



2019 Annual Results Presentation

March 2020



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Section I

2019 Business Review and Outlook

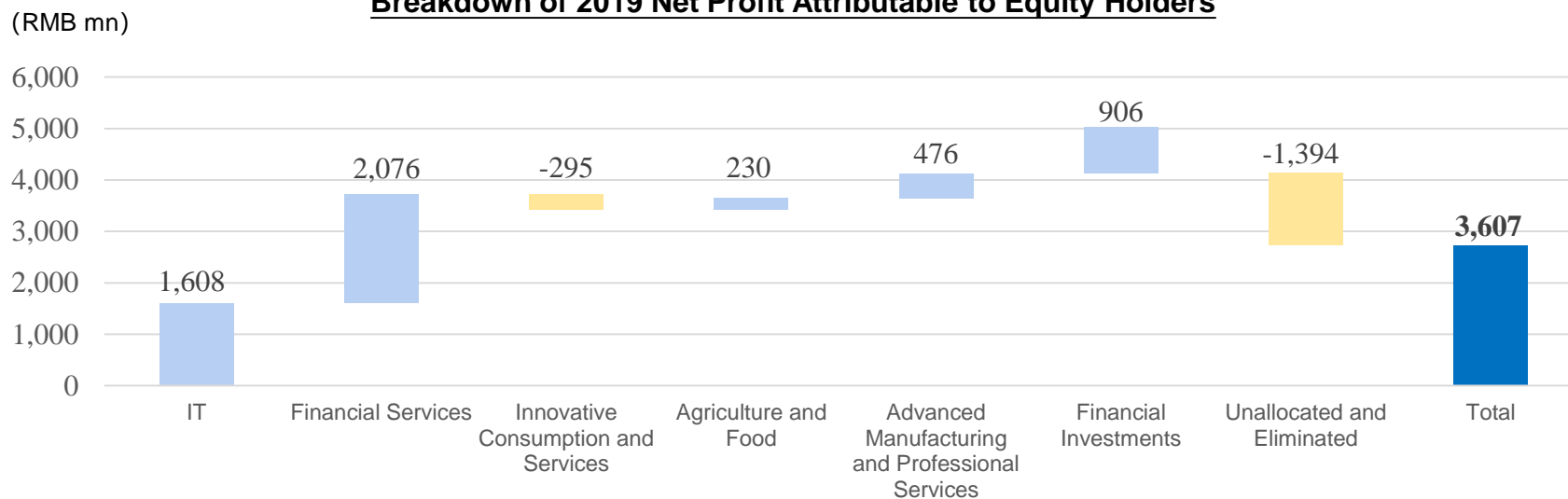


2019 Business Performance

In 2019, Legend Holding's revenue increased by 8% yoy to RMB 389.2bn and net profit attributable to equity holders of the Company decreased by 17% yoy to RMB 3.607bn.

Unit: RMB 100mn	2018	2019	Y-o-Y change (%)
Revenue	358,920	389,218	8%
Net profit attributable to equity holders	4,362	3,637	-17%
Of which:			
SI's contribution	5,223	4,126	-21%
FI's contribution	540	906	68%

Breakdown of 2019 Net Profit Attributable to Equity Holders



Segment Review

IT

- Revenue up 8% yoy to RMB 357.212bn
- Net profit attributable to equity holders of the Company up 48% yoy to RMB 1,608mn, setting new record high.
- Effective implementation and operation of Lenovo's strategy.

Financial Services

- Revenue up 27% yoy to RMB 8,815mn, mainly due to consolidation of BIL's revenue since 2019
- Net profit attributable to equity holders of the Company down 19% yoy to RMB 2,076mn, mainly due to strategic business downsizing and fair value change of the segment

Innovative Consumption & Services

- Revenue down by 30% yoy to RMB 905mn, mainly due to deconsolidation of Bybo Dental
- Net loss attributable to equity holders of the Company was RMB 295mn, basically flat with that of 2018 (excluding one-off gain from equity financing of Bybo) on the operational level

Agriculture & Food

- Revenue up 21% yoy to RMB 15,695mn, mainly due to growth of Joy Wing Mau and the revenue of the newly purchased Australis project.
- Net profit attributable to equity holders of the Company up 9% yoy to RMB 230mn

Advanced Manufacturing & Professional Services

- Revenue down 6% yoy to RMB 5,947mn, mainly due to adjustments to the supply chain business.
- Net profit attributable to equity holders of the Company up 82% yoy to RMB 476mn, mainly due to growth of Levima Advanced Materials

Financial Investments

- Net profit attributable to equity holders of the Company up 68% yoy to RMB 906mn; profit growth offset by fair value downgrade of certain portfolio companies despite the enhanced value and carries contributed by the portfolios of Legend Star and Legend Capital

SI: Achieving Strategic Progress in Pillar Assets

Building pillar assets is the top strategic priority. The Company helps portfolio companies with the design of and the development towards their core strategic objectives.

Lenovo

- The 3S strategy has stepped up, bringing the 2019 results to a new height, with net profit attributable to equity holders of Legend Holdings amounting to RMB 1,608mn.
- PCSD saw a new record high of PTI margin, maintaining the best performance of the industry.

BIL
1856
BANQUE
INTERNATIONALE
À LUXEMBOURG

- BIL registered excellent performance for the first complete accounting year after the acquisition by LH, with sound growth in retail banking, corporate banking and wealth management. Total AUM grew by 10.3% yoy to EUR 43.5bn, PBT of core businesses increased by 20% yoy to EUR 136mn, and CET-1 ratio reached 12.47%.
- BIL has confirmed a new five-year strategy “Together 2025” with its business in China as key strategy. A global service network is forming to connect Luxembourg, Beijing, the Great Bay Area & Switzerland.

佳沃
JOYVIO

- Joyvio acquired Australis Seafoods, a salmon company in Chile, marking a further step toward a global full-chain business layout. This improved Joyvio’s control over upstream resources and its domestic distribution channels.
- Joy Wing Mau cemented its leading position in fruit supply industry. Its high-end fruit brand “Joyvio” has gained wide influence in the domestic market. In Sept. 2019, Joyvio Agriculture was put on the list of pre-IPO tutoring.
- Revenue increased by 21% yoy; net profit attributable to equity holders of Legend Holdings increased by 12% yoy.

levima
联泓集团

- The 2019 net profit increased by 147% yoy to RMB 523mn, the highest amount since the full operation.
- Levima extended along the industrial chain, acquiring 17.5% equity interest of Xinnen Fenghuang, a supplier of methyl alcohol, and 51.01% equity interest of Jiangsu Chaoli, a producer of water-reducer.
- Levima is a greenfield investment made by LH supported by China Academy of Sciences relying on commercialization of advanced technologies and the team, demonstrating LH’s ability to build great companies. Levima Advanced Materials is preparing for A-share listing.

