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**联想控股**  
**LEGEND HOLDINGS**  
EMPOWERING COMPANIES TOWARD GREATNESS

**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: 03396)**

**Discloseable Transaction**  
**Proposed Partial Repurchase of Existing Convertible Bonds and**  
**Issuance of New Convertible Bonds by a Subsidiary**

**PROPOSED PARTIAL REPURCHASE OF THE EXISTING CONVERTIBLE BONDS BY LENOVO**

On August 17, 2022, Lenovo entered into the Dealer Manager Agreement with the Dealer Managers pursuant to which the Dealer Managers have been appointed in connection with the Partial Repurchase to, amongst others, assist Lenovo in collecting indications of interest from holders of the Existing Convertible Bonds who are willing to sell their Existing Convertible Bonds to Lenovo.

Lenovo proposes to fund the Partial Repurchase using proceeds from the Bond Issue.

The Repurchase Price of the Existing Convertible Bonds will be determined after trading of the Lenovo Shares on the Stock Exchange has closed on August 18, 2022. The Company will make a further announcement as soon as practicable after determination of the Repurchase Price.

**PROPOSED ISSUE OF US\$675 MILLION 2.50% CONVERTIBLE BONDS DUE 2029 BY LENOVO**

On August 17, 2022, Lenovo and the Joint Global Coordinators entered into the Bond Subscription Agreement whereby the Joint Global Coordinators have conditionally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the New Convertible Bonds to be issued by Lenovo in an aggregate principal amount of US\$675 million. The New Convertible Bonds are convertible into Lenovo Shares in the circumstances set out in the Terms and Conditions at the initial Conversion Price, which is subject to adjustments as set out in the Terms and Conditions. Further announcement(s) in respect of the initial Conversion Price will be made by the Company as soon as practicable after determination of the initial Conversion Price. It is intended that the New Convertible Bonds will be listed on the Stock Exchange. Applications will be made to the Stock Exchange for the listing of, and permission to deal in, the New Convertible Bonds and the Conversion Shares.

## **USE OF PROCEEDS**

The estimated net proceeds from the Bond Issue, after deduction of estimated commissions and expenses, amount to approximately US\$664 million, which will be used: (1) to fund the Partial Repurchase; and (2) for Lenovo's general working capital purposes.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the Proposed Deemed Disposal resulting from the Dilution Effect exceeds 5% but less than 25%, which constitutes a discloseable transaction of the Company and is subject to the notice and announcement requirements under Chapter 14 of the Listing Rules.

**Completion of the Partial Repurchase is subject to, among other things, completion of the proposed Bond Issue, satisfaction and/or waiver of the conditions precedent in the Dealer Manager Agreement, market conditions and investors' demand. Completion of the Bond Issue is subject to satisfaction and/or waiver of the conditions precedent in the Bond Subscription Agreement. In addition, each of the Dealer Manager Agreement and the Bond Subscription Agreement may be terminated under certain circumstances. Please refer to the sections headed "THE DEALER MANAGER AGREEMENT" and "THE BOND SUBSCRIPTION AGREEMENT" below for further information. As Lenovo may or may not obtain the necessary approvals from the Stock Exchange and the Bond Issue may or may not be completed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company**

## **PROPOSED PARTIAL REPURCHASE OF THE EXISTING CONVERTIBLE BONDS BY LENOVO**

On August 17, 2022, Lenovo entered into the Dealer Manager Agreement with the Dealer Managers pursuant to which the Dealer Managers have been appointed in connection with the Partial Repurchase to, amongst others, assist Lenovo in collecting indications of interest from holders of the Existing Convertible Bonds who are willing to sell their Existing Convertible Bonds to Lenovo.

Lenovo proposes to fund the Partial Repurchase using proceeds from the Bond Issue.

A summary of the principal terms of the Dealer Manager Agreement is set out below.

### **THE DEALER MANAGER AGREEMENT**

Date: August 17, 2022

Parties: (i) Lenovo  
(ii) The Dealer Managers

Conditions to the obligations of the Dealer Managers:

The obligations of the Dealer Managers under the Dealer Manager Agreement are subject to, amongst others, the following conditions:

1. prior to the Commencement Date, all relevant consents, approvals, authorisations of, or registrations, filings or declarations with, any court, regulatory authority, governmental agency or stock exchange (including but not limited to, the Stock Exchange) or any other person required in connection with the execution of the Dealer Manager Agreement, the performance by Lenovo of its obligations under the Dealer Manager Agreement, or in connection with the conduct and consummation of the Partial Repurchase (including, without limitation, the distribution of the repurchase materials) shall have been obtained by Lenovo and remain in full force and effect;
2. by the date of the Dealer Manager Agreement, Lenovo shall have delivered to the Dealer Managers a copy of the repurchase materials, to the extent such repurchase materials exist and are in the possession of Lenovo; and
3. prior to the Settlement Date, Lenovo shall have delivered to the Dealer Managers the conditions precedent as set out under the Dealer Manager Agreement or such further information, certificates and documents as the Dealer Managers may reasonably request relating to the Partial Repurchase.

