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

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

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

**(Stock Code: 03396)**

## **Connected Transaction Transfer of the Target Technology**

### **Transfer of the Target Technology**

The Board hereby announces that on May 27, 2024, Levima Advanced Materials, a connected subsidiary of the Company entered into the Technology Transfer (Patent) Agreement with CAS (Shandong) Advanced Materials, an indirect subsidiary of the Company and IPE, pursuant to which CAS (Shandong) Advanced Materials and IPE agreed to transfer the Target Technology to Levima Advanced Materials, for a total consideration of RMB49.00 million (excluding tax).

### **Listing Rules Implications**

CAS Holdings, a substantial Shareholder of the Company, holds approximately 25.27% equity interest in Levima Advanced Materials, which is a connected subsidiary of the Company. Under Chapter 14A of the Listing Rules, the transfer of the Target Technology by CAS (Shandong) Advanced Materials to Levima Advanced Materials under the Technology Transfer (Patent) Agreement constitutes a connected transaction of the Company. As one of the applicable percentage ratios of the above matters exceeds 0.1% but is less than 5%, the Transfer is subject to reporting and announcement requirements but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Introduction**

The Board hereby announces that on May 27, 2024, Levima Advanced Materials, a connected subsidiary of the Company entered into the Technology Transfer (Patent) Agreement with CAS (Shandong) Advanced Materials, an indirect subsidiary of the Company and IPE, pursuant to which CAS (Shandong) Advanced Materials and IPE agreed to transfer the Target Technology to Levima Advanced Materials, for a total consideration of RMB49.00 million (excluding tax).

## Technology Transfer (Patent) Agreement

Set out below are the principal terms of the Technology Transfer (Patent) Agreement:

Date: May 27, 2024

Parties: (1) IPE (as Transferor 1);  
(2) CAS (Shandong) Advanced Materials (as Transferor 2); and  
(3) Levima Advanced Materials (as transferee).

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, IPE and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Target Technology: XDI green preparation technology, comprising (i) a total of 6 patents (“**Target Patents**”), of which 5 are owned solely by IPE, and 1 is jointly owned by IPE and CAS (Shandong) Advanced Materials; and (ii) XDI complete technology processes (“**Proprietary Technology**”).

Consideration and basis of determination: The consideration for the Transfer is RMB49.00 million (excluding tax). The transferee will pay 67% of the consideration (i.e., RMB32.83 million) to Transferor 1, and 33% of the consideration (i.e., RMB16.17 million) to Transferor 2.

The above consideration was determined after arm’s length negotiations with reference to the market value of the Target Technology of RMB49.00 million as of the Valuation Benchmark Date in the asset valuation report adopted by a professional independent valuation institution in the PRC, using income approach as the basis of valuation.

Payment of Consideration: The transferee shall arrange the aforesaid consideration to Transferor 1 and Transferor 2 respectively within 10 working days after the commencement of the Agreement.

If the transferee transfers the Target Technology to a third party after the commencement of the Agreement (“**Re-transfer**”), the transferee shall notify the Transferor in a timely manner. When the Re-transfer occurs within one year after the commencement of the Agreement and the consideration for the Re-transfer is greater than the consideration for the Transfer, the transferee shall pay to the Transferor the full difference between the consideration for the Re-transfer and the consideration for this Transfer within 7 working days after receiving the consideration for the Re-transfer.

The consideration for the Transfer will be financed by Levima Advanced Materials’ own funds.

Completion:

The Transferor shall deliver the information relating to the Target Technology held by each of them (the “**Delivered Information**”) to the transferee within 7 days after the receipt of the consideration as set out in the Agreement. The transferee shall complete the inspection and acceptance of the Delivered Information within 15 days after receiving the Delivered Information. The Transferor shall actively cooperate with the transferee.

The Target Patents shall be transferred to the transferee from the date of completion of the registration of the Transfer. The Proprietary Technology shall be transferred to the transferee from the date the transferee receives the corresponding Delivered Information.

Liabilities in the event of default:

If the transferee fails to pay the full consideration on time in accordance with the Agreement, the transferee shall pay to the Transferor liquidated damages at the rate of interest of 3‰ per day on the unpaid consideration and the number of days of overdue payment. If the transferee fails to pay the Consideration for more than 15 days after the agreed payment deadline in the Agreement, any Transferor shall have the right to terminate the Agreement.