拉卡拉

- As one successful example of the “two-wheel-drive” between LH and LC, Lakala went public on April 25th, 2019 on the ChiNext Board, the first third-party payment company in the A-share market.
- Net profit attributable to Lakala’s shareholders in 2019 increased by 34% to RMB 806mn, and the market cap grew rapidly as well, realizing the large value growth of LH’s equity interest in it.

FI: Resource Backflow & Buck-the-trend Fundraising

Despite the secondary market volatility and the cool-down of the primary market, our fund management platforms slowed down investment paces and arranged for project exits, contributing over RMB 5bn cashback to Legend Holdings. With the profound insight into industries and competent value judgment, the fund management platforms bucked the market trend and successfully promoted their fundraising.



- Two USD funds and one RMB fund were newly raised in 2019, namely, the 8th USD fund, the 2nd USD medical fund, and the 3rd RMB TMT innovation fund. The total amount raised during the Reporting Period stood at RMB 9.391bn, with the newly raised amount of over RMB 4.2bn.
- During the Reporting Period, Legend Capital completed investments in 29 new project and full or partial exits from 40 projects. In 2019 alone, it created nearly RMB 10bn cashback for its LPs and over RMB 2bn for Legend Holdings.
- In 2019, 10 portfolio companies of Legend Capital went IPO and got listed in domestic or overseas capital markets.



- Legend Star has forged competitiveness and influence in frontier technologies and healthcare.
- In 2019, Legend Star kicked off the fundraising and finished the first closing of the 4th RMB fund and the 4th USD fund, further increasing its AUM.
- The number of follow-up financing and post-investment value growth both registered new records. Nearly 60 projects had follow-up financing in 2019 and almost 20 projects were exited.

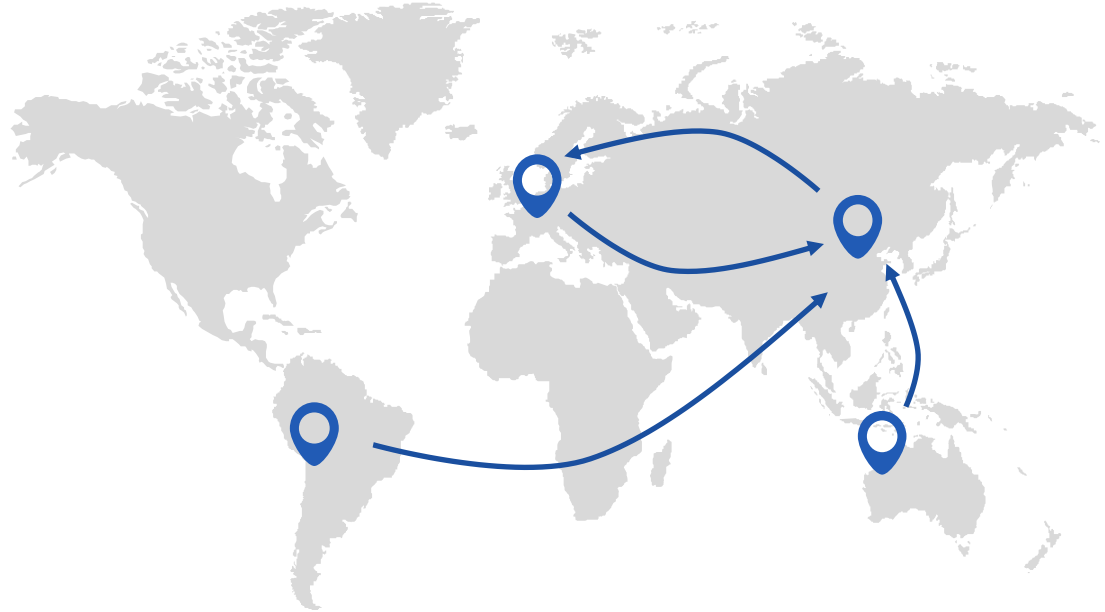


- The culture industry fund completed its final closing; the 3rd property fund sent out the notice of its first closing; and Hony Horizon issued altogether 4 new funds.
- Investments and project exits were managed in an orderly manner, contributing over RMB 1.2bn of cashback to Legend Holdings.

Stronger Synergy and Operational Safety & Stability

The intra-synergy was promoted to the strategic height, encouraging pillar asset companies in particular to find out intra-synergies within the Legend system based on their strategic development needs.

- BIL cooperated with LC to set up the 1st BIL PE FOF, with BIL's wealth management clients as the target customers and investment in LC's three VC funds, creating products & chances to invest in China's equity market.
- Joyvio Group and EAL cooperated on global high-end fresh food transportation, including China-Australia and China-Chile air routes. For example, with direct delivery service of EAL, KB Food's lobsters improved the delivery efficiency and survival rate.



The operational safety and stability was the top priority of 2019 of the entire Legend system.

- The Head Office reinforced its diverse financing capability, established flexible and innovative financing means, and expanded onshore/offshore financing channels; as of the end of the Reporting Period, Legend Holdings held RMB 62.3bn of cash reserves in total and RMB 89.2bn of untouched credit line at the head office level, enough to support the Company's development.
- Meanwhile, the Company encouraged the portfolio companies to improve their financing capabilities and obtain funding resources through spin-off and listing as well as issuance of innovative financial products.

Refine Current Business and Design the Future Paths

In 2020, while consolidating and refining current businesses, Legend Holdings will also dynamically formulate future work plans based on the external environment and proprietary resources.

Faster pillar asset building

- Lenovo will continue to contribute as a pillar asset; BIL has given important support in assets and profit; Joyvio Group has finished initial major business layout; and Levima New Materials is diving deep into fine chemicals.
- Apart from IT, LH will build new pillars and leading companies in finance, agriculture and food, and new materials.

Focus on business & quicker resource backflow

- Based on external changes and the Company's needs for resource allocation, in 2020, Legend Holdings will focus on the major business units and exit from some of the portfolio companies, in order to collect more resources for the business development in the new strategic cycle.

