>Profit/(loss) attributable to equity holders of the Company for the period</b>	<b>650,345</b>	<b>183,477</b>	<b>238,858</b>	<b>660,967</b>	<b>(405,506)</b>	<b>(660,191)</b>	<b>-</b>	<b>667,950</b>
<b>Other segment information:</b>								
Depreciation and amortisation	(4,656,666)	(344,814)	(294,306)	(203,429)	(84,401)	(3,898)	-	(5,587,514)
Impairment loss for non-current assets (Note 7)	(6,219)	(4,463)	(15,759)	-	-	-	-	(26,441)
Investment income and gains/(losses) (Note 6)	831,169	18,212	340,491	87,147	(276,293)	-	-	1,000,726
Finance income (Note 8)	579,631	29,349	24,120	-	35,388	491,669	(11,255)	1,148,902
Finance costs (Note 8)	(2,744,893)	(83,801)	(323,466)	-	(272,343)	(1,250,219)	11,255	(4,663,467)
Share of (loss)/profit of associates and joint ventures accounted for using the equity method	(73,714)	305	70,117	-	23,100	-	-	19,808
Material non-cash items other than depreciation and amortisation	(1,119,432)	-	-	-	-	-	-	(1,119,432)
Capital expenditure	7,527,616	681,495	295,817	270,230	133,735	1,006	-	8,909,899

## 5. SEGMENT INFORMATION (CONTINUED)

### Revenue and Profit (continued)

Six months ended June 30, 2022

	Unaudited							
	Lenovo RMB'000	Levima Group RMB'000	Joyvio Group RMB'000	BIL RMB'000	Industrial incubations and investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
<b>Segment revenue</b>								
Sales/provide services to external customers	217,973,926	4,482,804	11,219,297	1,038,075	1,717,402	-	-	236,431,504
Net interest income	-	-	-	1,061,411	191,632	-	-	1,253,043
Inter-segment sales/provide services	-	-	-	-	3,269	-	(3,269)	-
<b>Total</b>	<b>217,973,926</b>	<b>4,482,804</b>	<b>11,219,297</b>	<b>2,099,486</b>	<b>1,912,303</b>	<b>-</b>	<b>(3,269)</b>	<b>237,684,547</b>
<b>Segment results</b>								
Profit/(loss) before income tax	7,842,549	615,148	528,924	504,553	(672,729)	(927,008)	-	7,891,437
Income tax (expense)/credit	(1,618,429)	(101,633)	(76,810)	(50,227)	894,298	231,752	-	(721,049)
<b>Profit/(loss) for the period</b>	<b>6,224,120</b>	<b>513,515</b>	<b>452,114</b>	<b>454,326</b>	<b>221,569</b>	<b>(695,256)</b>	<b>-</b>	<b>7,170,388</b>
<b>Profit/(loss) attributable to equity holders of the Company for the period</b>	<b>1,973,197</b>	<b>262,525</b>	<b>185,110</b>	<b>408,803</b>	<b>(2,952)</b>	<b>(695,256)</b>	<b>-</b>	<b>2,131,427</b>
<b>Other segment information:</b>								
Depreciation and amortisation	(4,262,373)	(274,098)	(302,086)	(198,364)	(83,339)	(4,311)	-	(5,124,571)
Impairment loss for non-current assets (Note 7)	-	-	-	(14,061)	-	-	-	(14,061)
Investment (losses)/income and gains (Note 6)	(164,711)	641	28,827	65,018	(1,138,313)	-	-	(1,208,538)
Finance income (Note 8)	242,572	24,926	13,909	-	47,963	210,424	(4,168)	535,626
Finance costs (Note 8)	(1,196,140)	(87,702)	(219,831)	-	(394,977)	(1,034,198)	4,168	(2,928,680)
Share of (loss)/profit of associates and joint ventures accounted for using the equity method	(52,817)	(64)	63,459	-	373,809	-	-	384,387
Material non-cash items other than depreciation and amortisation	(1,139,321)	-	-	-	-	-	-	(1,139,321)
Capital expenditure	5,094,619	582,057	639,691	363,320	41,921	462	-	6,722,070

## 5. SEGMENT INFORMATION (CONTINUED)

### Assets and liabilities

As at June 30, 2023

	Unaudited							
	Industrial operations			Industrial incubations and investments				
	Lenovo RMB'000	Levima Group RMB'000	Joyvio Group RMB'000	BIL RMB'000	Industrial incubations and investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	256,315,595	15,793,875	22,607,381	244,833,714	104,686,178	24,419,587	(3,114,463)	665,541,867
Segment liabilities	228,650,911	7,546,263	16,007,198	224,134,819	31,483,939	54,382,492	(1,866,203)	560,339,419
Associates and joint ventures using equity accounting	2,427,654	309,934	600,300	-	12,778,104	-	-	16,115,992
Associates measured at fair value through profit or loss	-	-	-	-	16,802,686	-	-	16,802,686