### **Reasons for and Benefits of the Transfer**

XDI is a special type of isocyanates with high strength, adhesion, flexibility and durability. Currently, the largest application area is resin for optical use, mainly used in the production of high-end optical lenses due to its excellent resistance to yellowing and rapid curing. It is also a key material for TPU base films, coatings and adhesives, used in the production of invisible car clothing, high-end coatings and inks, polyurethane adhesives for flexible packaging and optically clear adhesive (OCA) etc., with a broad market space.

Due to challenging production and high technical threshold of XDI, it has been monopolized by a few foreign companies for a long time, and there is a strong demand for import substitution. The Target Technology transferred is the first of its kind in China and has been included in the national key research and development plan of the Ministry of Science and Technology of China. The relevant technology has been verified in small and pilot tests, and multiple batches of products have been tested and evaluated by downstream customers and received recognition, with obvious advantages in safety and environmental protection, mild reactions, wide sources of raw materials, and low production costs. When the technology matures, it can be promoted to other series of special isocyanate products which have good prospects for expansion and development.

Through this transaction, by relying on its own accumulated R&D resources and innovation, a new business development model of CAS (Shandong) Advanced Materials to jointly develop new technologies and share technological benefits with scientific research institutes in the field of new materials has been verified for its effectiveness, which allows it to expand the development field of new materials technology and explore higher-quality scientific and technological achievement transformation projects. In the future, Levima Advanced Materials will consider an opportunity to industrialize the XDI green preparation technology, which is conducive to its expansion of strategic layout in the field of other special refined materials and establishment of a leading “specialized, special and new” industrial cluster in several subdivisions of new materials. It is expected to have a positive impact on the long-term development of Levima Advanced Materials. In general, the signing of the Technology Transfer (Patent) Agreement is conducive to leveraging the synergy among the Company’s subsidiaries, is in line with the strategic layout and long-term development interests of CAS (Shandong) Advanced Materials and Levima Advanced Materials, and is ultimately beneficial to Legend Holdings.

As CAS (Shandong) Advanced Materials and Levima Advanced Materials are both subsidiaries of the Company and are incorporated into the Group’s consolidated financial statements, the gains realized by CAS (Shandong) Advanced Materials from the Transfer will be offset as internal transactions, and thus it will not have any impact on the profit before tax in the Group’s consolidated financial statements. It is expected that the proceeds from the Transfer will be used for the general working capital of CAS (Shandong) Advanced Materials.

In the light of above, the Directors (including the independent non-executive Directors) believe that the terms of the Technology Transfer (Patent) Agreement and the transactions contemplated thereunder is entered into on normal commercial terms in the ordinary and usual course of business of the Company, and is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Information on the Company**

Legend Holdings is a leading industrial operations and investments company in the PRC and the Company focuses on technological innovation and the real economy, and has established two business segments of “industrial operations” and “industrial incubations and investments”. Through strategic management, operational improvement, resource allocation, financial supports and value-added

services, etc., the Company is committed to building industrial pillars, incubating or investing in startup and growing-stage companies with great potential, so as to promote the continuous growth of the Company's overall value. As of the date of this announcement, CAS Holdings, the single largest shareholder of the Company, holds approximately 29.04% equity interest of the Company.

### **Information on Levima Advanced Materials**

Levima Advanced Materials, a joint-stock company incorporated with limited liability under the laws of the PRC, is listed on the Main Board of the Shenzhen Stock Exchange (stock code: 003022). Levima Advanced Materials is a national advanced technology enterprise and a national "green factory" focusing on the research and development, production, and sales of new material products. Levima Advanced Materials has evolved into a modern high-end new material enterprise with a high value-added olefin deep processing industry chain after over a decade of development. Main products such as EVA photovoltaic film material, EVA wire and cable materials, PP thin-wall injection special materials, EOD special surfactants, and etc, are all at the industry leading positions in their niche market segments, and their production and operation are at the industry leading levels. At the same time, Levima Advanced Materials continues its focus on the direction of new materials, adheres to the innovation-driven development strategy, uphold to the concept of green, low-carbon, shared and high-quality development, and keep abreast of the national demands and the aspect of the market shortage in advanced new materials. It focuses on aspects of new energy materials (such as photovoltaic materials and new energy battery materials), biological materials (such as biodegradable materials and biomass materials), and other special refined materials (such as electronic materials, special engineering materials, etc.) and carries out high-end, differentiated, and refined layout, with the goal of constructing excellent new materials platform-based enterprises and industry clusters that are leading in several niche segments of new materials. As of the end of December 2023, Levima Advanced Materials has obtained 250 authorised patents, and has undertaken the National Key R&D Program from the Ministry of Science and Technology and the major science and technology innovation projects of Shandong Province. The Group and CAS Holdings hold approximately 51.77% and 25.27% equity interests in Levima Advanced Materials respectively as of the date of this announcement.