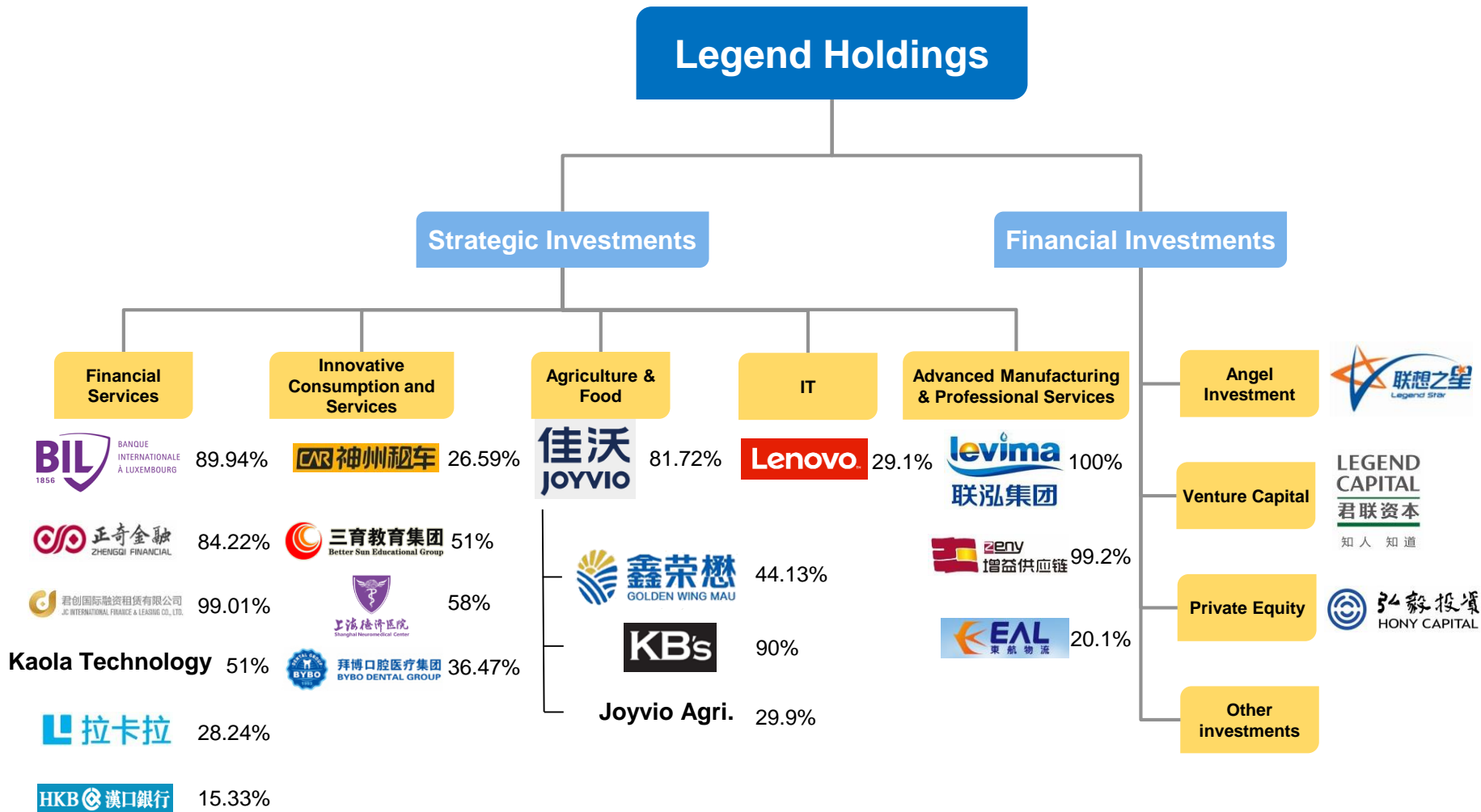
Stronger business synergy with two-wheel-drive

- Our financial investments platforms have accumulated in-depth industry insights and project resources in multiple sectors, which makes it possible for us to source from the portfolio companies under financial investments the projects in line with strategic investment standards with higher success probability.
- We have opportunities to extend strategic investments to sectors like TMT, AI, healthcare, advanced manufacturing by way of financial investments' experience in them.
- The portfolio companies have built extensive commercial networks in common, offering a unique advantage for our value-added services. We will establish internal mechanisms to commercialize it to create cooperation between portfolio companies.

Talent pool building

- At the end of 2019, we completed the leadership transition and formed the new core leadership.
- By means of recruitment, cultivation and optimization, we will probe into the business logics, reform the corresponding assessment and incentives, optimize the organizational structure, and build an outstanding management and professional team to create the core competitiveness for the Company's future sustainable development.

Our Investment Portfolio



Note: Major but not all portfolio companies are listed as of December 31, 2019

Section II Segment Review



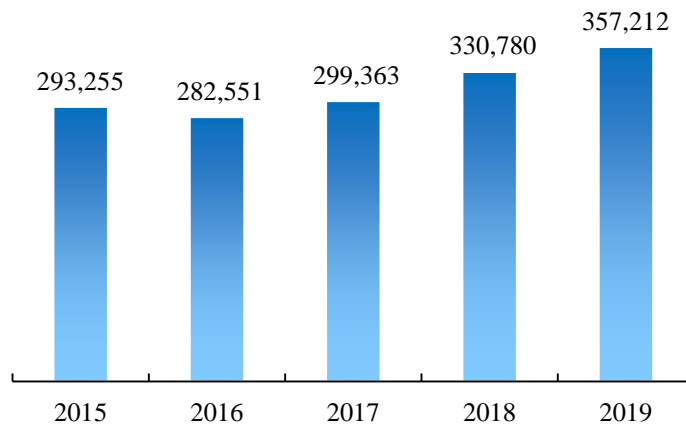
IT: New Records Enabled by Strategic Transformation

Lenovo's 3S strategy (smart IoT, smart vertical and smart infrastructure) has accelerated its intelligent transformation and enables strong business performance with historical high revenue and PTI.