As at December 31, 2022

	Audited							
	Industrial operations			Industrial incubations and investments				
	Lenovo RMB'000	Levima Group RMB'000	Joyvio Group RMB'000	BIL RMB'000	Industrial incubations and investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	274,520,303	15,205,632	23,087,946	242,629,393	106,088,820	22,696,418	(3,154,344)	681,074,168
Segment liabilities	247,314,749	7,242,861	17,629,621	223,572,903	30,411,356	55,901,396	(3,154,344)	578,918,542
Associates and joint ventures using equity accounting	2,516,349	291,536	698,707	-	13,208,080	-	-	16,714,672
Associates measured at fair value through profit or loss	-	-	-	-	18,521,268	-	-	18,521,268



## 5. SEGMENT INFORMATION (CONTINUED)

The amount of its revenue and analysis of revenue by timing of revenue recognition is shown in the tables below:

### (a) Revenue from external customers

	Unaudited	
	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
China	54,817,219	64,602,957
Asia-Pacific region excluding China	33,771,118	36,928,909
Europe/Middle east/Africa	46,953,516	58,178,045
Americas	65,744,141	77,974,636
<b>Total</b>	<b>201,285,994</b>	<b>237,684,547</b>

### (b) Analysis of revenue by timing of revenue recognition

	Unaudited	
	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
At a point in time	187,597,127	227,349,334
Over time	13,688,867	10,335,213
<b>Total</b>	<b>201,285,994</b>	<b>237,684,547</b>

## 6. INVESTMENT INCOME AND GAINS/(LOSSES)

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Gains on disposal/dilution of associates	<b>328,155</b>	217,196
Gains on disposal of subsidiaries	<b>1,823</b>	2,876
Fair value loss and dividend income from associates measured at fair value through profit or loss	<b>(327,253)</b>	(862,330)
Disposal gains/(loss)/fair value gains/(loss)/dividend income from financial instruments at fair value through profit or loss and others	<b>998,001</b>	(566,280)
	<b><u>1,000,726</u></b>	<b><u>(1,208,538)</u></b>

## 7. EXPENSES BY NATURE

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cost of inventories sold	<b>154,557,032</b>	182,533,227
Employee benefit expense	<b>20,949,813</b>	19,994,905
Office and administrative expense	<b>3,111,673</b>	2,633,565
Advertising costs	<b>2,254,505</b>	3,578,708
Depreciation and amortisation	<b>5,587,514</b>	5,124,571
Impairment loss/(reversal) for loans to customers	<b>244,306</b>	(29,167)
Impairment (reversal)/loss for other financial assets	<b>(20,409)</b>	117,467
Impairment loss for non-current assets	<b>26,441</b>	14,061
Customer support service	<b>1,912,646</b>	2,455,546
Consultancy and professional fees	<b>1,313,435</b>	1,043,280
Labs and testing	<b>733,492</b>	1,367,409
Lease payments	<b>53,876</b>	123,983
Taxes and surcharges	<b>351,579</b>	563,045
Transportation expense	<b>642,167</b>	553,281
Inventory write-down	<b>1,322,533</b>	1,448,205
Other expenses (i)	<b>2,225,690</b>	5,310,960
	<b><u>195,266,293</u></b>	<b><u>226,833,046</u></b>

- (i) Other expenses mainly include non-base manufacturing costs from IT business, which are costs that are periodic in nature as opposed to product specific. They are typically incurred after the physical completion of the product and include items such as outbound freight for in-country finished goods shipments, warranty costs, engineering charges, storage and warehousing costs. Non-base manufacturing costs are included in the calculation of gross margin but not inventoriable costs.

## 8. FINANCE INCOME AND COSTS

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest expense ( <i>i</i> ):		
– Bank loans and overdrafts	1,488,754	1,117,297
– Other loans	384,854	397,786
– Bonds	969,315	904,936
– Lease liabilities	66,291	80,161
Factoring costs	1,727,352	388,830
Interest costs on put option liability	26,901	39,670
	<u>4,663,467</u>	<u>2,928,680</u>
Finance costs		
Finance income ( <i>i</i> ):		
– Interest income on bank deposits and money market funds	(1,047,772)	(394,770)
– Interest income on loans to related parties	(15,492)	(75,996)
– Interest income on loans to non-related parties	(85,638)	(64,860)
	<u>(1,148,902)</u>	<u>(535,626)</u>
<b>Finance income</b>	<b>(1,148,902)</b>	<b>(535,626)</b>
<b>Net finance costs</b>	<b><u>3,514,565</u></b>	<b><u>2,393,054</u></b>

- (i) Finance income and costs do not include income and costs from subsidiaries which are engaged in banking business and micro-loan business. Interest income and expense generated from banking business are displayed in “interest income” and “interest expense” in the condensed consolidated interim income statement. Interest income and expense generated from micro-loan business are displayed in “interest income” and “cost of sales and services” in the condensed consolidated interim income statement.