Conditions of the Partial Repurchase:

The settlement by Lenovo of the sales and purchases of the Existing Convertible Bonds is conditional upon the receipt of the proceeds of the Bond Issue.

Termination:

The Dealer Manager Agreement shall terminate on the earliest of:

1. the Settlement Date;
2. upon written notice by Lenovo to the Dealer Managers to terminate the Dealer Manager Agreement at any time in the event that it decides not to proceed with the Partial Repurchase; or
3. upon the expiration, termination or withdrawal of the Partial Repurchase and in each case, each party shall be discharged from performance of its obligations under the Dealer Manager Agreement, provided that the Dealer Managers shall receive all fees and expenses payable under the Dealer Manager Agreement which have accrued as of the date of such termination notice.

The Repurchase Price of the Existing Convertible Bonds will be determined after trading of the Lenovo Shares on the Stock Exchange has closed on August 18, 2022. The Company will make a further announcement as soon as practicable after determination of the Repurchase Price.

## **PROPOSED ISSUANCE OF US\$675 MILLION 2.50% CONVERTIBLE BONDS DUE 2029 BY LENOVO**

On August 17, 2022, Lenovo and the Joint Global Coordinators entered into the Bond Subscription Agreement whereby the Joint Global Coordinators have conditionally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the New Convertible Bonds to be issued by Lenovo in an aggregate principal amount of US\$675 million.

A summary of the principal terms of the Bond Subscription Agreement is set out below.

### **THE BOND SUBSCRIPTION AGREEMENT**

Date: August 17, 2022

Parties: (i) Lenovo, as issuer  
(ii) The Joint Global Coordinators.

Proposed Bond Issue: Subject to and in accordance with the provisions of the Bond Subscription Agreement, the Joint Global Coordinators severally and not jointly agree to subscribe and pay for, or to procure subscribers to subscribe and pay for, the New Convertible Bonds.

Conditions precedent: The Joint Global Coordinators shall only be under obligation to subscribe and pay for the New Convertible Bonds if certain conditions precedent have been satisfied or waived by the Joint Global Coordinators, including:

1. the Joint Global Coordinators being satisfied with the results of their due diligence investigations with respect to Lenovo and its subsidiaries for the purposes of preparation of the Offering Circular, and the Offering Circular having been prepared in form and content reasonably satisfactory to the Joint Global Coordinators (acting reasonably) and having been delivered to the Joint Global Coordinators in accordance with the Bond Subscription Agreement;
2. the Joint Global Coordinators having received such legal opinions, comfort letters, certificates (including incumbency certificates), process agent appointment letter, constitutive documents, board resolutions, corporate approvals, authorisations or consents in relation to the issue of the New Convertible Bonds in the form as stipulated in the Bond Subscription Agreement;

3. the New Convertible Bonds having been completed, executed and delivered as appropriate by Lenovo in accordance with the terms of the Bond Subscription Agreement, the trust deed and agency agreement substantially in the respective forms agreed between Lenovo and the Joint Global Coordinators;
4. the Joint Global Coordinators having received (i) a copy of the “Enterprise Overseas Debt Issuance Filing and Registration Certificate (企業發行外債備案登記證明)”, or the equivalent document, with respect to the New Convertible Bonds issued by the NDRC in accordance with the NDRC Circular or (ii) any other documents, opinions, certificates or agreements evidencing that the issue of the New Convertible Bonds is within the quota granted by the NDRC, if applicable, in each case in a form reasonably satisfactory to the Joint Global Coordinators jointly;
5. in the opinion of the Joint Global Coordinators, there having been no adverse change, nor any development or event which involves, or is reasonably likely to involve, an adverse change in the condition (financial or otherwise), business, properties, prospects, results of operations or general affairs or profitability of Lenovo and/or its subsidiaries that is material in the context of the issue and offering of the New Convertible Bonds or which is likely to prejudice materially the issue and offering of the New Convertible Bonds or dealings in the New Convertible Bonds on the secondary market;
6. the representations and warranties by Lenovo contained in the Bond Subscription Agreement being true and accurate on the date of the Offering Circular and the Issue Date;
7. (i) the New Convertible Bonds have, subject only to the execution, authentication and delivery of the global bond certificate, been admitted to listing, trading and/or quotation by the Stock Exchange; (ii) the listing approval from the Stock Exchange for the Conversion Shares having been obtained and the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Global Coordinators, to list the New Convertible Bonds, and (iii) approval from the Stock Exchange having been obtained in relation to Rule 10.06(3) of the Listing Rules with respect to the carrying out of the Bond Issue and the Partial Repurchase (“**Rule 10.6(3) Approval**”);
8. the New Convertible Bonds and the relevant currency being accepted for settlement by Euroclear Bank SA/NV and Clearstream Banking S.A.;

