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Lenovo

Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(HKD Counter Stock Code: 992 / RMB Counter Stock Code: 80992)

NOTICE OF GENERAL MEETING

Reference is made to the circular of Lenovo Group Limited (the “**Company**”) dated August 19, 2024 (the “**Circular**”). Unless the context requires otherwise, terms used herein have the same meanings as defined in the Circular.

On May 28, 2024, the Company entered into the Strategic Collaboration Framework Agreement and the Bond Subscription Agreement with Alat to issue the Convertible Bonds in an aggregate principal amount of US\$2,000,000,000 (equivalent to approximately HK\$15,623 million). Reference is made to the announcement of the Company dated May 29, 2024 with respect to the Strategic Collaboration and the Bond Subscription Agreement. On the same date as the date of the Bond Subscription Agreement, the Company also proposed the issuance of 1,150,000,000 Warrants at the issue price of HK\$1.43 per Warrant. The initial proceeds of the Warrants Issuance will be approximately US\$210 million, and assuming full exercise of the Warrants at the initial Exercise Price, additional capital of US\$1.8 billion would be realized. Reference is also made to the announcements of the Company dated May 29, 2024 and July 15, 2024 with respect to the Strategic Collaboration Framework Agreement, the Bond Issue and the Warrants Issuance.

The Company intends to use the proceeds of the Convertible Bonds primarily for existing debt refinancing, while the proceeds of the Warrants Issuance will be deployed for expansion in the MEA region, and the proceeds from full exercise of the Warrants will insure timely and adequate investment in research and development (“**R&D**”) and hybrid artificial intelligence (“**AI**”).

Whilst requiring separate approvals as two distinct proposals for consideration and shareholder approval at the General Meeting, the Strategic Business Transactions are considered to be equally integral elements of a unified strategic initiative to advance the Company’s commercial growth and delivery of long-term shareholder value. The Company is of the view that the Strategic Business Transactions, as a whole, present a significant opportunity for the Company to grow in the PRC and the MEA Region in the long run, for the following key reasons:

(i) Introduction of a long-term strategic partner internationalizes shareholder base and strategic options

The long-term strategic partnership with Alat allows the Company to access the potential business opportunities in the Kingdom of Saudi Arabia, in the MEA Region, and globally through Alat and the Public Investment Fund's investments and affiliations;

(ii) Geographical diversification into the MEA Region while strengthening our position in China provides growth opportunities and momentum

Business development and manufacturing footprint expansion with enhanced market reach to capture the robust growth momentum globally and in particular the MEA Region;

(iii) Financing instruments at favorable terms support multiple strategic initiatives

The Company can leverage the proceeds raised for refinancing existing debt, supplementing general working capital purposes, expanding in the MEA Region and supporting strategic initiatives and at the same time the Bond Issue will not cause any dilution of existing Shareholders' proportionate holdings during the first three years. The Warrants, if exercised, will provide capital to the Company with an effective issuance price at near 20-year share price high at HK\$13.74. The Company expects to have an interest savings of approximate US\$110 million per year from the Strategic Business Transactions which did not take into account the proceeds from the exercise of the Warrants;

(iv) Financial flexibility enables strategic transformation

Additional revenue growth opportunities and interest savings generated provide the Company with greater financial flexibility to pursue incremental strategic investments in areas including AI, R&D and potential inorganic growth opportunities to facilitate its ongoing strategic transformation;

(v) Strong support from management team with large personal financial commitment demonstrates confidence in the long-term prospects of the Company

The Chairman's subscription of the Warrants represents a vote of confidence in the Company's ongoing transformation, global market leadership, and growth momentum, also aligns the interests between the Shareholders and the Company management by enhancing the Company management's motivation; and

(vi) The Strategic Business Transactions as a whole present the best structure available to the Company

The Company has considered other financing alternatives and thoughtfully determined that the proposals in their entirety, including discussion with market participants on the terms of the Warrants, comprise the best alternative for the Company. The Company considers that the Strategic Business Transactions as a whole present the best structure available to the Company.

