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联想控股
LEGEND HOLDINGS
BUILDING GREAT COMPANIES

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: 3396)

DISCLOSEABLE TRANSACTION
REORGANISATION OF LAKALA PAYMENT CO., LTD.

The Board is pleased to announce that on February 4, 2016 the Company and Tibet Tourism entered into the Agreement, pursuant to which Tibet Tourism will issue to the Company, as one of the shareholders of Lakala, 185,100,804 A Shares at the Issue Price Per A Share (equivalent to RMB3,452 million) as the consideration to acquire the Sale Shares held by the Company. In addition, the Company and its indirect subsidiary Tibet Zhidao, each as one of the subscribers of the private placement of A Shares, individually entered into a share subscription agreement with Tibet Tourism, pursuant to which the Company will subscribe for and Tibet Tourism will issue 32,171,581 A Shares to the Company at the Issue Price Per A Share (equivalent to RMB600 million), and Tibet Zhidao will subscribe for and Tibet Tourism will issue 1,072,386 A Shares to Tibet Zhidao at the Issue Price Per A Share (equivalent to RMB20 million). Upon completion of the Reorganisation, the Company and its subsidiary will hold a total of 218,344,771 A Shares, representing 23.23% of the enlarged issued share capital of Tibet Tourism, and the Company will become its second largest shareholder. The financial information of Tibet Tourism will not be consolidated into the Group's financial statements but it will be treated as an associate of the Company.

As one of the relevant applicable percentage ratios in respect of the Reorganisation exceeds 5% but is less than 25%, the Reorganisation constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENT

Pursuant to the Agreement entered into among all shareholders of Lakala (including the Company) and Tibet Tourism on February 4, 2016, Tibet Tourism will issue to the Company, as one of the shareholders of Lakala, 185,100,804 A Shares at the Issue Price Per A Share (equivalent to RMB3,452 million), as the consideration to acquire the Sale Shares held by the Company. The aforesaid consideration has been determined upon arm's length negotiations between the parties based on the appraised value stated in an asset valuation report for Lakala issued by an independent asset valuer. The date of completion of the Agreement is the date of completion of the Reorganisation.

PRINCIPAL TERMS OF THE COMPENSATION AGREEMENT

Pursuant to the Agreement, the Company and certain shareholders of Lakala entered into a profit compensation agreement (the "**Compensation Agreement**") with Tibet Tourism on February 4, 2016 to provide a guarantee that Lakala's net profit attributable to the shareholders of its parent company for 2016, 2017 and 2018 (net of extraordinary gain or loss and proceeds from subscription), will not be less than RMB450 million, RMB860 million and RMB1,450 million, respectively. If any of the actual figures turns out to be less than the aforesaid amounts, the Company will calculate the compensation amount and make corresponding arrangements in accordance with the liability provisions in respect of the scope of liability and calculation method contemplated under the Compensation Agreement. If the Company's compensation obligation arise, the Company is expected to undertake 34.61% of the compensation amount calculated in accordance with the terms. If such compensation amount has triggered any disclosure obligation under the Listing Rules, the Company will issue a further announcement to notify its shareholders.

PRINCIPAL TERMS OF THE SHARE SUBSCRIPTION AGREEMENT

Tibet Tourism intends to raise financing through private placement of A Shares to settle the consideration for the acquisition of the assets under the Agreement in cash. The Company and its indirect subsidiary Tibet Zhidao Investment Co., Ltd. (西藏志道投资有限公司) ("**Tibet Zhidao**"), each as one of the subscribers of the private placement of A Shares, individually entered into a share subscription agreement (the "**Share Subscription Agreement**") with Tibet Tourism on February 4, 2016, pursuant to which the Company will subscribe for and Tibet Tourism will issue 32,171,581 A Shares to the Company at the Issue Price Per A Share (equivalent to RMB600 million), and Tibet Zhidao will subscriber for and Tibet Tourism will issue 1,072,386 A Shares to Tibet Zhidao at the Issue Price Per A Share (equivalent to RMB20 million). The date of completion of the Share Subscription Agreement is the date of completion of the Reorganisation.