9. the engagement letters each dated on or before the Issue Date; and
10. the trust deed and agency agreement are being executed on or before the Issue Date by or on behalf of all parties thereto.

As at the date of this announcement, except for the Rule 10.06(3) Approval which has already been obtained, the above conditions precedent to the completion of the Bond Subscription Agreement are yet to be satisfied and/or waived by the Joint Global Coordinators (as the case may be).

Completion: Completion of the subscription and Bond Issue will take place on the Issue Date.

Lock-up: Lenovo has undertaken to the Joint Global Coordinators that neither Lenovo nor any person acting on its or their behalf will:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lenovo Shares or securities of the same class as the New Convertible Bonds or the Lenovo Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the New Convertible Bonds, the Lenovo Shares or securities of the same class as the New Convertible Bonds, the Lenovo Shares or other instruments representing interests in the New Convertible Bonds, the Lenovo Shares or other securities of the same class as them,
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Lenovo Shares,
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lenovo Shares or other securities, in cash or otherwise, or

- (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Global Coordinators, between the date hereof and the date which is 90 calendar days after the Issue Date (both dates inclusive), except for: (i) the New Convertible Bonds and the Conversion Shares issued on conversion of the New Convertible Bonds, (ii) the Lenovo Shares issued pursuant to the conversion of the Existing Convertible Bonds, (if any) and (iii) the Lenovo Shares issued or options granted pursuant to the employee share incentive scheme of Lenovo.

General Mandate: The Conversion Shares will be allotted and issued pursuant to the General Mandate. The Bond Issue is not subject to the approval of Lenovo's shareholders.

Termination: Any of the Joint Global Coordinators may give a termination notice to Lenovo at any time prior to the payment of the proceeds of the issuance of the New Convertible Bonds to Lenovo on the Issue Date upon the occurrence of certain events, including:

1. any representation and warranty by Lenovo in the Bond Subscription Agreement is or proves to be untrue or incorrect on the date of the Bond Subscription Agreement or on any date on which it is deemed to be repeated;
2. Lenovo fails to perform any of its obligations under the Bond Subscription Agreement;
3. any of the conditions precedent set out in the Bond Subscription Agreement is not satisfied or waived by Joint Global Coordinators on the Issue Date;
4. in the opinion of the Joint Global Coordinators, (i) there have been such a change in financial, political or economic conditions in China or internationally or currency exchange rates or exchange controls as is likely to prejudice materially the success of the offering and distribution of the New Convertible Bonds or dealings in the New Convertible Bonds in the secondary market, or (ii) there shall have occurred any event or series of events, as is likely to prejudice materially the success of the offering and distribution of the New Convertible Bonds or dealings in the Bonds in the secondary market; and
5. the Lenovo Shares or any other securities of Lenovo cease to be quoted on the Stock Exchange or on any other exchange or over-the-counter market.

The New Convertible Bonds are convertible into Lenovo Shares in the circumstances set out in the Terms and Conditions at the initial Conversion Price, which is subject to adjustments as set out in the Terms and Conditions. Further announcement(s) in respect of the initial Conversion Price will be made by the Company as soon as practicable after determination of the initial Conversion Price.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Joint Global Coordinators are third parties independent of the Company and connected persons of the Company.

The Joint Global Coordinators have informed the Company that they intend to offer and sell the New Convertible Bonds to no less than six independent placees (who will be independent professional investors). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the placees (and their respective ultimate beneficial owners) will be third parties independent of the Company and will not be connected persons of the Company.