The Board believes that Alat's unique position (being a wholly owned subsidiary of the Public Investment Fund, a sovereign fund) would provide the Group with sovereign wealth resources of Kingdom of Saudi Arabia, which other private funds would not be able to leverage on. The Company and Alat entered into the Strategic Collaboration Framework Agreement on May 28, 2024, which forms the foundation of the Strategic Collaboration between the Company and Alat. Pursuant to the Strategic Collaboration Framework Agreement, the Company will, among other things, launch a new regional headquarters for the MEA Region in Riyadh, the Kingdom of Saudi Arabia, which will include a customer center to generate customer demand from the MEA Region and a research and development center focusing on the MEA Region. Alat will support and provide assistance to the Company to ensure the smooth implementation of the Strategic Collaboration, including assistance to the Company in selecting the premises for the regional headquarters in Riyadh and the obtaining of all permits, licenses and approvals of governmental authorities applicable to the regional headquarters in Riyadh. Alat will also deliver the premises for the manufacturing facility based on the Company's requirements for this manufacturing facility.

Alat is a wholly owned subsidiary of the Public Investment Fund of the Kingdom of Saudi Arabia, with an independent investment mandate, and is a long-term strategic investor with US\$100 billion of capital to assist investee companies to grow globally via leveraging the sovereign wealth resources of the Kingdom of Saudi Arabia.

The Warrants Issuance will generate immediate proceeds to the Company of approximately US\$210 million but there is no certainty that the Warrants will be exercised in full nor the amount of additional proceeds that will be generated by the Company from such exercise. The exercise of the subscription rights attached to the Warrants, if materializes, will also have a positive effect on the working capital position of the Group. Accordingly, the cash position, current assets and current ratio of the Company are expected to be improved.

With the background of the Strategic Business Transactions, the Board put forward the following resolutions as ordinary resolutions for Shareholders to consider at the general meeting.

NOTICE IS HEREBY GIVEN that the general meeting of Lenovo Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held as a hybrid meeting at 9:30 a.m. on Thursday, September 12, 2024 at Salon Rooms, 5/F, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong to consider and, if thought fit, to pass with or without modification the following resolution as ordinary resolutions:

ORDINARY RESOLUTIONS

(1) “**THAT:**

- (a) the warrants subscription agreement dated July 15, 2024 (including the form of the subscription letter to be signed by any warrants subscriber and as amended and restated, the “**Warrants Subscription Agreement**”) entered into between the Company as issuer and Mr. Yang Yuanqing as an initial warrants subscriber (the “**Initial Warrants Subscriber**”) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for identification purpose) in relation to the allotment and issue of an aggregate of 1,150,000,000 warrants (the “**Warrants**”), comprising of 220,000,000 warrants to be subscribed by the Initial Warrants Subscriber and 930,000,000 warrants to be offered by way of a private placement, whether through a placing agent or otherwise, to placees and certain senior management members (including executive vice presidents and senior vice presidents) of the Group (which may include connected persons of the Company at subsidiary level) (the “**Management Participants**”, together with the Initial Warrants Subscriber, the “**Warrants Subscribers**”) (and to the extent any such Warrants are not fully subscribed by the Management Participants, the Initial Warrants Subscriber is willing to subscribe for up to an additional 330,000,000 Warrants), and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the issue of the Warrants by the Company to the Warrants Subscribers in accordance with the terms and conditions of the Warrants Subscription Agreement and the instrument of the Warrants be and is hereby approved; and
- (c) conditional upon, among others, the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Warrant Shares (as defined below), the specific mandate to the Directors to exercise the powers of the Company for the allotment and issue of the warrant shares (the “**Warrant Shares**”) at the initial exercise price of HK\$12.31 per Share (subject to adjustment in accordance with the term and conditions of the Warrants) which may fall to be allotted and issued upon the exercise of the exercise rights attaching to the Warrants in accordance with the terms and conditions of the Warrants be and are hereby approved.”