Shareholders and investors of the Company may visit the link <http://www.sse.com.cn/assortment/stock/list/info/announcement/index.shtml?productId=600749> for details of the aforesaid agreements and the Reorganisation.

CONDITIONS TO EFFECT AND COMPLETE THE REORGANIZATION

The Reorganisation is conditional upon the satisfactory fulfilment of all conditions for it to become effective as contemplated under the Agreement, the Share Subscription Agreement and the Compensation Agreement, which include but are not limited to:—

1. obtaining the approval for the relevant transactions at a general meeting of shareholders of Tibet Tourism;
2. obtaining the approval for the change in the main capital contributors of Lakala under the relevant transaction from the PBOC;
3. obtaining the approval for the relevant transactions from the China Securities Regulatory Commission.

Conditions to complete the Reorganisation include:

1. obtaining the approval from the PBOC for the change in the organizational form of Lakala from a joint-stock limited liability company to a limited liability company;
2. completion of the business registration in respect of the change in the organizational form of Lakala from a joint-stock limited liability company to a limited liability company;
3. obtaining or making other necessary approvals, filings or reporting, if needed, required by laws and regulations and regulatory authorities.

The date of completion of the Reorganisation shall be determined through negotiations among the parties, which will take place on or before the date when all the conditions to effectiveness and completion are satisfied.

REASONS FOR THE REORGANISATION AND FINANCIAL EFFECTS UPON COMPLETION OF THE REORGANISATION

Through the Reorganisation, Lakala will acquire the capital platform of the listed company to replenish capital needed for its rapid business development, which is beneficial for Lakala's business development.

The Directors, including independent non-executive Directors, are of the opinion that the Reorganisation is fair and reasonable, on normal commercial terms, in the interests of the Company and its shareholders as a whole, and beneficial to the enhancement of the value of the Company.

The Company has no control over Lakala, nor is it acting in concert with any other shareholder of Lakala in order to expand its voting rights of the shares of Tibet Tourism under its control. Prior to the Reorganisation, the Company holds 31.38% equity interest in Lakala. Upon completion of the Reorganisation, the Company and its subsidiary will hold a total of 218,344,771 A Shares, representing 23.23% of the enlarged issued share capital of Tibet Tourism, due to the dilution, and the Company will become its second largest shareholder. Tibet Tourism will be treated as an associate of the Company. In accordance with its accounting policies, the Company may record gains or losses on diluted shareholding as a result of the dilution of its interest in its associate due to the Reorganisation. As there are still considerable uncertainties about the timing and availability of completion of the Reorganisation, the Company is unable to determine the possible gains or losses arising from the dilution of its interest. Upon completion of the Reorganisation, the Company will determine the aforesaid gains or losses and issue an announcement reporting the details in due course.

INFORMATION OF LAKALA

The core business of Lakala is to provide enterprise users and individual users with third-party payment services as well as relevant value-added and financial services using payment as the interface. As one of the first enterprises specialised in third-party payment business in the PRC, it has accumulated extensive experiences and a large number of high-quality users in the payment industry for more than ten years. Catering for the development trends of the industry by constantly innovating and enriching its financial services and product offering and expanding the scope of application of its services, Lakala has gradually developed into a comprehensive service platform centered around payment and enjoys high brand reputation in the industry. As at the date of this announcement, the Company holds 31.38% interest in Lakala.