### **Information on IPE**

IPE is a public institution that is a research unit directly under CAS (CAS is a governmental agency of the PRC as defined in Rule 19A.04 of the Listing Rules) and was established on October 1, 1958. It is principally engaged in scientific research in the fields of energy and chemical engineering, biochemical engineering, materials and chemical engineering, resource/environmental engineering and other fields, and is a non-commercial entity. IPE has national R&D platforms such as the State Key Laboratory of Mesoscience and Engineering, National Engineering Research Center for Green Recycling of Strategic Metal Resources, National Engineering Technology Research Center for Biotechnology, two key laboratories of CAS, one key laboratory of the National Energy Administration, and four Beijing R&D platforms.

## **Information on CAS (Shandong) Advanced Materials**

CAS (Shandong) Advanced Materials is a limited liability company incorporated under the laws of the PRC and established on July 6, 2018. Its principal business is technology development, technology promotion and services. Specifically, it is principally engaged in the development of new technology pilot-scale process packages and the transformation of technological achievements. It is owned as to 60% and 40% by Levima Group (the wholly-owned subsidiary of the Company) and Tengzhou Julong Venture Capital Co., Ltd. (滕州聚龍創業投資有限公司) (“**Tengzhou Julong**”), respectively. The ultimate beneficial owner of Tengzhou Julong is the State-owned Assets Supervision and Administration Commission of Tengzhou (滕州市國有資產監督管理局).

## **Profit Forecast of the Target Technology’s Valuation Method**

The Valuer has conducted a valuation of the Target Technology as at the Valuation Date. Since the valuation methodology adopted in the valuation report includes the income approach, which is based on the calculation of discounted future estimated cash flows and the determination of the target technical value according to certain assumptions, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, the requirements under Rule 14.60A(1) of the Listing Rules are applicable. The principal assumptions adopted for the purpose of preparing the valuation report, including the commercial assumptions, are set out in Appendix I to this announcement.

ShineWing Certified Public Accountants LLP (“**ShineWing**”), the Company’s reporting accountant, has reviewed the arithmetic accuracy of the calculations of the relevant forecast (which does not involve the adoption of accounting policies) of the Valuation, and a report from ShineWing is set out in Appendix II to this announcement.

The Board has reviewed the principal assumptions upon which the Valuation was based and considered the report from ShineWing regarding the arithmetic accuracy of the calculations of the discounted future estimated cash flows used in the Valuation, and is of the view that the profit forecast was made after due and careful enquiry. A letter from the Board is set out in Appendix III to this announcement.

## **Information of the Experts**

The qualifications of the experts who have provided conclusions or opinions in this announcement are as follows:

<b>Name</b>	<b>Qualification</b>
ShineWing	Certified Public Accountants
China United Assets	Qualified PRC valuer

As at the date of this announcement, to the best knowledge of the Directors, none of the experts had any beneficial interests in the share capital of any member of the Group, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

Each of the experts has provided and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its report and/or references to its name in the context.

### **Listing Rules Implications**

CAS Holdings, a substantial Shareholder of the Company, holds approximately 25.27% equity interest in Levima Advanced Materials, which is a connected subsidiary of the Company. Under Chapter 14A of the Listing Rules, the transfer of the Target Technology by CAS (Shandong) Advanced Materials to Levima Advanced Materials under the Technology Transfer (Patent) Agreement constitutes a connected transaction of the Company. As one of the applicable percentage ratios of the above matters exceeds 0.1% but is less than 5%, the Transfer is subject to reporting and announcement requirements but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. LI Peng, an executive director, Mr. YANG Jianhua, a non-executive director, are related in the above transactions. They have abstained from voting on the relevant board resolutions approving the above matters. Save as Mr. LI Peng and Mr. YANG Jianhua, none of the directors of the Company have material interests in the above matters or are required to abstain from voting on the relevant board resolutions.