## 9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% while the income tax provision for group entities operating in Mainland of China is based on a statutory rate of 25%. Income tax of other group entities operating in overseas countries and regions are calculated at the rates applicable in the respective jurisdictions.

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current income tax</b>		
Current income tax on profits for the period	<b>1,829,963</b>	2,796,386
Land appreciation tax	<b>4,986</b>	18
	<b>1,834,949</b>	2,796,404
<b>Deferred income tax</b>	<b>(1,665,301)</b>	(2,075,355)
<b>Income tax expense</b>	<b>169,648</b>	721,049

The Group has been granted certain tax concessions by tax authorities in Mainland of China and overseas whereby the subsidiaries operating in the respective jurisdictions are entitled to tax concessions.

## 10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period excluding shares held for the share incentive plan.

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings attributable to the equity holders of the Company ( <i>RMB'000</i> )	<u>667,950</u>	<u>2,131,427</u>
Diluted impact on earnings ( <i>RMB'000</i> ) (i)	<u>(13,793)</u>	<u>(183,358)</u>
Diluted earnings attributable to the equity holders of the Company ( <i>RMB'000</i> )	<u>654,157</u>	<u>1,948,069</u>
Weighted average number of issued ordinary shares ( <i>thousands</i> )	<u>2,356,231</u>	<u>2,356,231</u>
Less weighted average number of shares held for share incentive plan ( <i>thousands</i> )	<u>(13,607)</u>	<u>(17,390)</u>
Weighted average number of issued ordinary shares for calculating basic earnings per share ( <i>thousands</i> )	<u>2,342,624</u>	<u>2,338,841</u>
Potential dilutive effect arising from share incentive plan ( <i>thousands</i> ) (ii)	<u>2,271</u>	<u>5,225</u>
Weighted average number of issued ordinary shares for calculating diluted earnings per share ( <i>thousands</i> ) (ii)	<u>2,344,895</u>	<u>2,344,066</u>
Earnings per share		
– Basic ( <i>RMB per share</i> )	<u><b>0.29</b></u>	<u>0.91</u>
– Diluted ( <i>RMB per share</i> )	<u><b>0.28</b></u>	<u>0.83</u>

(i) Diluted impact on earnings is due to the effect of two categories of dilutive instruments, mid-long term incentive awards and convertible bonds. Diluted earnings per share is calculated by adjusting earnings attributable to the equity holders of the Company.

(ii) Diluted earnings per share is calculated assuming conversion of all dilutive potential ordinary shares and adjusting the weighted average number of ordinary shares in issue accordingly. The Company's dilutive potential ordinary shares comprise shares related to Share Incentive plan. The number of dilutive potential ordinary shares is calculated as the difference between the number of shares calculated by converting the monetary value of the remaining outstanding restricted incentive share to the fair value per share of ordinary shares for the period (the average market price of the Company's shares for the corresponding period) compared to the number of shares assuming conversion of restricted shares to ordinary shares.

## 11. INVESTMENT PROPERTIES

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>At beginning of the period</b>	<b>15,807,609</b>	12,466,265
Additions	<b>3,830</b>	34,973
Fair value (losses)/gains	<b>(76,657)</b>	310,595
Disposals	<b>(153,583)</b>	(74,874)
Transfer from property, plant and equipment	<b>–</b>	1,014
Exchange adjustment	<b>20,353</b>	(8,586)
	<hr/>	<hr/>
<b>At the end of the period</b>	<b>15,601,552</b>	12,729,387

The Group's investment properties are mainly situated in the Mainland China. All the investment properties are rented out under operating leases. All signed lease contracts are less than 50 years.

The valuations are derived using the income capitalisation method and the discounted cash flow method.

As at June 30, 2023 and December 31, 2022, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs.

The fair value (losses)/gains are recognised in "other (losses)/gains – net" of condensed consolidated interim income statement.

Investment properties held by the Group were mainly revalued at the end of June 30, 2023 and December 31, 2022, based on valuations performed by independent qualified valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"). JLL is an industry specialist in investment property valuation, who has appropriate qualification and recent experience in the valuation of similar properties in the relevant locations.