(2) “**THAT:**

- (a) The bond subscription agreement (as amended and restated, the “**CB Subscription Agreement**”) dated May 28, 2024 entered into between the Company as issuer and ALAT Technologies Company (formerly known as Industrial Company for Electronics) as subscriber (the “**CB Subscriber**”) (a copy of which has been produced to this meeting marked “B” and signed by the chairman of this meeting for identification purpose) in relation to the subscription by the CB Subscriber of convertible bonds in an aggregate amount of US\$2,000,000,000 to be issued by the Company (the “**Convertible Bonds**”), and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the issue of the Convertible Bonds by the Company in accordance with the terms and conditions of the CB Subscription Agreement be and is hereby approved; and
- (c) conditional upon, among others, the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares (as defined below), the specific mandate to the directors of the Company (the “**Directors**”) to exercise the powers of the Company for the allotment and issue of the conversion shares (the “**Conversion Shares**”) at the initial conversion price of HK\$10.42 (subject to adjustment in accordance with the term and conditions of the Convertible Bonds) which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds be and are hereby approved.”

By Order of the Board

Yang Yuanqing

Chairman and Chief Executive Officer

Hong Kong, August 19, 2024

Notes:

1. The General Meeting will be held in the form of a hybrid meeting. Shareholders (or their proxies or corporate representatives) have the option of attending, participating and voting at the General Meeting physically at Salon Rooms, 5/F, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong or electronically via the e-meeting platform (<https://spot-emeeting.tricor.hk/#/login>). For further details, please refer to the Guidance for attending the General Meeting (on pages 9 to 10 of the Circular of which this notice forms part) and the Online Meeting User Guide on the website of the Company at <https://investor.lenovo.com/en/publications/guide.php>.
2. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint more than one proxy to represent respectively the number of shares held by such member, to attend, speak and vote instead of him/her. A proxy need not be a Shareholder of the Company. Shareholders may consider exercising their right to vote at the General Meeting by appointing the chairman of the General Meeting as their proxy to vote and returning the form of proxy instead of attending the General Meeting in person.

3. Where there are joint holders of any share, any one of such persons may vote at the General Meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the General Meeting personally or by proxy, that one of the said persons whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of it.
4. To be valid, the completed and signed proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's share registrar, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the General Meeting or any adjourned meeting thereof. In calculating the aforesaid 48 hours period, no account will be taken of any part of a day that is public holiday. Delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the General Meeting and in such event, the instrument appointing of proxy shall be deemed to be revoked.
5. For the purposes of determining Shareholders' eligibility to attend and vote at the General Meeting, the register of members of the Company will not be closed. Details of the latest registration date and record date are set out below:

Latest time to lodge transfer documents for registration: 4:30 p.m. on September 6, 2024

Record date: September 6, 2024

To be eligible to attend and vote at the General Meeting, all properly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than the aforementioned time.

6. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow resolutions which relates purely to a procedural or administrative matter to be voted on by show of hands. The chairman of the General Meeting will therefore put each of the resolutions to be proposed at the meeting to be voted by way of poll pursuant to the Company's articles of association.
7. In the event that a gale warning (tropical cyclone no. 8 or above) or black rainstorm warning is in effect at any time between 7:30 a.m. and 9:30 a.m. on the day of the General Meeting, the General Meeting may be postponed to a later date and/or time as determined by the Company. If postponed, the Company will, as soon as practicable, post an announcement on the websites of the HKEXnews of Hong Kong Exchanges and Clearing Limited at <https://www.hkexnews.hk> and the Company at <https://investor.lenovo.com/en/publications/news.php> to notify Shareholders that the meeting has been postponed (however, a failure to post such a notice shall not affect the postponement of such meeting).

When the date, time and location of the rescheduled meeting has been fixed, the Company will post a further announcement on its website and on the website of the Hong Kong Stock Exchange to notify Shareholders of the date, time and location of the rescheduled meeting.

Shareholders who have any queries concerning the alternative meeting arrangements, please call the Customer Service Hotline of Tricor Abacus Limited at telephone number 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays).

8. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
9. Light refreshments will be served at the General Meeting.

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. William O. Grabe, Mr. William Tudor Brown, Mr. Gordon Robert Halyburton Orr, Mr. John Lawson Thornton, Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted), Mr. Woo Chin Wan Raymond, Ms. Yang Lan, Ms. Cher Wang Hsiueh Hong, and Professor Xue Lan.