It is intended that the New Convertible Bonds will be listed on the Stock Exchange. Applications will be made to the Stock Exchange for the listing of, and permission to deal in, the New Convertible Bonds and the Conversion Shares.

## **PRINCIPAL TERMS OF THE NEW CONVERTIBLE BONDS**

The principal terms of the New Convertible Bonds are summarised as follows:

Issuer:	Lenovo
Principal amount of the New Convertible Bonds:	US\$675 million
Maturity Date:	August 26, 2029 (7 years)
Issue price:	100% of the aggregate principal amount of the New Convertible Bonds.
Interest rate:	2.50% per annum
Default interest:	Interest rate+2% per annum on any overdue sum
Status:	The New Convertible Bonds constitute direct, general, unconditional, unsubordinated and (subject to negative pledge covenant as described below) unsecured obligations of Lenovo which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of Lenovo, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.



Form and denomination:	The New Convertible Bonds are in registered form only in the denominations of US\$200,000 each and integral multiples of US\$1,000 in excess thereof.
Conversion period:	<p>Subject to the Terms and Conditions, the conversion right attaching to any New Convertible Bond may be exercised:</p> <p>(i) at the option of the holder thereof, at any time on or after 41 days after the Issue Date up to the close of business (at the place where the bond certificate evidencing such New Convertible Bond is deposited for conversion) on the 10th day prior to the Maturity Date (both days inclusive) (except if (a) Lenovo shall default in making payment in full in respect of any New Convertible Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (b) any New Convertible Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any events of defaults as provided in the Terms and Conditions or (c) any New Convertible Bond is not redeemed on the Maturity Date in accordance with the Terms and Conditions), or</p> <p>(ii) if any New Convertible Bond shall have been called for redemption by Lenovo before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 10 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by such Bondholder pursuant to the (a) redemption for delisting, suspension of trading or change of control or (b) redemption at the option of the Bondholders, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.</p>
Conversion Price:	Subject to the Terms and Conditions, the conversion price will be a 42.5% premium to the Reference Share Price, but will be subject to adjustments including but not limited to (i) consolidation, subdivision or reclassification of the Lenovo Shares; (ii) capitalisation of profits or reserves; (iii) certain distributions; (iv) rights issues of Lenovo Shares or options over Lenovo Shares; (v) rights issues of other securities; (vi) issues at less than current market price; (vii) other issues at less than current market price; (viii) modification of rights of conversion etc.; and (ix) other offers to Lenovo's shareholders and (x) determination by Lenovo.
Ranking of Conversion Shares:	The Conversion Shares will in all respects rank <i>pari passu</i> with the Lenovo Shares in issue on the relevant registration date.

Redemption at maturity: Unless previously redeemed, converted or purchased and cancelled, Lenovo will redeem each New Convertible Bond at 100.0 per cent. of its principal amount on the Maturity Date together with interest accrued but unpaid up to but excluding the Maturity Date. Without prejudice to any events of defaults as provided in the Terms and Conditions, Lenovo may not redeem the Bonds at its option prior to that date except for (i) redemption for taxation reasons and (ii) redemption at the option of Lenovo, each as described below.

Redemption for taxation reasons: The New Convertible Bonds may be redeemed at the option of Lenovo in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at 100.0 per cent. of their principal amount outstanding at the date fixed for redemption, together with interest accrued but unpaid up to but excluding such date fixed for redemption (if any), if (a) Lenovo has or will become obliged to pay additional taxes as a result of any change in, or amendment to, the laws or regulations of any relevant jurisdiction or any change in the official application or interpretation of such laws or regulations, which change or amendment, in the case of Lenovo, becomes effective on or after August 17, 2022, and (b) such obligation cannot be avoided by Lenovo taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which Lenovo would be obliged to pay such additional taxes were a payment in respect of the New Convertible Bonds then due.

If Lenovo issues a tax redemption notice, each Bondholder will have the right to elect that its New Convertible Bond(s) shall not be redeemed and provisions of the taxation condition shall not apply in respect of any payment of principal, premium (if any) or interest to be made in respect of such New Convertible Bond(s). In case of such election, all payments made to an electing Bondholder after the tax redemption notice date will be made subject to deduction or withholding of any tax required to be deducted or withheld and no additional tax amounts will be paid with respect thereto.