## 12. ACCOUNTS AND NOTES RECEIVABLES

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>June 30,</b>	December 31,
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Accounts and notes receivables at amortised cost</b>		
Trade receivables	<b>4,481,576</b>	6,958,288
Notes receivables	<b>233,062</b>	246,385
Receivables arising from finance leases	<b>6,976,590</b>	6,936,750
Less: allowances of impairment loss	<b>(589,925)</b>	(683,105)
	<hr/>	<hr/>
<b>Accounts receivable and notes receivable measured at amortised cost-net</b>	<b>11,101,303</b>	13,458,318
<b>Trade receivables measured at FVOCI</b>		
Trade receivables financing (i)	<b>53,808,076</b>	64,473,893
	<hr/>	<hr/>
<b>Accounts and notes receivables</b>	<b>64,909,379</b>	77,932,211
	<hr/>	<hr/>

- (i) Lenovo, a subsidiary of the Company, factorizes a part of trade receivables according to its daily fund management, with a business model that the trade receivables are held for the collection of contractual cash flows and for selling the trade receivables. The trade receivables of Lenovo are classified as financial assets measured at fair value through other comprehensive income.

As at June 30, 2023, the allowance of impairment loss of trade receivables financing is RMB747 million (as at December 31, 2022: RMB1,006 million).



## 12. ACCOUNTS AND NOTES RECEIVABLES (CONTINUED)

As at June 30, 2023 and December 31, 2022, the ageing analysis of the trade receivables and trade receivables financing based on invoice date was as follows:

	<b>Unaudited</b> <b>As at</b> <b>June 30,</b> <b>2023</b> <i>RMB'000</i>	<b>Audited</b> <b>As at</b> <b>December 31,</b> <b>2022</b> <i>RMB'000</i>
Up to 3 months	<b>53,458,338</b>	64,570,146
3 to 6 months	<b>3,035,768</b>	4,690,993
6 months to 1 year	<b>1,375,338</b>	2,031,868
1 to 2 years	<b>846,913</b>	758,288
2 to 3 years	<b>100,277</b>	293,719
Over 3 years	<b>220,251</b>	93,301
	<b><u>59,036,885</u></b>	<b><u>72,438,315</u></b>

Notes receivables of the Group are bank accepted notes mainly with maturity dates within six months.

Credit terms of Lenovo, granted to the customers is around 0-120 days while other segments do not have specific credit terms.

### 13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>June 30,</b>	December 31,
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
Receivables from parts subcontractors	<b>9,491,485</b>	6,384,128
Prepayments	<b>6,327,185</b>	8,271,667
Prepaid tax	<b>8,928,547</b>	8,011,448
Amounts due from related parties	<b>1,293,848</b>	1,300,286
Advance to suppliers	<b>3,736,247</b>	3,080,163
Deposits receivable	<b>1,439,371</b>	1,254,241
Advance to employees	<b>63,904</b>	74,138
Interest receivable	<b>104,847</b>	134,643
Others	<b>6,478,587</b>	5,221,393
	<b>37,864,021</b>	33,732,107
Less: allowances for impairment loss	<b>(339,843)</b>	(354,987)
	<b>37,524,178</b>	33,377,120

## 14. TRADE AND NOTES PAYABLES

	<b>Unaudited</b> <b>As at</b> <b>June 30,</b> <b>2023</b> <i>RMB'000</i>	<b>Audited</b> <b>As at</b> <b>December 31,</b> <b>2022</b> <i>RMB'000</i>
Trade payables	<b>55,487,312</b>	59,611,240
Notes payables	<b>16,110,454</b>	20,881,196
	<b><u>71,597,766</u></b>	<b><u>80,492,436</u></b>

As at June 30, 2023 and December 31, 2022, the ageing analyses of the trade payables based on invoice date were as follows:

	<b>Unaudited</b> <b>As at</b> <b>June 30,</b> <b>2023</b> <i>RMB'000</i>	<b>Audited</b> <b>As at</b> <b>December 31,</b> <b>2022</b> <i>RMB'000</i>
0-30 days	<b>39,226,817</b>	33,286,369
31-60 days	<b>4,926,542</b>	14,057,680
61-90 days	<b>5,032,826</b>	5,858,504
91 days-1 year	<b>6,109,525</b>	6,314,470
Over 1 year	<b>191,602</b>	94,217
	<b><u>55,487,312</u></b>	<b><u>59,611,240</u></b>

Notes payables of the Group are mainly repayable within three months.

