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**lenovo 联想**

**Lenovo Group Limited 联想集团有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(STOCK CODE: 0992)**

**ANNOUNCEMENT**

**CONNECTED AND SHARE TRANSACTION**

**ACQUISITION OF THE ENTIRE EQUITY INTEREST IN LENOVO MOBILE**

**THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 27 November 2009, the Sale and Purchase Agreement was entered into between, among others, Lenovo Beijing and Lenovo Manufacturing HK as the Purchasers on one hand, Gainnew, Shenzhen Investment, Jade Ahead and Super Pioneer as the Vendors on the other hand, pursuant to which the Vendors have agreed to dispose of their respective Equity Interest, and Lenovo Beijing and Lenovo Manufacturing HK have agreed to purchase 30% and 70% of the Equity Interest of Lenovo Mobile respectively. The Consideration is US\$200 million and subject to upward or downward adjustment with reference to the amount of Net Cash Balance.

**CONNECTED RELATIONSHIP**

Legend Holdings, the controlling shareholder of the Company, is also indirectly interested in more than 30% of the issued share capital of Jade Ahead. This results in Jade Ahead being regarded as an associate of Legend Holdings. Gainnew is a company controlled by a director of Shenzhen Lenovo, a wholly-owned subsidiary of the Company. Accordingly, Jade Ahead, being an associate of a substantial shareholder of the Company and Gainnew, being an associate of a director of a subsidiary of the Company are connected persons of the Company under Chapter 14A of the Listing Rules. The transaction between any member of the Group on one hand and Jade Ahead and Gainnew on the other is a connected transaction of the Company.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios of the transactions contemplated under the Sale and Purchase Agreement exceed 2.5%, the Sale and Purchase Agreement constitutes a non-exempt connected transaction under Chapter 14A of the Listing Rules. As such, the Acquisition (including but not limited to the issue of Consideration Shares) is subject to the approval by the Independent Shareholders at the EGM by poll.

As Consideration Shares will be issued to settle the Consideration in part and each of the applicable percentage ratios are less than 5%, the Sale and Purchase Agreement also constitutes a share transaction under Chapter 14 of the Listing Rules. An application for listing of and permission to deal in the Consideration Shares will be made to the Stock Exchange.

A circular containing, among other things, further details of the Sale and Purchase Agreement, a letter from the Independent Board Committee to the Independent Shareholders in respect of the Sale and Purchase Agreement, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement, and a notice convening the EGM, will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

## **I INTRODUCTION**

The Board is pleased to announce that on 27 November 2009, the Sale and Purchase Agreement was entered into between, among others, Lenovo Beijing and Lenovo Manufacturing HK as the Purchasers on one hand, Gainnew, Shenzhen Investment, Jade Ahead and Super Pioneer as the Vendors on the other hand, pursuant to which the Vendors have agreed to dispose of, and the Purchasers have agreed to purchase the entire Equity Interest.

## **II CONNECTED AND SHARE TRANSACTION**

### **THE SALE AND PURCHASE AGREEMENT**

**Date:**

27 November 2009

**Parties:**

- (i) Gainnew, Shenzhen Investment, Jade Ahead and Super Pioneer, as the Vendors;
- (ii) Lenovo Beijing and Lenovo Manufacturing HK, both being wholly-owned subsidiaries of the Company, as the Purchasers; and
- (iii) the Company.

## **Sale and Purchase of the Equity Interest:**

Subject to the terms and conditions of the Sale and Purchase Agreement, the Vendors have agreed to sell, and the Purchasers have agreed to purchase, the Equity Interest free from any encumbrances and together with all rights and advantages attaching to it as at the Completion. Subject to Completion, the Parties further agreed that the Option granted to Lenovo Manufacturing BVI shall lapse.

