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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: 992)

CLOSING OF DISCLOSEABLE TRANSACTION

**IN RELATION TO ACQUISITION OF MOTOROLA MOBILITY GROUP
INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER THE
GENERAL MANDATE**

CREDIT SUISSE 

Financial Advisor

Further to the announcement dated January 30, 2014 (the “**January 30 Announcement**”) issued by Lenovo Group Limited (the “**Company**”) in connection with the acquisition agreement dated January 29, 2014 (US Eastern Time) (the “**Acquisition Agreement**”) between the Company and Google Inc. (“**Google**”), the board of directors of the Company is pleased to announce that all conditions to the completion of the Transaction pursuant to the Acquisition Agreement (“**Completion**”) have been fulfilled. Capitalised terms used in this announcement shall have the same meanings as that which are set out in the January 30 Announcement.

Completion took place on October 30, 2014 in Hong Kong. At Completion, the following amounts were paid: (a) a compensation of US\$228,494,497 (equivalent to approximately HK\$1,773,117,297) in cash to Google which primarily relates to the estimated amount of excess net cash and working capital remaining in the Motorola Mobility Group and which was transferred to the Company at Completion; and (b) the consideration for the acquisition by the Company of the Sale Shares, which amounted to US\$2,910,000,000 (equivalent to approximately HK\$22,581,600,000) comprising as follows:

1. US\$660,000,000 (equivalent to approximately HK\$5,121,600,000), representing the Cash Consideration, was paid to Google in cash.

2. US\$750,000,000 (equivalent to approximately HK\$5,820,000,000) of the consideration was paid in the form of 519,107,215 Shares issued to Google based upon the Closing Share Price of HK\$11.2173 per Share.
3. The Promissory Note, representing the Deferred Consideration payable to Google in the amount of US\$1,500,000,000 (equivalent to approximately HK\$11,640,000,000), was issued to Google. Such amount is payable on the third anniversary of the Completion Date and is subject to any reduction, at Google's election pursuant to the Acquisition Agreement, of any amount owing to the Company by Google under the Cash Adjustment.

The Cash Consideration and the Deferred Consideration payable by the Company are, in each case, subject to the Cash Adjustment. Further announcement(s) may be made by the Company as and when necessary.

For a period of one year from the Completion Date, without the prior written consent of the Company, Google is restricted from offering, selling, transferring or otherwise disposing, directly or indirectly, the Consideration Shares to a third party, except (i) to one or more wholly-owned subsidiaries of Google, (ii) pursuant to a tender or exchange offer made to all Shareholders, or (iii) in connection with a third party acquisition or business combination transaction involving the Company.

In this announcement, the conversion of United States dollars into Hong Kong dollars is based on the exchange rate of US\$1.00 to HK\$7.76 and is for illustrative purposes only.

By Order of the Board
Yang Yuanqing
Chairman and
Chief Executive Officer

October 30, 2014

As at the date of this announcement, the executive director is Mr. Yang Yuanqing; the non-executive directors are Mr. Zhu Linan and Mr. Zhao John Huan; and the independent non-executive directors are Mr. Ting Lee Sen, Dr. Tian Suning, Mr. Nicholas C. Allen, Mr. Nobuyuki Idei, Mr. William O. Grabe, Mr. William Tudor Brown and Ms. Ma Xuezheng.