## 15. OTHER PAYABLES AND ACCRUALS

	Unaudited As at June 30, 2023 RMB'000	Audited As at December 31, 2022 RMB'000
Payable to parts subcontractors	39,534,507	38,991,539
Allowance for billing adjustment (i)	18,091,257	21,643,344
Accrued expenses	14,598,491	14,484,019
Payroll payable	4,574,857	7,923,782
Other taxes payable	2,470,623	2,945,947
Amounts due to related parties (ii)	813,922	887,969
Social security payable	1,567,645	1,087,920
Deposits payable	585,785	554,235
Interest payable	380,226	474,665
Royalty payable	353,024	445,358
Deferred consideration	297,502	97,408
Written put option liability (iii)	3,057,453	3,151,892
Others	14,958,496	13,382,759
	<b>101,283,788</b>	<b>106,070,837</b>

- (i) Allowance for billing adjustment relates primarily to allowances for future volume discounts, price protection, rebates and customer sales returns.
- (ii) As at June 30, 2023 and December 31, 2022, the amounts due to related parties are unsecured.
- (iii) Pursuant to the joint venture agreement entered into between Lenovo and Fujitsu Limited (“Fujitsu”) effective in 2018, Lenovo and Fujitsu are respectively granted call and put options which entitle Lenovo to purchase from Fujitsu and Development Bank of Japan (“DBJ”), or Fujitsu and DBJ to sell to Lenovo, 49% interest in Fujitsu Client Computing Limited (“FCCL”). Both options are exercisable as at June 30, 2023. The exercise price for the call and put options will be determined based on the fair value of the 49% interest as of the day of exercising the option.

## 16. OTHER NON-CURRENT LIABILITIES

	<b>Unaudited</b> <b>As at</b> <b>June 30,</b> <b>2023</b> <b>RMB'000</b>	<b>Audited</b> <b>As at</b> <b>December 31,</b> <b>2022</b> <b>RMB'000</b>
Deferred considerations (a)	<b>181,165</b>	174,616
Government incentives and grants received in advance (b)	<b>1,055,601</b>	1,045,955
Written put option liability (c)	<b>1,828,070</b>	1,794,288
Long-term payables	<b>3,476,216</b>	3,347,107
Others	<b>1,599,409</b>	1,562,713
	<b><u>8,140,461</u></b>	<b><u>7,924,679</u></b>

### (a) *Deferred considerations*

Pursuant to the completion of a business combination, the Group is required to pay in cash to the then respective shareholders/sellers deferred considerations with reference to certain performance indicators as written in the respective agreements with those then shareholders/sellers. On the balance sheet date, deferred considerations are carried at amortised cost. Deferred considerations due within one year are reclassified to “Other payables and accruals”.

As at June 30, 2023 and December 31, 2022, the potential undiscounted amounts of future payments in respect of the deferred considerations that the Group could be required to make to the respective shareholders/sellers under the arrangements are as follows:

	<b>Unaudited</b> <b>As at</b> <b>June 30, 2023</b> <b>USD25 million</b>	<b>Audited</b> <b>As at</b> <b>December 31, 2022</b> <b>USD25 million</b>
Joint venture with NEC Corporation	<b>USD25 million</b>	USD25 million

## 16. OTHER NON-CURRENT LIABILITIES (CONTINUED)

### (b) *Government incentives and grants received in advance*

Government incentives and grants received in advance by the Group included in other non-current liabilities are mainly related to research and development projects and construction of property, plant and equipment. The group is obliged to fulfil certain conditions under the terms of the government incentives and grants. Government incentives and grants are credited to the condensed consolidated interim income statement upon fulfilment of those conditions. Government incentives and grants relating to assets are credited to the condensed consolidated interim income statement on a straight-line basis over the expected lives of the related assets.

### (c) *Written put option liability*

The financial liability that may become payable under the put option is initially recognized at present value of redemption within other non-current liabilities with a corresponding charge directly to equity. The put option liability shall be re-measured with any resulting gain or loss recognized in the condensed consolidated interim income statement at each balance sheet date. In the event that the put option lapses unexercised, the liability will be derecognized with a corresponding adjustment to equity.

- (1) During the period ended March 31, 2019, Hefei Zhi Ju Sheng Bao Equity Investment Co., Ltd. (“ZJSB”) acquired the 49% interest in a joint venture company (“JV Co”) from Compal Electronics, Inc. Lenovo and ZJSB respectively own 51% and 49% of the interest in the JV Co. Pursuant to the option agreement entered into between a wholly owned subsidiary of Lenovo and Hefei Yuan Jia Start-up Investment LLP (“Yuan Jia”) in 2018, which holds 99.31% interest in ZJSB, Lenovo and Yuan Jia are respectively granted call and put options which entitle Lenovo to purchase from Yuan Jia, or Yuan Jia to sell to Lenovo, the 99.31% interest in ZJSB.