In 2008, Lenovo Beijing and Lenovo Manufacturing BVI divested the entire Equity Interest to the then purchasers, namely Jade Ahead, LEV Ventures, Ample Growth and Super Pioneer as to 45%, 30%, 15% and 10% respectively for an aggregate consideration of US\$100 million pursuant to the 2008 Sale and Purchase Agreement. Subsequent to the 2008 Sale and Purchase Agreement, there had been changes to the Equity Interest amongst the then purchasers. In mid 2008, Gainnew acquired the 15% and 5% Equity Interest in Lenovo Mobile from Ample Growth and Jade Ahead at the consideration of US\$12 million and US\$4 million respectively. This acquisition was effected to realize the previous arrangement or understanding between Lenovo Mobile and its management team in view of the contribution by the management. As at the date of this Announcement, Lenovo Mobile is owned as to 20%, 30%, 40% and 10% by Gainnew, Shenzhen Investment, Jade Ahead and Super Pioneer respectively.

As at the date of this Announcement, Lenovo Mobile has a total registered capital of RMB187,500,000, which is fully paid up. Pursuant to the Sale and Purchase Agreement, the Vendors shall dispose of their respective Equity Interest in Lenovo Mobile and each Purchaser shall acquire the respective amount of Equity Interest at the respective amount of Consideration (i.e. in the proportion of 70% in the case of Lenovo Manufacturing HK and 30% in the case of Lenovo Beijing):

### **Consideration:**

The Consideration is US\$200 million which will be settled as to US\$154 million by Cash Consideration and as to US\$46 million by the issue of 80,894,033 Consideration Shares, and subject to adjustment with reference to the Net Cash Balance.

The Consideration is to be settled in the following manner:

#### **Gainnew**

The consideration payable to Gainnew is US\$40 million, of which US\$24 million in cash and US\$16 million by the issue of 28,137,055 Consideration Shares. The cash portion receivable by Gainnew represents mainly its acquisition costs, finance costs and other related fees paid by the existing management of Lenovo Mobile.

#### **Shenzhen Investment**

The consideration payable to Shenzhen Investment, being US\$60 million, will be settled in cash in full.

#### **Jade Ahead**

The consideration payable to Jade Ahead is US\$80 million of which US\$50 million in cash and US\$30 million by the issue of 52,756,978 Consideration Shares. The cash portion corresponds to the indirect attributable interest in Lenovo Mobile held by Hony Fund through Jade Ahead. The Consideration

Shares portion corresponds to the indirect interest held by Jade Ahead in Lenovo Mobile attributable to Legend Holdings.

## Super Pioneer

The consideration payable to Super Pioneer, being US\$20 million, will be settled in cash in full.

Cash consideration shall be paid by the Purchasers to the Vendors on or before the third Business Day following the Completion whereas Consideration Shares shall be issued and allotted by the Company to the relevant Vendors on the Completion.

Each of Gainnew and Jade Ahead has undertaken to the Purchasers and the Company that it shall not, and shall procure its nominee shall not, without the prior written consent of the Purchasers dispose of any of the Consideration Shares within 12 months following Completion.

The Consideration was determined by arm's length negotiations between the Parties having regard to a number of factors including the operational performance of Lenovo Mobile, in particular, the turnaround from operating loss to profit, market position and future prospects of the mobile handset business of Lenovo Mobile.

## Effect on Shareholding Structure

The following table summarises the shareholding structure of the Company as at the date of this Announcement, and immediately after Completion and the allotment and issue of the Consideration Shares (without taking into account the possible adjustment with reference to the Net Cash Balance):

Name of Shareholders	As at the date of this Announcement and before Completion				Immediately after Completion and the allotment and issue of Consideration Shares			
	No. of ordinary shares	Approximate percentage	Total voting rights(including convertible preferred shares)	Approximate percentage	No. of ordinary shares	Approximate percentage	Total voting rights(including convertible preferred shares)	Approximate percentage
Legend Holdings	4,116,933,971	43.281%	4,116,933,971	41.437%	4,169,690,949	43.466%	4,169,690,949	41.629%
IBM	435,717,757	4.581%	435,717,757	4.385%	435,717,757	4.542%	435,717,757	4.350%
Directors	66,097,535	0.694%	66,097,535	0.665%	66,097,535	0.689%	66,097,535	0.660%
Holders of convertible preferred shares (Note)	-	-	423,394,126	4.261%	-	-	423,394,126	4.228%
Gainnew	-	-	-	-	28,137,055	0.293%	28,137,055	0.281%
Public	4,893,374,078	51.444%	4,893,374,078	49.251%	4,893,374,078	51.010%	4,893,374,078	48.854%
<b>Total</b>	<b>9,512,123,341</b>	<b>100%</b>	<b>9,935,517,467</b>	<b>100%</b>	<b>9,593,017,374</b>	<b>100%</b>	<b>10,016,411,500</b>	<b>100%</b>