### **Definitions**

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

“Board”	the board of Directors of the Company
“CAS”	Chinese Academy of Sciences (中國科學院), which is the highest academic institution of natural science, the highest advisory body for national science and technology and the natural science and high-tech comprehensive research and development center, being a public institution directly under the State Council of China

“CAS Holdings”	Chinese Academy of Sciences Holdings Co., Ltd. (中國科學院控股有限公司), a company incorporated under the laws of the PRC with limited liability, the single largest Shareholder of the Company holding approximately 29.04% equity interest in the Company, and a substantial Shareholder of the Company
“CAS (Shandong) Advanced Materials”	CAS (Shandong) Advanced Materials Technology Limited (國科(山東)新材料技術有限公司), a company incorporated under the laws of the PRC with limited liability, owned as to 60% and 40% by Levima Group and Tengzhou Julong Venture Capital Co., Ltd.
“Company” or “Legend Holdings”	Legend Holdings Corporation, a joint stock limited company incorporated under the laws of the PRC, the H shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“IPE”	Institute of Process Engineering, Chinese Academy of Sciences, a research unit directly under CAS
“Levima Advanced Materials”	Levima Advanced Materials Corporation (聯泓新材料科技股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability, owned as to approximately 51.77% and 25.27% by the Group and CAS Holdings respectively
“Levima Group”	Levima Group Ltd. (聯泓集團有限公司), a company incorporated under the laws of the PRC with limited liability, and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Technology”	XDI green preparation technology, comprising (i) a total of 6 patents; and (ii) XDI complete technology processes



“Technology Transfer (Patent) Agreement” or “Agreement”	the Technology Transfer (Patent) Agreement entered by Levima Advanced Materials, IPE and CAS (Shandong) Advanced Materials on May 27, 2024
“Transfer”	CAS (Shandong) Advanced Materials and IPE agree to transfer the Target Technology to Levima Advanced Materials
“Transferor”	IPE and CAS (Shandong) Advanced Materials
“Valuation Benchmark Date”	May 31, 2023
“Valuer” or “China United Assets”	China United Assets Appraisal Group Co., Ltd. (中聯資產評估集團有限公司), a qualified independent professional PRC valuer
“XDI”	a special type of isocyanates

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

May 27, 2024

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

## **Appendix I**

Pursuant to Rule 14.60A(1) of the Listing Rules, the details of the principal assumptions (including commercial assumptions), upon which the Valuation Report prepared by the Valuer was based, are as follows:

### **(I) General Assumptions**

1. The transaction assumption assumes that all the assets to be evaluated are already in the process of transaction and the Valuer carries out the Valuation based on a simulated market which involves the transaction conditions of the assets to be valued. Transaction assumption is the most fundamental assumption for the performance of asset valuation;
2. The open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are dealing with each other at arm's length and have opportunities and time to obtain sufficient market information in order to make rational judgment on the assets including their functions, uses and transaction prices. The basis of open market assumption is that the assets can be traded openly in the market; and
3. The going concern assumption assumes that the assets to be valued will continue to be used as per its current purpose and the manner, size, frequency and environment of use. The use-in-situ assumption has been adopted as the assets under the Valuation will continue to be used in accordance with their original purpose after the change of ownership. The use-in-situ assumption: It is assumed that the assets of the property owner will continue to be used in-situ without any change in use after the Valuation Benchmark Date.