During the option exercise period, Yuan Jia notified Lenovo of its intention to exercise its put option. On December 28, 2021, ZJSB, Yuan Jia and Lenovo entered into an agreement pursuant to which ZJSB transferred 39% interest in the JV Co to Lenovo at an exercise price of RMB1,895 million (approximately USD297 million). Upon completion on January 10, 2022, Lenovo and ZJSB respectively owns 90% and 10% of the interest in the JV Co.

## 16. OTHER NON-CURRENT LIABILITIES (CONTINUED)

### (c) *Written put option liability (continued)*

#### (1) (continued)

Yuan Jia continues to hold 99.31% interest in ZJSB and is subject to a new option agreement whereby Lenovo and Yuan Jia are respectively granted call and put options which entitle Lenovo to purchase from Yuan Jia, or Yuan Jia to sell to Lenovo, the 99.31% interest in ZJSB. The call and put options will be exercisable after 54 months and from the 48 months to the 54 months respectively from the date of the new option agreement. The exercise price for the call and put options will be determined in accordance with the new option agreement, and up to a maximum of RMB500 million (approximately USD69 million).

- (2) Pursuant to the contract of Chinese foreign equity joint venture (“the Contract”) entered into between the Company in 2019, Joyvio Group, the subsidiary of the Company, and Saturn Agriculture Investment Co., Limited (“Saturn”), the Company granted Saturn the put option which entitles Saturn to sell its whole or a part of interest in Joyvio Group (“the put option”), upon the occurrence of certain conditions specified in the Contract. The exercise price for the put option will be determined in accordance with the contract and up to maximum of RMB1.55 billion.



## 17. BORROWINGS

	<b>Unaudited</b> <b>As at</b> <b>June 30,</b> <b>2023</b> <i>RMB'000</i>	<b>Audited</b> <b>As at</b> <b>December 31,</b> <b>2022</b> <i>RMB'000</i>
Bank loans		
– Unsecured loans	<b>34,094,228</b>	33,203,541
– Guaranteed loans	<b>22,165,115</b>	20,789,706
– Collateralised loans	<b>8,081,896</b>	8,403,071
Other loans (i)		
– Unsecured loans	<b>1,370,000</b>	870,000
– Guaranteed loans	<b>559,612</b>	727,336
– Collateralised loans	<b>6,451,000</b>	5,592,000
Corporate bonds		
– Unsecured bonds	<b>48,250,854</b>	54,959,341
– Asset-backed notes	<b>1,819,958</b>	2,269,731
– Convertible bonds	<b>5,969,243</b>	5,672,519
	<b>128,761,906</b>	132,487,245
Less: current portion	<b>(49,568,391)</b>	(50,902,399)
Non-current portion	<b>79,193,515</b>	81,584,846

Borrowings are repayable as follows:

	<b>Unaudited</b> <b>As at</b> <b>June 30,</b> <b>2023</b> <i>RMB'000</i>	<b>Audited</b> <b>As at</b> <b>December 31,</b> <b>2022</b> <i>RMB'000</i>
Within 1 year	<b>49,568,391</b>	50,902,399
After 1 year but within 2 years	<b>25,550,742</b>	25,679,638
After 2 years but within 5 years	<b>28,724,232</b>	25,949,240
After 5 years	<b>24,918,541</b>	29,955,968
	<b>128,761,906</b>	132,487,245

(i) Other loans are mainly loans from non-banking financial institutions.

## 18. PROVISIONS

	Unaudited					Total RMB'000
	Environmental		Restructuring RMB'000	Financial		
	Warranties RMB'000	restoration RMB'000		guarantees RMB'000	Others RMB'000	
<b>As at January 1, 2023</b>	7,646,156	203,540	27,061	100,422	114,944	8,092,123
Provision made	2,050,244	57,325	1,452,831	-	1,954	3,562,354
Amount utilised/unused amounts reversed	(2,697,774)	(72,512)	(620,941)	(36,333)	(21,144)	(3,448,704)
Acquisition of subsidiaries	-	-	-	25,957	-	25,957
Exchange adjustment	230,181	(8,121)	34,864	5,399	6,226	268,549
<b>As at June 30, 2023</b>	<b>7,228,807</b>	<b>180,232</b>	<b>893,815</b>	<b>95,445</b>	<b>101,980</b>	<b>8,500,279</b>
Non-current portion	(1,298,390)	(156,431)	(4,041)	(93,868)	(67,790)	(1,620,520)
Current portion	<u>5,930,417</u>	<u>23,801</u>	<u>889,774</u>	<u>1,577</u>	<u>34,190</u>	<u>6,879,759</u>
<b>As at January 1, 2022</b>	8,107,373	208,434	55,056	95,768	69,584	8,536,215
Provision made	2,330,897	81,912	5,410	27,608	1,387	2,447,214
Amount utilised/unused amounts reversed	(2,934,204)	(78,628)	(29,588)	(35,657)	(7,455)	(3,085,532)
Exchange adjustment	223,553	(18,417)	(4,416)	(2,202)	(3,535)	194,983
<b>As at June 30, 2022</b>	<b>7,727,619</b>	<b>193,301</b>	<b>26,462</b>	<b>85,517</b>	<b>59,981</b>	<b>8,092,880</b>
Non-current portion	(1,607,374)	(160,590)	(3,595)	(84,692)	(11,897)	(1,868,148)
Current portion	<u>6,120,245</u>	<u>32,711</u>	<u>22,867</u>	<u>825</u>	<u>48,084</u>	<u>6,224,732</u>