Note: Holders of convertible preferred shares include TPG holding total voting rights of 241,871,559; General Atlantic holding total voting rights of 121,054,678 and Newbridge holding total voting rights of 60,467,889 as at the date of this Announcement and immediately after Completion and the allotment and issue of Consideration Shares.

### **Adjustments with reference to the Net Cash Balance**

If the Net Cash Balance exceeds the Agreed Cash Balance, the Purchasers (in the proportion of 70% in the case of Lenovo Manufacturing HK and 30% in the case of Lenovo Beijing) shall reimburse the Vendors the excess amount (the **Excess Amount**), subject to the maximum amount of US\$60 million. The Excess Amount will be settled in cash, except for Gainnew where the relevant portion of the Excess Amount will be satisfied in full by Consideration Shares and Jade Ahead where the relevant portion of the Excess Amount will be satisfied partly by Consideration Shares and partly in cash. If the Net Cash Balance is below the Agreed Cash Balance, the Vendors shall pay the shortfall (the **Shortfall**) to the Purchasers in proportion to their respectively Equity Interest (i.e. 20% by Gainnew, 30% by Shenzhen Investment, 40% by Jade Ahead and 10% by Super Pioneer).

The Excess Amount or the Shortfall (as applicable) shall be payable by the Purchasers to the Vendors (or by the Vendors to Purchasers (as the case may be)) within five Business Days of the agreement or the determination and agreement of the Net Cash Balance by the Parties.

### **Conditions:**

The sale and purchase of the Equity Interest under the Sale and Purchase Agreement is conditional upon satisfaction or waiver of (as the case may be), inter alia, the following conditions:

- (i) the licences, authorisations, consents, registrations and any other approvals necessary, or desirable for the Completion, including all approvals and the amended business licence of Lenovo Mobile from the relevant PRC government authority and other relevant PRC government authorities approving the Acquisition and any agreement in relation to the Acquisition, having been granted by the requisite governmental, court or other regulatory bodies;
- (ii) the passing of an unanimous resolution of the board of directors of Lenovo Mobile approving the transfer of the Equity Interest and all other documents and transactions incidental to and as contemplated under the Sale and Purchase Agreement;
- (iii) the obtaining by each of the Vendors, the Purchasers and the Company of all necessary consents, authorisations and approvals (or, as the case may be, waivers) in connection with the entering into and performance of the terms of the Sale and Purchase Agreement, all documents to be entered into pursuant to the Sale and Purchase Agreement and the transactions contemplated therein (including but not limited to the passing of an ordinary resolution by the Independent Shareholders at the EGM by poll in respect of the Acquisition and the issue of Consideration Shares as may be required under the Listing Rules);
- (iv) the Purchasers being reasonably satisfied that the audited accounts of each of the Lenovo Mobile Group companies for the year ended 31 December 2008 and the unaudited internal accounts of each of the Lenovo Mobile Group companies for the 9 months ended 30 September 2009 were correct in all material aspects and the Purchasers having received explanations satisfactory in all material respects concerning any discrepancies that may have been discovered by the Purchasers in relation to any item contained in either the accounts or statements;
- (v) the repayment of all debts outstanding, to the extent applicable, between Lenovo Mobile and members of each of the Vendor's group (other than in respect of any trading in the ordinary course

of business between such entities, which shall be paid in accordance with existing arrangements);

(vi) the compliance with pre-Completion undertakings; and

(vii) the admission of the Consideration Shares for trading on the Main Board of the Stock Exchange.

The Vendors, the Purchasers and the Company shall use all reasonable endeavors to ensure the satisfaction of the Condition(s) to the extent they are related to the respective party. To the extent thought fit by the Purchasers and permitted by applicable law and regulations, the Purchaser may at any time by notice to the Vendors in writing waive all or any of the Conditions.