Redemption at the option of Lenovo:	<p>On giving not less than 30 nor more than 60 days' notice to the Bondholders and to the trustee and the principal agent in writing, Lenovo may (i) at any time after September 9, 2026 and prior to the Maturity Date redeem in whole, but not in part, the New Convertible Bonds for the time being outstanding at 100.0 per cent. of their principal amount, together with interest accrued but unpaid up to but excluding the date fixed for redemption (if any), provided that the closing price of the Shares (derived from the daily quotations sheet of the Stock Exchange or, as the case may be, the equivalent quotation sheet of an alternative stock exchange and translated into U.S. dollars at the prevailing rate) for at least each of the 20 trading days (each a "Condition Satisfaction Day") out of the 30 consecutive trading days, the last Condition Satisfaction Day occurs not more than 10 trading days prior to the date upon which notice of such redemption is published, was at least 130 per cent. of Conversion Price (translated into US\$ at a fixed exchange rate) then in effect, or (ii) at any time prior to the Maturity Date redeem in whole, but not in part, the New Convertible Bonds for the time being outstanding at 100 per cent. of their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption (if any), provided that prior to the date of such notice at least 90.0 per cent. in principal amount of the New Convertible Bonds originally issued (including any further bonds issued pursuant to the Terms and Conditions and consolidated and forming a single series with the New Convertible Bonds) has already been converted, redeemed or purchased and cancelled.</p>
Redemption for delisting, suspension of trading or change of control at the option of the Bondholder:	<p>Each Bondholder shall have the right to require Lenovo to redeem all or some only of such Bondholder's New Convertible Bonds at 100.0 per cent. of their principal amount, together with interest accrued but unpaid up to but excluding such date (if any) when (i) the Lenovo Shares cease to be listed or admitted to trading on the Stock Exchange or if applicable, the alternative stock exchange, or are suspended for trading on the Stock Exchange or, if applicable, the alternative stock exchange, for a period equal to or exceeding 30 consecutive trading days or (ii) there is a change of control event.</p>
Redemption at the option of the Bondholder on the Put Option Date:	<p>The Bondholder will have the right, at such Bondholder's option, to require Lenovo to redeem all or some only of the New Convertible Bonds of such Bondholders on the Put Option Date at 100.0 per cent. of their principal amount, together with interest accrued but unpaid up to but excluding such date (if any). To exercise such right, the relevant Bondholder must complete, sign and deposit at the specified office of any paying agent a duly completed and signed notice of redemption, in the then current form obtainable from the specified office of any paying agent together with the bond certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date.</p>

Negative pledge: So long as any New Convertible Bond remains outstanding (as defined in the trust deed in relation to the New Convertible Bonds), Lenovo will not, and will procure that none of its subsidiaries will, create or permit to subsist any mortgage, pledge, lien, charge, assignment by way of security or any other security interest upon the whole or any part of its property or assets, present or future, to secure any indebtedness (as defined in the Terms and Conditions) (or any guarantee or indemnity in respect thereof) unless, in such case, the New Convertible Bonds are secured equally and rateably with or prior to such indebtedness (or such guarantee or indemnity in respect thereof), unless, after giving effect thereto, the aggregate outstanding principal amount of all such secured indebtedness (other than the indebtedness secured by liens described in the Terms and Conditions) would not exceed 10.0% of Lenovo's consolidated tangible assets.

The New Convertible Bonds are convertible into Lenovo Shares in the circumstances set out in the Terms and Conditions at an initial Conversion Price based on the Reference Share Price to be determined after trading of the Lenovo Shares on the Stock Exchange has closed on August 18, 2022. The Company will make a further announcement as soon as practicable after determination of the initial Conversion Price.

#### **APPROVAL FOR THE BOND ISSUE**

As the Bond Issue will occur simultaneously with the Partial Repurchase, Lenovo has made an application to the Stock Exchange and the Stock Exchange has granted the Rule 10.6(3) Approval for the Bond Issue.

#### **EFFECT ON THE SHAREHOLDING INTEREST OF THE GROUP IN LENOVO UPON THE CONVERSION OF EXISTING CONVERTIBLE BONDS OUTSTANDING AND NEW CONVERTIBLE BONDS**

Assuming full conversion of 32.5% of the Existing Convertible Bonds remaining outstanding in the principal amount of US\$219.5 million at the adjusted conversion price of HK\$6.60, such Existing Convertible Bonds will be convertible (translated into Hong Kong dollars at the fixed rate of HK\$7.8425 = US\$1.00) into 260,822,538 Lenovo Shares (the "**Existing Conversion Shares**"), representing approximately 2.15% of the issued share capital of Lenovo as at the date of this announcement and approximately 2.11% of the issued share capital of Lenovo as enlarged by the issuance of the Existing Conversion Shares.