- **PCSD:** world No.1 PC brand with 24.8% of global market share; industry-leading profit with the latest quarterly PTI reaching 6.2%
- **MBG:** focused investment on regions and / or countries of clear competitive advantages with positive profit recorded for 5 consecutive quarters
- **DCG:** Hyperscale facing industry-wide challenges; double-digit growth recorded in; loss narrowed during the Reporting Period due to returns brought by dedicated efforts to preserve profitability

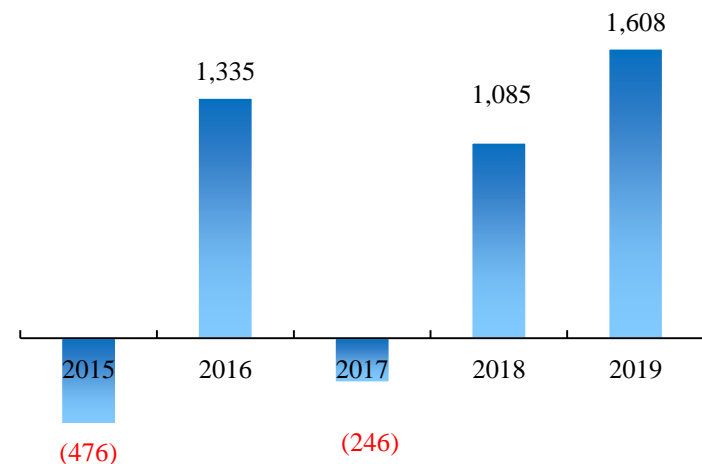
Revenue

(RMB mn)

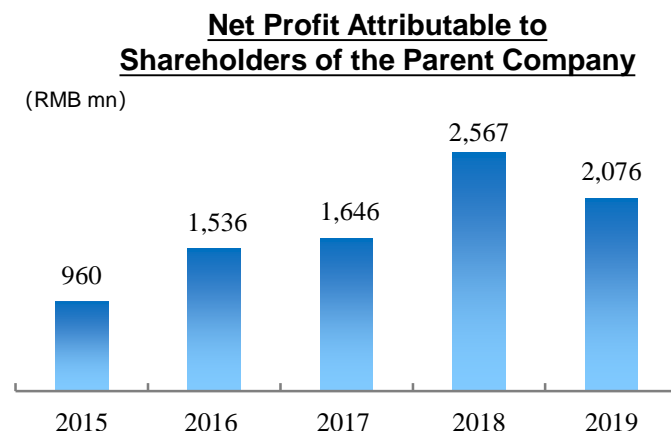
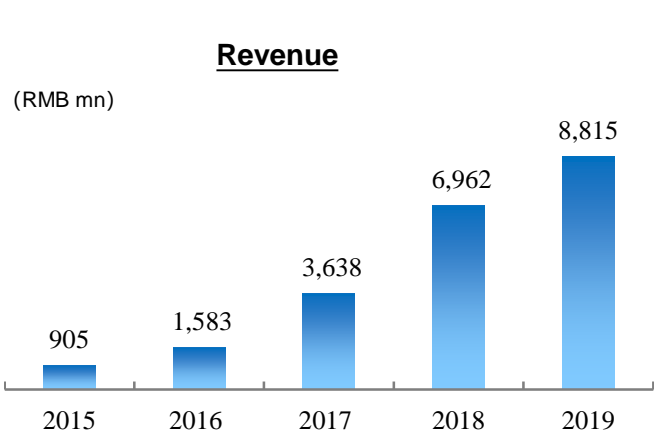


Net Profit / Loss Attributable to Shareholders of the Parent Company

(RMB mn)



Financial Services: Adjustment to Tackle Risks



In the face of the changes from the external environment, financial services strategically downsized certain businesses of companies in the segment to enhance the overall risk management capacities.

- **BIL:** AUM EUR 43.5bn (+10.3% yoy), customer deposit balance EUR 173bn (+10% yoy), customer loan balance EUR 13.4bn (+10% yoy), profit before tax of core businesses EUR 136mn (+20% yoy), profit after tax EUR 113mn, CET-1 ratio 12.47%, ratings of Moody's and S&P A2/Stable/P-1 and A-/Stable/A-2
- **Zhengqi Financial** controlled the size of long-term funding-related businesses and adjust the business mix. The revenue and net profit during the Reporting Period stood at RMB 1,186mn and RMB 217mn respectively.
- **JC Finance&Leasing** strengthened its business layout and market expansion with focus on retail financial leasing on heavy trucks and SMEs. The revenue and net profit during the Reporting Period stood at RMB 1,044mn and RMB 207mn respectively.
- **Kaola Technology** kept compliance with regulations and optimized its customer and product mix. The revenue and net profit during the Reporting Period stood at RMB 1,898mn and RMB 227mn respectively.
- **Lakala** got listed on the ChiNext Board on Apr. 25th, contributing equity dilution earnings of RMB 265mn. The revenue and net profit attributable shareholders of Lakala were RMB 4,899mn and RMB 806mn (+34.5% yoy) respectively.

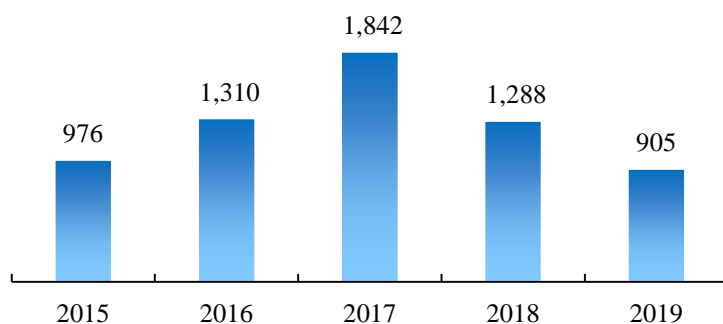
Innovative Consumption & Services: Optimized Layout

The innovative consumption and services segment kept promoting the development and value creation of the present businesses. By proper resource allocation, the portfolio companies grew steadily. The revenue drop was mainly due to the deconsolidation of Bybo's revenue since April of 2018, while the net profit drop was mainly due to the one-off gain of Bybo's financing in the corresponding period of last year.

- **Better Education** kept exploring the transformation of its management and service model, as the new pre-school education regulations have constrained its business model and capitalization. The group has 122 kindergartens with around 34,000 enrolled students and 5,400 teachers. The revenue and net profit of 2019 stood at RMB 603mn and 58mn respectively.
- **Shanghai Neuromedical Hospital** has delivered initial fruits due to the emphasis on its subjects, technologies, and services, with higher number of hospital discharges and operations. Its revenue increased steadily and realized the first annual positive profit.
- **CAR**: 148,895 vehicles in total; 29,202 used cars disposed in 2019 (+132%, yoy); 111,636 daily vehicles rented (+21.6%, yoy); self-service vehicle pick-ups accounting for 88%; revenue at RMB 7,691mn (+19%, yoy) mainly due to growing income from car rents and increased number of used car disposals; net profit at RMB 31mn (-89%, yoy) mainly due to decreased daily income per car and increased depreciation and financial costs.
- **Bybo Dental** realized a revenue of RMB 2,071mn (+14.4%, yoy) and further narrowed its loss by healthcare improvement, standard operating procedure and delicacy management. The operation was enhanced.