In the event that not all the Conditions have been fulfilled or waived as aforesaid by 30 April 2010 (or such later date as the Vendors and the Purchasers may agree in writing), the Sale and Purchase Agreement shall terminate and no Party shall have any claim against the other except for any breaches of the clause regarding the publication of announcement and confidentiality under the Sale and Purchase Agreement.

#### **Completion:**

Completion shall take place on the third Business Day following the fulfillment or waiver of the last of the Conditions, or on such other date as may be agreed in writing between the Parties.

#### **Non-competition undertaking by the Vendors**

In order to protect Lenovo Mobile Group's goodwill and confidential information, the Vendors have undertaken with the Purchasers that they will not and will procure that none of their respective subsidiaries will, directly or indirectly for a period of five years from the date of Completion or such shorter period as recognized by or acceptable under applicable law as capable of being binding on the Vendors (a) solicit or canvass or endeavour to entice away from the business(es) of any member of the Lenovo Mobile Group any person who was a customer, supplier or agent of such business(es) at any time during the five years prior to Completion; and (b) solicit or entice away from the Lenovo Mobile Group any employee (for the avoidance of doubt, including directors except for directors who did not hold an executive function within the Lenovo Mobile Group), or endeavour to solicit or engage any person who during the three years prior to Completion was an employee of any member of the Lenovo Mobile Group.

### **III INFORMATION ON THE GROUP, THE VENDORS AND LENOVO MOBILE**

#### **The Group**

The principal activities of the Company and its subsidiaries are the sales and manufacture of personal computers and related IT products and the provision of advanced information services in the PRC, the Americas, Europe, Middle East, Africa and Asia Pacific. As at the date of this announcement, Legend Holdings is directly or indirectly through its wholly-owned subsidiary, Right Lane Limited, interested in 4,116,933,971 ordinary shares in the share capital of the Company, representing approximately 41.44% of existing issued share capital of the Company as if all preference shares are fully converted into ordinary shares.

## **Lenovo Mobile**

For the financial year ended 31 December 2007, the audited net loss before and after taxation of Lenovo Mobile were RMB234,858,752 and RMB183,971,120 respectively. As at 31 December 2007, the audited net asset value and net working capital (representing the amount of current assets net of current liabilities) of Lenovo Mobile were RMB240,120,399 and RMB37,885,341 respectively.

For the financial year ended 31 December 2008, the audited net profit before and after taxation of Lenovo Mobile Group were RMB34,118,332 and RMB30,388,615 respectively. As at 31 December 2008, the audited net asset value and net working capital of Lenovo Mobile Group were RMB270,509,014 and RMB106,491,722 respectively.

For the six months ended 30 June 2009, the unaudited net profit before taxation of Lenovo Mobile Group was RMB39,989,984; and the unaudited net asset value and net working capital of Lenovo Mobile Group were RMB307,987,079 and RMB 150,013,881 respectively.

The audited and unaudited financial statements of Lenovo Mobile Group during the relevant period were prepared based on the generally accepted accounting principles in the PRC.

## **The Vendors**

Jade Ahead is a special purpose company incorporated in Hong Kong with limited liability, which is wholly-owned by Hony Fund. Hony Fund is an investment fund which is a Cayman Islands exempted limited partnership. It is indirectly controlled by Hony Capital Management III Limited, a company which is owned as to 45% by Legend Holdings (through its wholly-owned subsidiary, Right Lane Limited) and 55% by Mr. John Huan Zhao, who is not a connected person of the Company. Hony Fund is an investment fund with over 20 institutional investors.

Gainnew is a special purpose company incorporated in Hong Kong with limited liability, which is controlled by Mr. Lu Yan (吕岩) who is a connected person of the Company by virtue of his directorship of Shenzhen Lenovo. Mr. Lu is also the chief executive officer of Lenovo Mobile. Other beneficial owners of the shares of Gainnew comprise mainly of existing management of Lenovo Mobile.