### **(II) Special Assumptions**

1. It is assumed that there will be no significant changes in the prevailing national macroeconomic, financial and industrial policies;
2. It is assumed that there will be no significant changes in the business environment and relevant tax policies in respect of the XDI green preparation technology proposed to be transferred by the Institute of Process Engineering, Chinese Academy of Sciences and CAS (Shandong) Advanced Materials Technology Limited;
3. It is assumed that the operating and management team of the future holder of the intangible assets will perform their duties and continue to operate in a reasonable manner as a going concern after the completion of the transfer;

4. Assuming that the future production mode of the company to which the XDI green preparation technology is proposed to be transferred is carried out in accordance with the introduction of the feasibility study report, the Valuation is based on the investment analysis provided by the principal without taking into account the impact of changes in the scale and conditions of the specific production and operation upon which the intangible assets are subject to in the future on the value of the intangible assets;
5. It is assumed that there will be no termination of patent rights within the period of all patent assets rights in the future included in the scope of the Valuation, or that after the patent rights are terminated for any reason, the rights can be restored through a request for restoration of rights, and there will be no early expiration of patent rights;
6. It is assumed that the future prices of the products of the company to which the XDI green preparation technology is proposed to be transferred will remain stable; and
7. It is assumed that the cash inflow of the appraised entity after the Valuation Benchmark Date is an average inflow.

## Appendix II

	信永中和會計師事務所	北京市東城區朝陽門北大街 8號富華大廈A座9層	聯系電話：+86(010) 6554 2288 telephone: +86(010) 6554 2288
	ShineWing certified public accountants	9/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie Dongcheng District, Beijing, 100027, P.R.China	傳真：+86(010) 6554 7190 facsimile: +86(010) 6554 7190

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE PROPOSED TRANSFER OF XDI GREEN PREPARATION TECHNOLOGY IN 中國科學院過程工程研究所 (INSTITUTE OF PROCESS ENGINEERING, CHINESE ACADEMY OF SCIENCES) and 國科(山東)新材料技術有限公司 (CAS (SHANDONG) ADVANCED MATERIALS TECHNOLOGY LIMITED)

### TO THE BOARD OF DIRECTORS OF LEGEND HOLDINGS CORPORATION (THE "COMPANY")

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows on which the valuation (the "**Valuation**") dated May 31, 2023 prepared by 中聯資產評估集團有限公司 (China United Assets Appraisal Group Co., Ltd.) in respect of the XDI green preparation technology (the "**Target Technology**") as at November 2, 2023. The summary of the Valuation is set out in the announcement of the connected transaction of the Company dated May 27, 2024 in relation to the transfer of the Target Technology (the "**Announcement**"). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

### Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out in the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Chinese Certified Public Accountants" released by the Chinese Institute of Certified Public Accountants ("**CICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the “Accounting Firm Standards on Quality Control 5101 – Business Quality Management” and “Accounting Firm Standards on Quality Control 5102 – Project Quality Review” released by CICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountant’s Responsibilities**

It is our responsibility to report, as required by Rule 14.60A(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Technology.

We conducted our work in accordance with the “Chinese Certified Public Accountants Standard on Other Assurance Engagements 3101 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions as set out in the Announcement. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to the directors of the Company under Rule 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

### **Opinion**

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out in the Announcement.

ShineWing Certified Public Accountants LLP  
Beijing, China

May 27, 2024

## Appendix III



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

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

(Stock Code: 03396)

May 27, 2024

The Stock Exchange of Hong Kong Limited  
12th Floor,  
Two Exchange Square,  
8 Connaught Place,  
Central, Hong Kong

Dear Sir or Madam,

### **Connected Transaction Transfer of the Target Technology**

We refer to the announcement of the Company dated May 27, 2024 (the “**Announcement**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings in this letter when used herein.

We refer to the asset valuation report prepared by China United Assets Appraisal Group Co., Ltd. (the “**Valuer**”), an independent professional valuer, in relation to the valuation made on November 2, 2023 in respect of the Target Technology as at May 31, 2023 (the “**Valuation**”). The Valuation based on discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

We hereby confirm that we have discussed with the Valuer about different aspects and reviewed information and documents in relation to the bases and assumptions based upon which the discounted future estimated cash flows in the Valuation have been prepared, and reviewed the Valuation prepared by the Valuer for which the Valuer is responsible. We have also reviewed the calculations for the discounted future estimated cash flows in the asset valuation report issued by the Valuer. We have also considered the assurance report from ShineWing, the reporting accountant, as set out in Appendix II to the Announcement, regarding arithmetical accuracy of the calculations of the discounted future estimated cash flows used in the Valuation.

On the basis of the foregoing, in accordance with the requirements under Rule 14.60A(3) of the Listing Rules, we confirm that the profit forecast as contained in the Valuation has been made after due and careful enquiry by us.

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