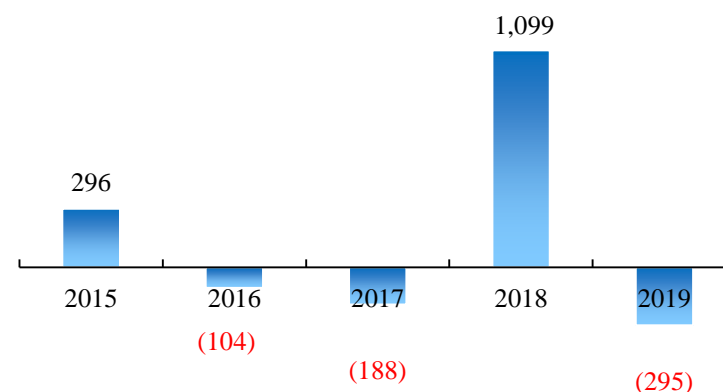
Revenue

(RMB mn)



Net Profit / Loss Attributable to Shareholders of the Parent Company

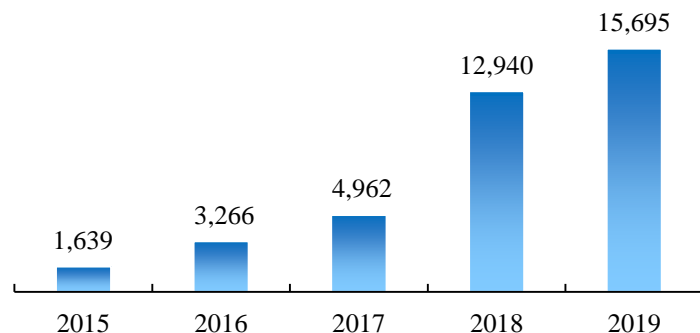
(RMB mn)



Agriculture & Food: One More Acquisition of Global Resources

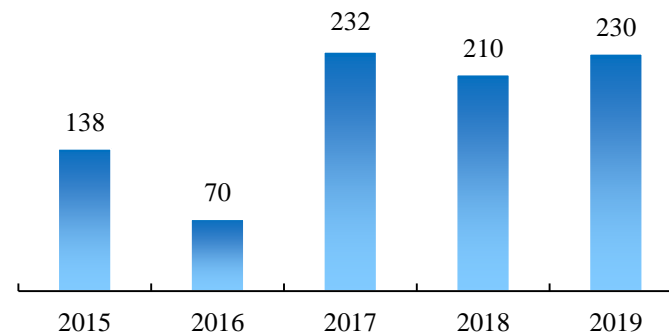
Revenue

(RMB mn)



Net Profit Attributable to Shareholders of the Parent Company

(RMB mn)



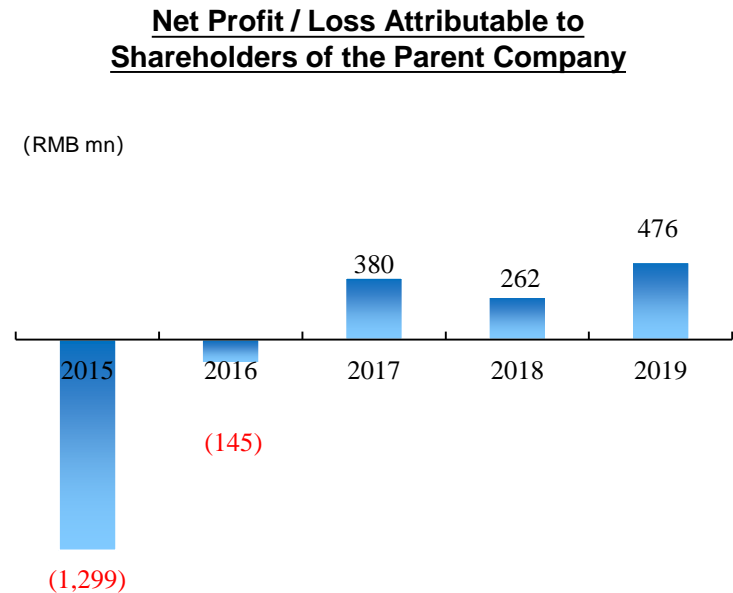
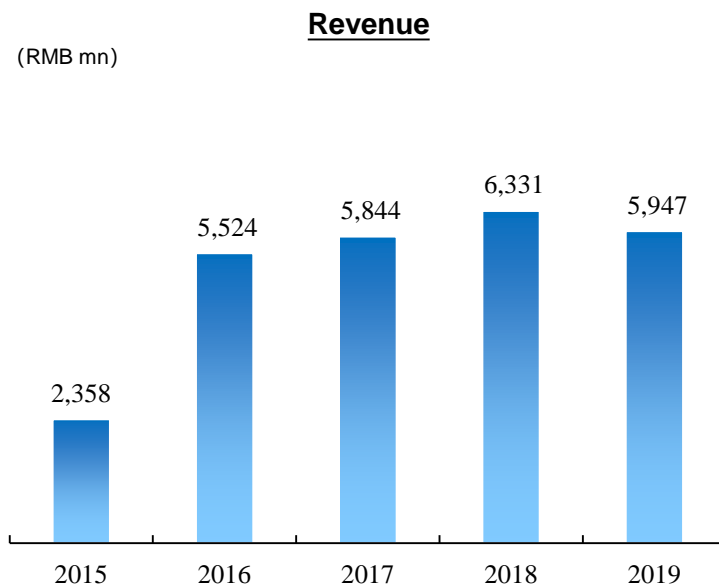
Joyvio Group is dedicated to building a resource-integrating platform focusing on the two supply chains of fruits and seafood. With “global resources + China consumption” as the core model, Joyvio Group keeps improving its operational efficiency and provides higher quality products and services to customers through its whole industrial chains and global networks.

- **Fruits.** The domestic fruit price has gone through a big volatility in an inverted “U” shape. Thanks to its long-term brand strategy, Joyvio Wing Mau maintained a steady profit growth. The “Joyvio” brand awareness, market share and premium all improved with deep and all-channel distribution networks. It is now the largest importer and distributor of kiwifruit, apple, blueberry, cherry and grape in China.
- **Animal Protein.** Joyvio Agriculture made a key breakthrough in “global resources + China market” strategy. In July 2019, it completed the delivery of controlling interests of Australis Seafoods S.A., a salmon company in Chile, which substantially improved Joyvio Agriculture’s control over the upstream scarce resources and expanded the domestic channels. Meanwhile, Joyvio Agriculture maintained the industry-leading position as the largest importer and distributor of arctic sweet shrimp, supplier of Pollock and brand owner of all-channel imported animal protein products.
- **Other businesses.** Nine Masters, a supplier of fresh RtC products, witnessed stable year revenue growth and enhancement of its product R&D, channel expansion, operation and management capabilities; Liquor Easy, a liquor chain retail company, improved its customer retention, increased revenue and kept profit; Huawen Food, a snack food company, submitted its A-share IPO application which was accepted.