Shenzhen Investment is a limited liability company incorporated in the PRC which is controlled by Mr. Yu Bing (俞兵).

Super Pioneer is a special purpose company incorporated in the BVI with limited liability. Super Pioneer is a venture capital fund owned by Mr. Wu To Hing (胡道鑫) focusing on the investments in high technology businesses and provision of investment consultancy services.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Shenzhen Investment, Super Pioneer and their ultimate beneficial owner are third parties independent of the Company and its connected persons.

#### **IV CONNECTED RELATIONSHIP**

Legend Holdings, the controlling shareholder of the Company, is also indirectly interested in more than 30% of the issued share capital of Jade Ahead. This results in Jade Ahead being regarded as an associate of Legend Holdings. Gainnew is a company controlled by a director of Shenzhen Lenovo, a wholly-owned subsidiary of the Company. Accordingly, Jade Ahead, being an associate of a substantial shareholder of the Company and Gainnew, being an associate of a director of a subsidiary of the Company are connected persons of the Company under Chapter 14A of the Listing Rules. The transaction between any member of the Group on one hand and Jade Ahead and Gainnew or their associates on the other is a connected transaction of the Company.

#### **V REASONS FOR THE TRANSACTIONS**

Convergence between the personal computing and mobile handset industry has been a key technology trend over the past several years. The two technologies today provide very different user experiences that are evolving and combining to create new generations of devices, applications and internet services. In addition, China is entering into a high growth phase, driven by 3G and handheld device technology. The Directors believe that as major technology shifts and user behavior evolves, significant growth opportunity for mobile internet devices in China will emerge.

The Group has been investing over the years in developing an innovative and customer-focused mobile internet device to capture the market opportunities in China. Consequently, as a result of the current integration of the personal computer and mobile handset markets described above coupled with the Group's focus on the development of leading edge mobile internet devices, the Directors now consider that it is appropriate to move aggressively to capture the opportunity in the mobile internet business. Consequently, the Directors believe that the acquisition of a well-managed mobile handset operation will provide the Group with an effective platform to accelerate development in order to achieve its strategic objective.

The Group started a mobile handset business, Lenovo Mobile in 2002, but it decided to withdraw from the mobile handset market in 2008 to return its focus to the personal computer business. Since the sale in 2008, Lenovo Mobile has noticeably improved its financial position and market presence under decisive management actions and positioned itself for growth. The Directors believe that through the Acquisition, the Group can exploit Lenovo Mobile's experienced and successful leadership team in the China mobile industry. Specifically they will leverage Lenovo Mobile's knowledge in the entire value chain of handset business, in particular, with handset channel management which is complementary to the Group's personal computer channel experience, as well as, its connection with the China telecom operators. The Directors believe that the Group can accelerate its development in the mobile internet business by leveraging Lenovo Mobile as an effective platform, and strengthen its ability to capture the significant mobile internet market growth opportunity in China.

#### **VI DIRECTORS' VIEWS**

Each of Mr. Liu Chuanzhi and Mr. Zhu Linan being a Director and also a director of Legend Holdings, and Dr. Wu Yibing, being a Director nominated by Legend Holdings are interested in the transactions contemplated under the Sale and Purchase Agreement, and has abstained from voting in approving the



relevant transactions in accordance with the articles of association of the Company and other applicable laws and regulations.

The Directors (except for Mr. Liu Chuanzhi, Mr. Zhu Linan and Dr. Wu Yibing who have abstained from voting in approving the transaction due to their interests in the transactions and the independent non-executive Directors whose view will be given in the circular after considering the advice from the independent financial adviser) consider that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms which are fair and reasonable, and the entering into of such agreement is in the best interests of the Group and the shareholders of the Company as a whole.

## **VII LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios of the transactions contemplated under the Sale and Purchase Agreement exceed 2.5%, the Sale and Purchase Agreement constitutes a non-exempt connected transaction under Chapter 14A of the Listing Rules. As such, the Acquisition (including but not limited to the issue of Consideration Shares) is subject to the approval by the Independent Shareholders at the EGM by poll.