The Group records its warranty liability at the time of sales based on estimated costs. Warranty claims are reasonably predictable based on historical failure rate information. The warranty accrual is reviewed quarterly to verify it properly reflects the outstanding obligation over the warranty period. Certain of these costs are reimbursable from the suppliers in accordance with the terms of relevant arrangement with them.

The Group records its environmental restoration provision at the time of sales based on estimated costs of environmentally-sound disposal of waste electrical and electronic equipment upon return from end-customers and with reference to the historical or projected future return rate. Environmental restoration provision is reviewed at least annually to assess its adequacy to meet the Group's obligation.

Restructuring costs provision mainly comprises employee termination payments, arising from a series of restructuring actions to reduce costs and enhance operational efficiency.

## **19. DIVIDENDS**

The Board did not recommend the payment of any interim dividend in respect of the six months ended June 30, 2023 (six months ended June 30, 2022: Nil).

At the Company's annual general meeting held on June 29, 2023, the profit distribution plan of the Company for the year ended December 31, 2022 to distribute a final dividend of RMB0.20 (before tax) per ordinary Share, totally approximately RMB471 million was considered and approved.

## **COMPLIANCE WITH THE CODE OF GOVERNANCE**

Throughout the Reporting Period, the Company has applied and complied with the code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules. The Company reviews the compliance of the Corporate Governance Code on a regular basis in order to ensure that the Company has complied with the code provisions.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

The Board has adopted its own Model Code for Securities Transactions by Directors, Supervisors and Senior Management of the Company (hereinafter referred to as the “Model Code”), the terms of which are not less favorable than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

The Company made specific inquiries and received written confirmations from all the Directors and Supervisors that they have complied with the Model Code set out in Appendix 10 to the Listing Rules during the Reporting Period.

## **REVIEW OF INTERIM RESULTS**

The Chairperson of the Audit Committee is Ms. HAO Quan, an Independent Non-executive Director, and the other two members are Mr. SUO Jishuan, a Non-executive Director, and Mr. YIN Jian’an, an Independent Non-executive Director. The Chairperson of the Audit Committee has professional qualifications in accounting and has complied with the requirements of Rule 3.21 under the Listing Rules.

The interim results of the Company for the Reporting Period were unaudited but had been reviewed by the Audit Committee. The Audit Committee did not have any disagreement with the accounting treatment adopted by the Company.

## **PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“AI”	Artificial Intelligence
“associate(s)”	for the purpose of this announcement, all entities over which the Group has significant influence. Significant influence represents the power to participate in the financial and operational policy decision of the investees, but without control or joint control rights over these policies
“Audit Committee”	Audit Committee under the Board
“BIL”	Banque Internationale à Luxembourg S.A., a credit institution in the form of a Luxembourg limited liability company (société anonyme) and our subsidiary
“Board”	board of directors of the Company
“Bountifresh”	Shenzhen Bountifresh Modern Agriculture Co., Ltd. (深圳市鑫果佳源現代農業有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Joyvio Group
“Bybo Dental”	Taikang Bybo Dental Group Co., Ltd. (泰康拜博醫療集團有限公司), a limited liability company incorporated under the laws of the PRC, and our associate
“China Starfish”	China Starfish Co., Ltd. (青島國星食品股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and a subsidiary of Joyvio Food
“Company”, “our Company” or “Legend Holdings”	Legend Holdings Corporation (聯想控股股份有限公司), a joint stock limited liability company incorporated under the laws of PRC and its overseas listed shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 03396)
“Director(s)”	the director(s) of the Company
“EAL”	Eastern Air Logistics Co., Ltd. (東方航空物流股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on the Shanghai Stock Exchange (Stock Code: 601156.SH), and our associate