Advanced Manufacturing & Professional Services: Robust Growth

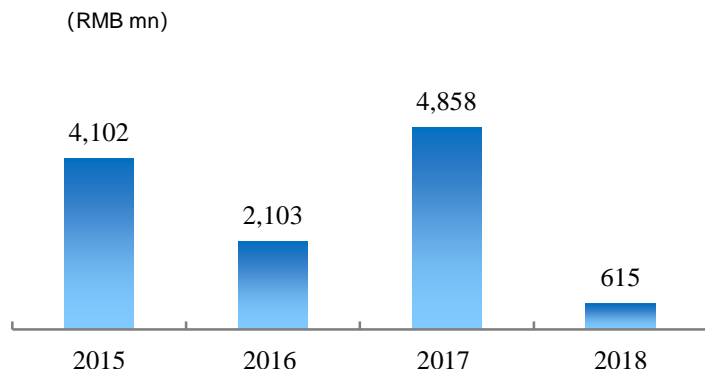
This segment now covers advanced materials and high-end logistics. Despite the external uncertainties in 2019, the portfolio companies achieved robust profit growth by product mix optimization, cost management and stronger synergies.

- **Levima Group** registered a historical high net profit of RMB 523.4mn (+147%, yoy) in 2019 since its full operation, thanks to the reduced material and energy consumption enabled by safe device operation, constantly optimizing product mix and drop of the raw material costs.
- **Zeny Supply Chain** reversed its loss to profit by risk control, exit from supply chain financing, and investment gains from the disposal of the assets in Dongguan.
- **EAL** stepped up its transformation against the impacts on global air freight from the China-US trade tension. It now offers fast delivery, comprehensive ground services and logistics solutions. During the Reporting Period, EAL submitted its A-share mainboard IPO application.

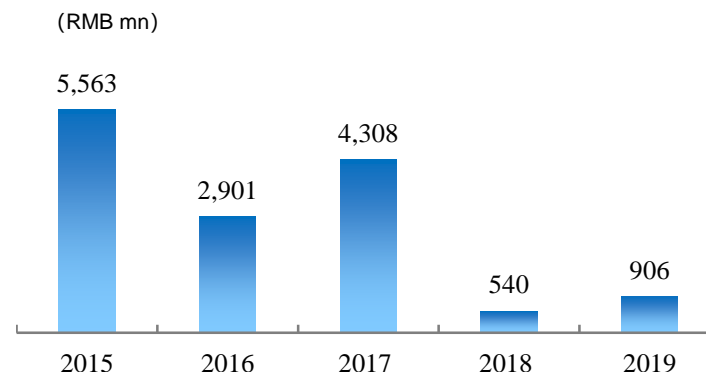


Financial Investments: Performance Pick-up

Investment Income and Gains



Net Profit Attributable to Shareholders of the Parent Company



In 2019, the secondary market experienced greater volatility, and the domestic PE market was at a low ebb. Our fund management platforms and direct investment team strengthened their risk detection, evaluation, measurement and tactics, and adopted cautious strategies and proactive post-investment management. Though the portfolio value of Legend Star and Legend Capital increased in 2019 and contributed considerable carries, the fair value downgrade of certain projects offset the aforementioned gains.

- **Legend Star:** 7 funds under management with almost RMB 2.5bn total AUM and over 260 onshore and offshore projects cumulatively. During the Reporting Period, LS invested in nearly 30 domestic and overseas projects, covering AI, biotech, new medical services, new consumption and other niche markets; about 60 projects had follow-up financing and around 20 projects were exited; the 4th RMB fund was newly launched and the 4th USD fund had its first closing.
- **Legend Capital:** AUM above RMB50 bn. 21 funds under management. In 2019, LC newly launched the 8th USD fund, 2nd USD medical fund, and 3rd RMB innovation fund. The total fund raised during the Reporting Period reached RMB 9.391bn including over RMB 4.2bn of newly raised. In 2019, LC completed 29 new project investments, fully or partly exited from 40 projects, and contributed over RMB 2bn cashback to Legend Holdings. Besides, 10 of its portfolio companies got listed during the Reporting Period.
- **Hony Capital:** AUM above RMB80 bn. 12 funds under management, and 4 more public funds managed by Hony Horizon Fund.
- We hold the Raycom Info Tech Park Tower A, Tower B and Tower C, the high-end office building in Zhongguancun area of Beijing. By the end of the Reporting Period, the fair value of the investment properties amounted to RMB 11.53bn.

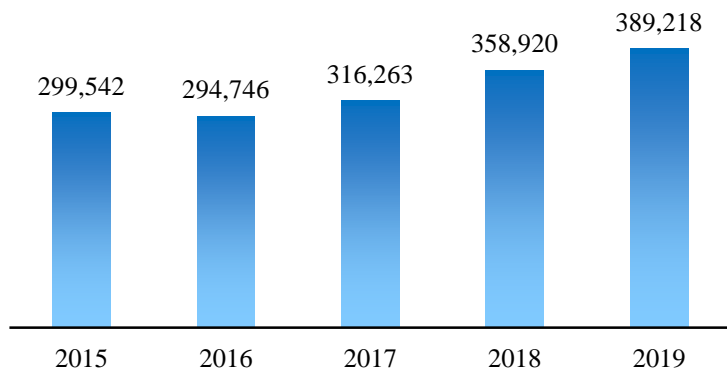
Section III Financials



Revenue and Profit

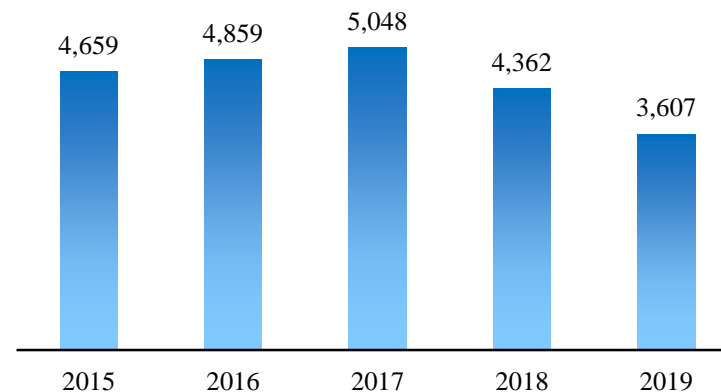
Revenue

(RMB mn)