As Consideration Shares will be issued to settle the Consideration in part and each of the applicable percentage ratios are less than 5%, the Sale and Purchase Agreement also constitutes a share transaction under Chapter 14 of the Listing Rules. An application for listing of and permission to deal in the Consideration Shares will be made to the Stock Exchange.

A circular containing, among other things, further details of the Sale and Purchase Agreement, a letter from the Independent Board Committee to the Independent Shareholders in respect of the Sale and Purchase Agreement, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement, and a notice convening the EGM, will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

## **VIII DEFINITIONS**

<b>“%”</b>	per cent.;
<b>“2008 Announcement”</b>	the announcement of the Company dated 30 January 2008 relation to, among other things, the 2008 Sale and Purchase Agreement and the Option;
<b>“2008 Sale and Purchase Agreement”</b>	the sale and purchase agreement dated 30 January 2008 entered into between Lenovo Beijing, Levono Manufacturing BVI, the Company, Jade Ahead, LEV Ventures, Ample Growth and Super Pioneer in relation to the sale and purchase of the entire equity interest of Lenovo Mobile;
<b>“Acquisition”</b>	the acquisition by the Purchasers of the Equity Interest pursuant to the Sale and Purchase Agreement and the transactions contemplated thereunder;

<b>“Agreed Cash Balance”</b>	the necessary level of cash balance at Completion as agreed jointly by the Purchasers and Jade Ahead (on behalf of the Vendors) as shall be sufficient to maintain the business of Lenovo Mobile as a going concern, having regard to the working capital, and financial commitments of Lenovo Mobile, which shall in no event be less than US\$50 million;
<b>“Ample Growth”</b>	Ample Growth Enterprises Limited, a company incorporated in the BVI with limited liability;
<b>“associate”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Board”</b>	the board of Directors;
<b>“Business Days”</b>	a day on which banks are open for business in the PRC and Hong Kong (excluding Saturdays, Sundays and public holidays);
<b>“BVI”</b>	the British Virgin Islands;
<b>“Cash Consideration”</b>	US\$154 million;
<b>“Company”</b>	Lenovo Group Limited, a company incorporated on October 5, 1993 with limited liability under the laws of Hong Kong, the ordinary shares of which are listed on the main board of the Stock Exchange;
<b>“Completion”</b>	completion of the Sale and Purchase Agreement;
<b>“Conditions”</b>	the conditions precedent to the completion of the sale and purchase of the Equity Interest under the Sale and Purchase Agreement;
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Consideration”</b>	US\$200 million, which shall be settled as to US\$154 million by the Cash Consideration and as to US\$46 million by the issue of the Consideration Shares;
<b>“Consideration Shares”</b>	80,894,033 ordinary shares in the capital of the Company with nominal value of HK\$0.025 each; the issue price of the Consideration Shares is HK\$4.407 which is calculated by reference to the average closing price of the shares of the Company as quoted on the daily quotation sheets of the Stock Exchange for the 20 consecutive trading days immediately preceding the day prior to the date of the Sale and Purchase Agreement at the Exchange Rate;

<b>“Directors”</b>	the directors of the Company;
<b>“EGM”</b>	the extraordinary general meeting to be convened by the Company to consider and, if thought fit, to approve, among other things, the Acquisition (including the issue of Consideration Shares);
<b>“Equity Interest”</b>	the registered capital of Lenovo Mobile;
<b>“Exchange Rate”</b>	US\$1 equals to HK\$7.75;
<b>“Gainnew”</b>	Gainnew International Limited, a company incorporated in Hong Kong with limited liability;
<b>“General Atlantic”</b>	refers to GAP Coinvestments III, LLC; GAP Coinvestments IV, LLC; GAPCO GmbH & Co. KG; Gapstar, LLC; General Atlantic Partners (Bermuda), L.P.; General Atlantic Partners 81 L.P. collectively;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“Hony Fund”</b>	Hony Capital Fund III, L.P.;
<b>“Independent Board Committee”</b>	an independent committee of the Board to be established for the purpose of advising the Independent Shareholders in relation to the terms of the Sale and Purchase Agreement;
<b>“Independent Shareholders”</b>	Shareholders other than Mr. Liu Chuanzhi, Mr. Zhu Linan and Dr. Wu Yibing, Legend Holdings and its associates;
<b>“Jade Ahead”</b>	Jade Ahead Limited, a company incorporated in Hong Kong with limited liability;
<b>“Legend Holdings”</b>	聯想控股有限公司 (Legend Holdings Limited*), an investment holding company established in the PRC with its subsidiaries primarily engaged in information technology, equity investment and real estate investment;
<b>“Lenovo Beijing”</b>	聯想(北京)有限公司 (Lenovo (Beijing) Limited*), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of the Company;
<b>“Lenovo Manufacturing BVI”</b>	Lenovo Manufacturing Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the