“EO”	ethylene oxide
“EVA”	ethylene-vinyl acetate copolymer
“Fullhan Microelectronics”	Shanghai Fullhan Microelectronics Co., Ltd. (上海富瀚微電子股份有限公司), a joint stock limited company incorporated under the laws of the PRC and listed on the ChiNext Board on the SZSE (Stock Code: 300613.SZ)
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange and trade in HKD
“Hankou Bank”	Hankou Bank Co., Ltd. (漢口銀行股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and our associate
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hony Capital” or “Hony”	a series of private equity investment funds, together with their respective management companies/general partner
“Huayu Tongfang”	Shandong Huayu Tongfang Electronic Material Co., Ltd. (山東華宇同方電子材料有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Levima Advanced Materials
“IT”	information technology
“JC Finance & Leasing”	JC International Finance & Leasing Company Limited (君創國際融資租賃有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“Joy Wing Mau”	Joy Wing Mau Fruit Technologies Corporation Limited (鑫榮懋果業科技集團股份有限公司), a large fruit supply chain enterprise in China. It is a joint stock limited liability company incorporated under the laws of the PRC, and a subsidiary of Joyvio Group

“Joyvio Food”	Joyvio Food Co., Ltd. (佳沃食品股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, listed on the ChiNext Board of Shenzhen Stock Exchange (Stock Code: 300268.SZ), and a subsidiary of Joyvio Group
“Joyvio Group” or “Joyvio”	Joyvio Group Co., Ltd. (佳沃集團有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“KB Food”	KB Food International Holding (Pte.) Limited, a limited liability company established under the laws of Singapore, and a subsidiary of Joyvio Group
“Lakala”	Lakala Payment Corporation (拉卡拉支付股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and our associate, listed on the ChiNext Board of the Shenzhen Stock Exchange (Stock Code: 300773.SZ)
“Legend Capital”	a series of venture capital funds, together with their respective management companies/partners
“Legend Star”	a series of angel investment funds, together with their respective management companies/partners
“Lenovo”	Lenovo Group Limited (聯想集團有限公司), a limited liability company incorporated under the laws of Hong Kong and listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 992), and our subsidiary
“Levima Advanced Green Materials”	Levima Green (Shandong) New Materials Co., Ltd. (聯泓格潤(山東)新材料有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Levima Advanced Materials
“Levima Advanced Materials”	Levima Advanced Materials Corporation (聯泓新材料科技股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 003022.SZ), and a subsidiary of Levima Group
“Levima Chemicals”	Levima (Shandong) Chemicals Co., Ltd (聯泓(山東)化學有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Levima Advanced Materials

“Levima Group”	Levima Group Limited (聯泓集團有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MSME(s)”	micro small and medium sized enterprise(s)
“N/A”	not applicable
“NEEQS”	National Equities Exchange and Quotations System (全國中小企業股份轉讓系統), a platform established for the sale of existing shares or private placing of new shares by SMEs
“neurology” or “neurology specialty”	the collective term of the clinical discipline studying organic and functional diseases of central nervous system (brain, spinal cord). Clinically, the correspondent branch is neurosurgery and neurology depending on the types of disease and treatment methods
“ordinary shares” or “shares”	ordinary shares issued by the Company
“our”, “we” or “us”	our Company and all of its subsidiaries, or any one of them as the context may require
“PP”	polypropylene
“Raycom Property”	Raycom Property Investment Co., Ltd. (融科物業投資有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“Raycom Technology”	Raycom Technology Co., Ltd. (融科智地科技股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and our subsidiary
“Reporting Period”	for the six months ended June 30, 2023
“Safe Kitchens”	Beijing Pingan Safe Kitchen Technology Co., Ltd. (平安雲廚科技集團有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Joyvio Group
“Shanghai Neuromedical Center”	Shanghai Neuromedical Center Co., Ltd. (上海德濟醫院有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary



“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Shareholder(s)”	holder(s) of the shares of the Company
“Shenzhen Stock Exchange” or “SZSE”	Shenzhen Stock Exchange
“SME(s)”	small and medium-sized enterprise(s)
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“TMT”	technology, media and telecom
“Zhengqi Holdings”	Zhengqi Holdings Corporation (正奇控股股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and our subsidiary

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

August 31, 2023

*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 are Mr. ZHU Linan, Mr. ZHAO John Huan, Mr. SUO Jishuan and Mr. YANG Jianhua; and the Independent Non-executive Directors are Mr. MA Weihua, Ms. HAO Quan and Mr. YIN Jian'an.*

*In case of any discrepancies between the English version and the Chinese version of this announcement, the Chinese version shall prevail.*