Net Profit Attributable to Equity Holders of the Company

(RMB mn)



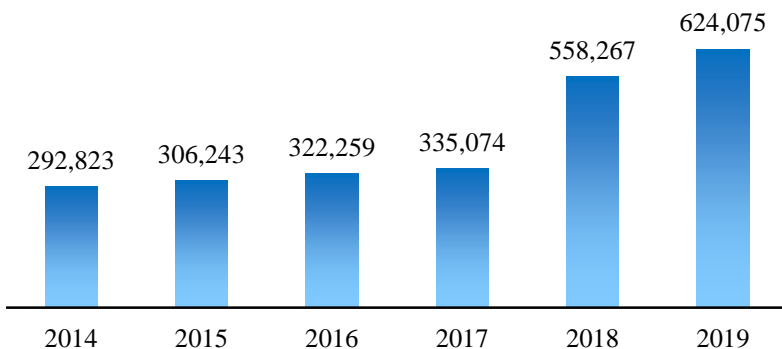
Breakdown of Net Profit Attributable to Shareholders of the Parent Company

RMB mn	2019		2018	
IT	1,608	45%	1,085	25%
Financial Services	2,076	58%	2,567	59%
Innovative Consumption and Services	(295)	-8%	1,099	25%
Agriculture and Food	230	6%	210	5%
Advanced Manufacturing and Professional Services	476	13%	262	6%
Financial Investments	906	25%	540	12%
Unallocated and Elimination	(1,394)	-39%	-1,401	-32%
Net Profit Attributable to Equity Holders of the Company	3,607	100%	4,362	100%

Capital Structure

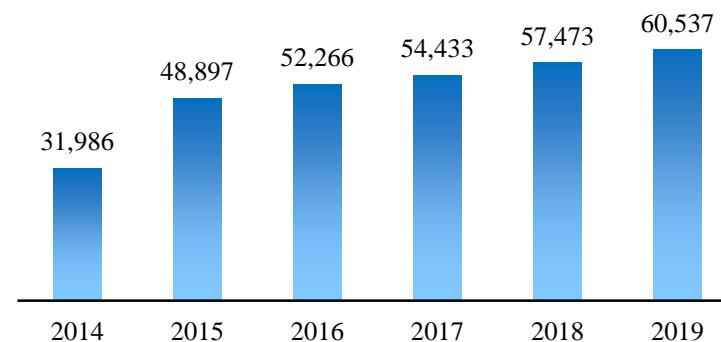
Consolidated Total Assets

(RMB mn)

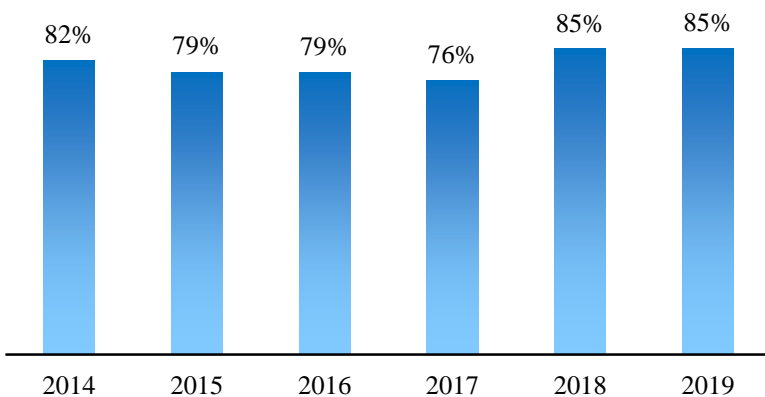


Equity Attributable to Equity Holders of the Company

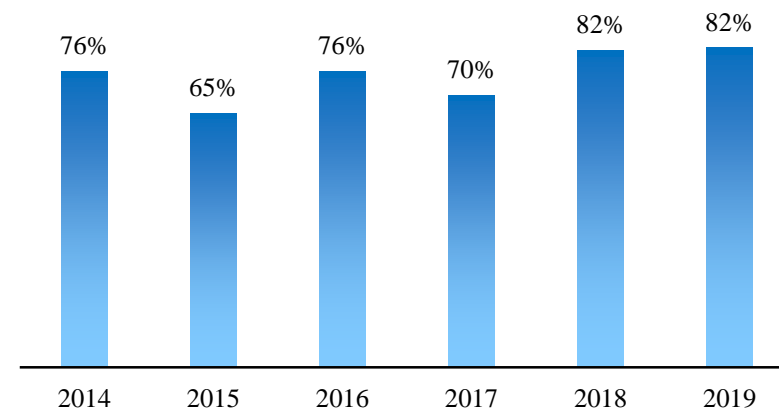
(RMB mn)



Liability / Assets Ratio



Debt / Equity Ratio*



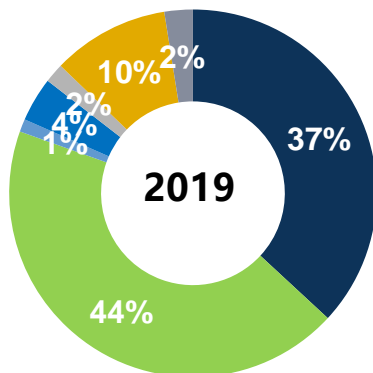
*Debt / equity ratio = net debt / consolidated equity

Net debt = interest-bearing liabilities – cash and cash equivalents

Capital Structure (Continued)

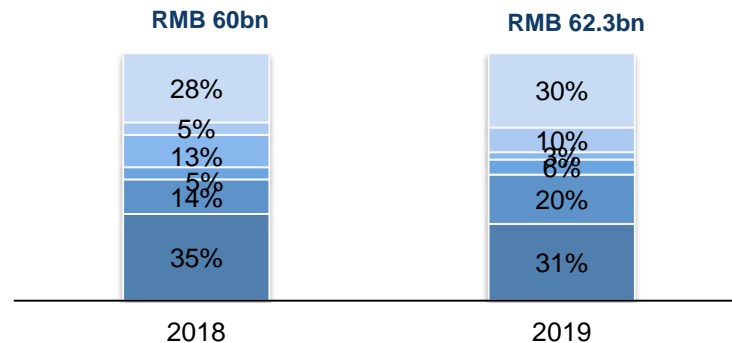
Corporate Asset Allocation

- Information Technology
- Financial Services
- Innovative Consumption
- Agriculture & Food
- Advanced Manufacturing
- Financial Investments
- Unallocated and Elimination



