

Updates to Strategic Business Transaction

Completion of Bond and Warrant Issuance

Lenovo

January 8, 2025

In May 2024, Lenovo Group announced its plan to form a long-term strategic partnership with Alat (a US\$100Bn fund wholly owned by Public Investment Fund, the sovereign wealth fund of the Kingdom of Saudi Arabia (KSA)). Further to this announcement, all necessary shareholder and regulatory approvals have been obtained and the issuances of the Convertible Bonds (CBs) and Warrants completed.

This important partnership aims to expedite Lenovo's ongoing transformation, enhance the company's global presence and broaden the geographic diversification of its global manufacturing footprint. The partnership will seize substantial growth prospects in the Middle East and Africa (MEA) region and align with Saudi Arabia's Vision for 2030.

Closure of relevant financial transactions

As part of the strategic collaboration, the company is pleased to announce that on January 8, 2025, CBs amounting to US\$2 billion have been fully approved and issued. The Conversion Price of the bonds has been adjusted to HK\$10.02 per share, reflecting dividends since May-2024 announcements. A full conversion yield into 1,559,181,636 shares, represents 11.17% of the issued shares post-conversion.

Concurrent with the issuance of the CBs, a Warrants Issuance was fully subscribed and issued to management and independent investors, endorsing their strong support for the strategic collaboration and Lenovo's future prospects.

Lenovo regional headquarters (RHQ) and the first local AI-powered manufacturing plant

The strategic collaboration and investment will empower Lenovo to accelerate its growth trajectory. Lenovo intends to expand its current operations in the MEA region, capitalize on the significant growth

potential in the MEA region, bring its world class supply chain, technology and manufacturing expertise to Saudi Arabia.

Lenovo will establish the regional headquarters for the MEA region, alongside a pioneering smart/AI-powered manufacturing facility for PCs and servers within the kingdom. This facility will cater to customers within the region and beyond. It will be the kingdom's first such plant, capable of producing millions of PCs and servers annually and leveraging local research and development (R&D) teams for end-to-end “Made in Saudi Arabia” products, with an anticipated start of product shipments in 2026. The new factory will complement Lenovo's extensive network of over 30 manufacturing sites globally, encompassing locations in Argentina, Brazil, China, Germany, Hungary, India, Japan, Mexico, and the USA.

Lenovo has also formed a sales and distribution partnership with Alat, capitalizing on Alat's extensive regional connections and local market expertise. Furthermore, the RHQ will invest in flagship retail spaces within Saudi Arabia and augment its investments in R&D, marketing, and strategic partnerships across the country and the broader MEA region.

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About Lenovo

Lenovo is a US\$57 billion global technology powerhouse, ranked #217 in the Fortune Global 500, and serving millions of customers every day in 180 markets.

Focused on a bold vision to deliver Smarter Technology for All, Lenovo has built on its success as the world's largest PC company with a pocket-to cloud portfolio of AI-enabled, AI-ready, and AI-optimised devices (PCs, workstations, smartphones, tablets), infrastructure (servers, storage, edge, high performance computing and software defined infrastructure), software, solutions, and services.

Lenovo's continued investment in world-changing innovation is building a more equitable, trustworthy, and smarter future for everyone, everywhere. Lenovo Group Limited is listed on the Hong Kong stock exchange (HKSE: 992) (ADR: LNVGY). To find out more, visit <https://www.lenovo.com>, and follow our latest news via our StoryHub.