The book value and appraised value of the audited net asset value of Lakala as at December 31, 2015 prepared under the China Accounting Standards for Business Enterprises were RMB1,518 million and RMB11,108 million, respectively. Its audited results for the two years ended December 31, 2015 were as follows:

	For the year ended December 31	
	(Audited)	(Audited)
	2015	2014
	<i>RMB' million</i>	<i>RMB' million</i>
Profit/(loss) before taxation	186	(196)
Profit/(loss) after taxation	126	(196)

INFORMATION OF TIBET TOURISM

Tibet Tourism is a joint-stock limited liability company incorporated under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 600749, stock name: Tibet Tourism). It is principally engaged in the development and operation of tourism resources and scenic spots; organised tourism, hiking, special tours, organised adventure activities (only permitted for branches); hotel investment and operation, cultural industry investment and operation (approvals from competent authorities shall be obtained for the operation of the activities requiring approval in accordance with the laws).

The book value of the audited net asset value of Tibet Tourism as at December 31, 2015 prepared under the China Accounting Standards for Business Enterprises was RMB650 million.

Assuming the Reorganization was completed, the pro forma financial information for the year ended December 31, 2015 prepared in accordance with the relevant laws and regulations of the PRC are as follows:

	<i>RMB' million</i>
Profit before taxation	192
Profit after taxation	129
Revenue	1,740
Total assets	9,305

INFORMATION OF THE GROUP

The Group is a leading Chinese investment group and has established a significant presence across diverse industries and accumulated a wealth of portfolio companies. Legend Holdings strategically invests in six major sectors: IT, financial services, consumer services including healthcare services, agriculture and food, property, and chemicals and energy materials. It also houses significant financial investment vehicles ranging from early stage to venture capital and private equity investments. Relying on its distinctive insight and experiences in incubating successful businesses, Legend Holdings provides management enhancement, brand endorsement, financial support and other value-added services to its portfolio companies. It is committed to cultivating industry-leading companies and constantly enhancing the Company's long-term value through dynamic portfolio management and by creating synergy between its strategic and financial investments.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all of Tibet Tourism and its ultimate beneficial owners are third parties independent of the Company and its Connected Persons.

As one of the relevant applicable percentage ratios in respect of the Reorganisation exceeds 5% but is less than 25%, the Reorganisation constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“A Shares”	A shares of Tibet Tourism to be issued by Tibet Tourism
“Agreement”	the agreement dated February 4, 2016 entered into among all shareholders of Lakala and Tibet Tourism in relation to the acquisition of assets through issue of A Shares and cash payment under the Reorganisation, pursuant to which the shareholders of Lakala will dispose of their 100% equity interest in Lakala at a consideration to be settled by way of three methods including cash, shares and a combination of cash and shares
“Board”	the board of directors of the Company
“China” or “PRC”	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Company” or “Legend Holdings”	Legend Holdings Corporation, a company incorporated in the PRC, the H shares of which are listed on the Hong Kong Stock Exchange

“Connected Person(s)”	shall have the same meanings ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue Price Per A Share”	RMB18.65
“Lakala”	Lakala Payment Co., Ltd., a company incorporated in the PRC, 112,978,800 shares, representing 31.38% equity interest, of which are held by the Company and is an associate of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PBOC”	the People’s Bank of China, being China’s central bank
“percentage ratios”	percentage ratios within the meaning of Rule 14.07 of the Listing Rules
“Reorganisation”	the disposal of equity interest in Lakala and subscription for A Shares of Tibet Tourism
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	112,978,800 shares of RMB1 each in the share capital of Lakala held by the Company, representing 31.38% of its issued share capital

“Tibet Tourism”

Tibet Tourism Co., Ltd. (西藏旅游股份有限公司), a company established under the laws of the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600749, stock name: Tibet Tourism)

“%”

per cent.

By order of the Board
Legend Holdings Corporation
ZHU Linan
Executive Director and President

Hong Kong, February 5, 2016

As at the date of this announcement, the Executive Directors of the Company are Mr. LIU Chuanzhi, Mr. ZHU Linan and Mr. ZHAO John Huan; the Non-executive Directors are Mr. WU Lebin, Mr. WANG Jin and Mr. LU Zhiqiang; and the Independent Non-executive Directors are Mr. MA Weihua, Mr. ZHANG Xuebing and Ms. HAO Quan.

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