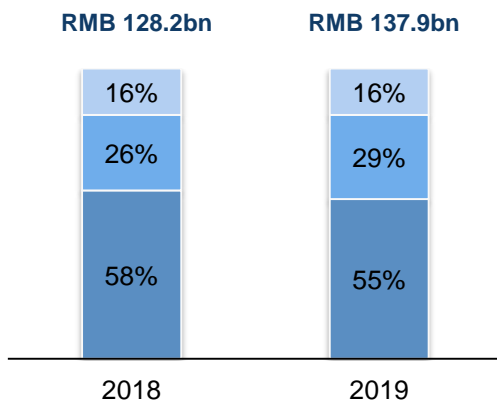
Cash and Cash Equivalents

- RMB
- USD
- HKD
- EUR
- Others
- CHF



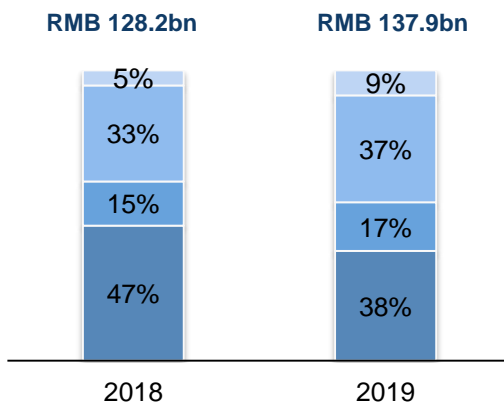
Interest-bearing Liabilities (Currencies)

- RMB
- USD
- Others



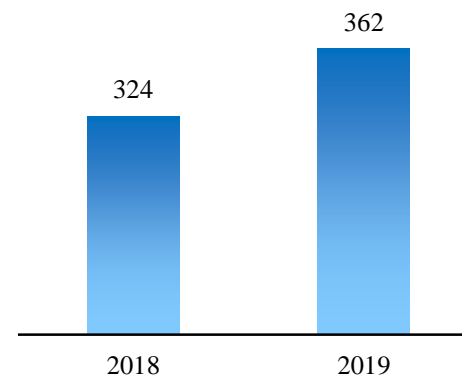
Interest-bearing Liabilities (Duration)

- <1Y
- 1-2Y
- 2-5Y
- >5Y



Net debt of Head Office

(RNB 100mn)

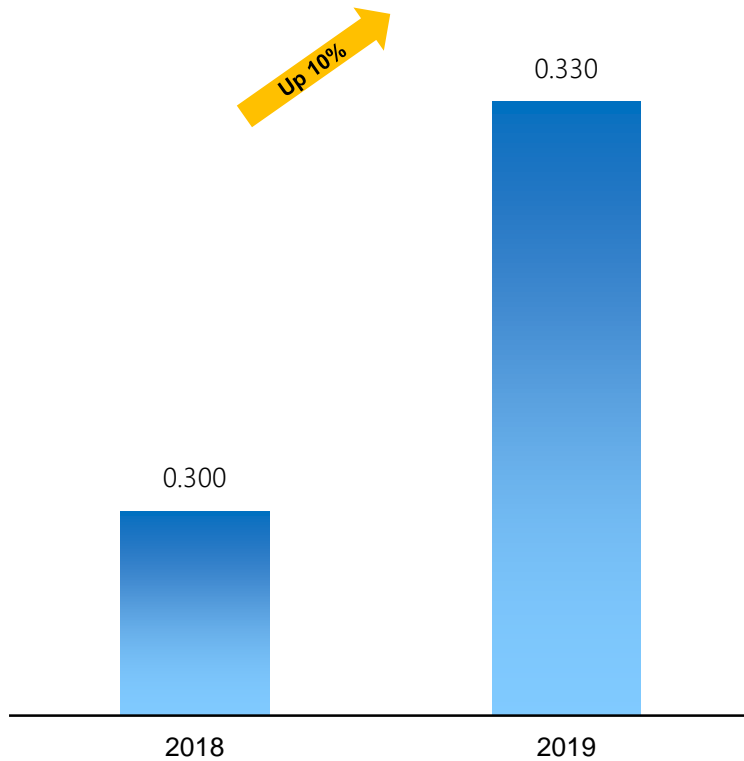


*Net debt of head office includes the debt of Legend Holdings with its platform, Right Lane Limited with its platform, and Raycom Property Co. Ltd. 20

RMB 0.33 per Share Final Dividend Suggested by the Board

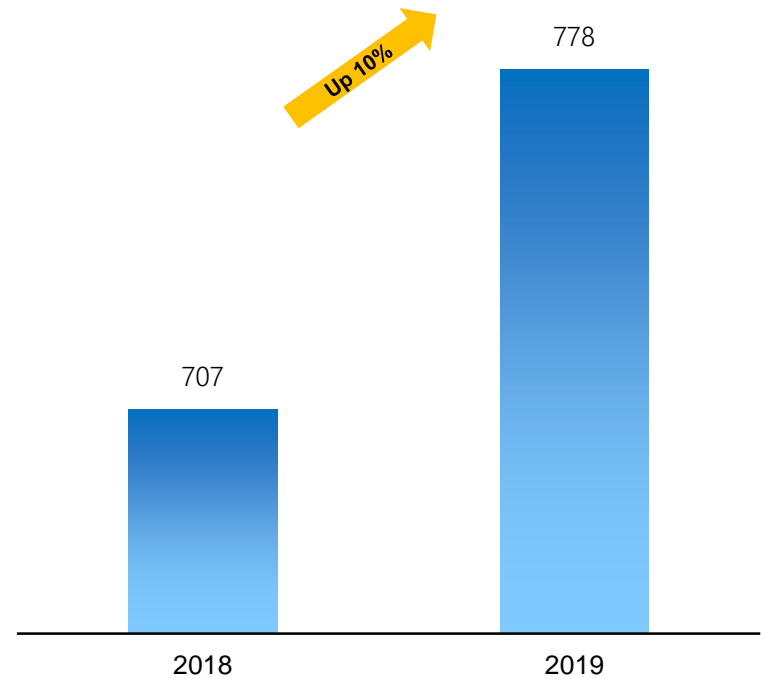
2019 DPS (BT) up 10% yoy

(RMB)



2019 total dividend in cash (BT) up 10% yoy

(RMB mn)



Thank you!

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LEGEND HOLDINGS
— 制造卓越企业 —