	Company;
<b>“Lenovo Manufacturing HK”</b>	Lenovo Manufacturing Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
<b>“Lenovo Mobile”</b>	聯想移動通信科技有限公司 (Lenovo Mobile Communication Technology Ltd.*), a limited liability company incorporated in the PRC and is owned as to 20%, 30%, 40% and 10% by Gainnew, Shenzhen Investment, Jade Ahead and Super Pioneer respectively as at the date of this Announcement;
<b>“Lenovo Mobile Group”</b>	Lenovo Mobile and its subsidiaries;
<b>“Lenovo” or “Group”</b>	the Company and its subsidiaries;
<b>“LEV Ventures”</b>	深圳市小象創投合伙企業 (LEV Ventures*), a limited liability company incorporated in the PRC;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Net Cash Balance”</b>	a balance comprising (i) the aggregate cash-at-bank and cash-in-hand; plus (ii) the aggregate fair values of cash equivalent items, including any marketable securities and treasury bills of the Lenovo Mobile Group determined in accordance with HKFRS as at the end of the month immediately preceding the date of Completion;
<b>“Newbridge”</b>	refers to Newbridge Asia Acquisition Company LLC;
<b>“Option”</b>	the option to subscribe for 5% enlarged registered capital of Lenovo Mobile granted to Lenovo Manufacturing BVI under the 2008 Sale and Purchase Agreement, details of the Option was referred to in the 2008 Announcement;
<b>“Parties”</b>	collectively, the Vendors, the Purchasers and the Company, and <b>“Party”</b> shall mean any of them;
<b>“PRC”</b>	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
<b>“Purchasers”</b>	collectively Lenovo Beijing and Lenovo Manufacturing HK, and <b>“Purchaser”</b> shall mean any of them;

“RMB”	Reminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 27 November 2009 entered into between the Vendors, the Purchasers and the Company in relation to the sale and purchase of the Equity Interest;
“Shareholder(s)”	holder(s) of ordinary voting share(s) and preferred shares in the issued share capital of the Company;
“Shenzhen Investment”	深圳市傲盈时投资合伙企业（有限合伙）(Shenzhen AoYinShi Investment LP*), a limited liability company incorporated in the PRC;
“Shenzhen Lenovo”	联想（深圳）电子有限公司 (Lenovo (Shenzhen) Electronic Co., Ltd.*), a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Super Pioneer”	Super Pioneer International Limited, a company incorporated in the BVI with limited liability;
“TPG”	refers to T <sup>3</sup> II Acquisition Company, LLC; TPG III Acquisition Company, LLC and TPG IV Acquisition Company LLC collectively;
“US\$”	United States Dollars, the lawful currency of the United States of America; and
“Vendors”	Gainnew, Shenzhen Investment, Jade Ahead and Super Pioneer, and “Vendor” shall mean any of them.

\* English translations of the Chinese names are for identification purpose only

By order of the Board  
**Liu Chuanzhi**  
Chairman

Beijing, 27 November 2009

*As of the date of this announcement, the executive director is Mr. Yang Yuanqing; the non-executive directors are Mr. Liu Chuanzhi, Mr. Zhu Linan, Ms. Ma Xuezheng, Mr. James G. Coulter, Mr. William O. Grabe and Dr. Wu Yibing; and the independent non-executive directors are Professor Woo Chia-Wei, Mr. Ting Lee Sen, Mr. John W. Barter III, Dr. Tian Suning and Mr. Nicholas C. Allen.*