Assuming full conversion of the New Convertible Bonds and that the Conversion Price is set at HK\$9.82 per Lenovo Share, the New Convertible Bonds will be convertible (translated into Hong Kong dollars at the fixed rate of HK\$7.8385 = US\$1.00) into 538,797,098 Lenovo Shares, representing approximately 4.44% of the issued share capital of Lenovo as at the date of this announcement and approximately 4.25% of the issued share capital of Lenovo as enlarged by the issuance of the Conversion Shares and the Existing Conversion Shares.

As the initial Conversion Price will not be fixed until the VWAP is determined which shall only take place after trading of the Lenovo Shares has closed on August 18, 2022, the Company will make a further announcement to inform its shareholders and investors of the VWAP and the initial Conversion Price. Such announcement will also include the potential effects on the shareholding structure of Lenovo as a result of the Bond Issue (assuming full conversion of the New Convertible Bonds based on the initial Conversion Price as determined).

Given that the initial Conversion Price will in any event not be less than HK\$9.82 per Lenovo Share, the New Convertible Bonds will not be convertible into more than 538,797,098 Lenovo Shares.

The following table summarises the potential effects on the shareholding structure of Lenovo as a result of the Bond Issue:

Lenovo's shareholders	As at the date of this announcement		Assuming 32.5% of the Existing Convertible Bonds remaining outstanding are fully converted into Lenovo Shares at an adjusted conversion price of HK\$6.60 per Lenovo Share		Assuming the New Convertible Bonds are fully converted into Lenovo Shares at HK\$9.82 per Lenovo Share		Assuming 32.5% of the Existing Convertible Bonds remaining outstanding are fully converted into Lenovo Shares at an adjusted conversion price of HK\$6.60 per Lenovo Share and the New Convertible Bonds are fully converted into Lenovo Shares at HK\$9.82 per Lenovo Share	
	No. of Lenovo Shares	% of issued share capital of Lenovo (approximate)	No. of Lenovo Shares	% of issued share capital of Lenovo (approximate)	No. of Lenovo Shares	% of issued share capital of Lenovo (approximate)	No. of Lenovo Shares	% of issued share capital of Lenovo (approximate)
The Company	2,867,636,724	23.64%	2,867,636,724	23.15%	2,867,636,724	22.64%	2,867,636,724	22.18%
RLL	257,400,000	2.12%	257,400,000	2.08%	257,400,000	2.03%	257,400,000	1.99%
LEL	480,900,000	3.97%	480,900,000	3.88%	480,900,000	3.80%	480,900,000	3.72%
SHL <sup>(1)</sup>	622,804,000	5.14%	622,804,000	5.03%	622,804,000	4.92%	622,804,000	4.82%
Union Star <sup>(2)</sup>	719,304,248	5.93%	719,304,248	5.81%	719,304,248	5.68%	719,304,248	5.56%
Directors of Lenovo	157,301,016	1.30%	157,301,016	1.27%	157,301,016	1.24%	157,301,016	1.22%
Holder of the Existing Convertible Bonds	—	—	260,822,538	2.11%	—	—	260,822,538	2.02%
Subscriber of the New Convertible Bonds	—	—	—	—	538,797,098	4.25%	538,797,098	4.17%
Other public shareholders of Lenovo	7,022,784,303	57.90%	7,022,784,303	56.69%	7,022,784,303	55.44%	7,022,784,303	54.32%
<b>Total</b>	<b>12,128,130,291</b>	<b>100.0%</b>	<b>12,388,952,829</b>	<b>100.0%</b>	<b>12,666,927,389</b>	<b>100.0%</b>	<b>12,927,749,927</b>	<b>100.0%</b>

*Notes:*

- (1) Sureinvest Holdings Limited (“SHL”), a company incorporated in the British Virgin Islands and an investment holding company held as to 87.00% by Mr. Yang Yuanqing, 4.66% by Mr. Wong Wai Ming (chief financial officer of Lenovo) and 8.34% by eight other individuals.
- (2) Union Star is held as to 24.49%, 37.91% and 37.60% by SHL, the Company (through LEL) and Red Eagle Group (PTC) Limited (through Harvest Star Limited), respectively. Harvest Star Limited is a company incorporated in the Cayman Island and a wholly owned subsidiary of Red Eagle Group (PTC) Limited (a company incorporated in the British Virgin Islands and a trust holding company of an employee benefit trust of Lenovo).
- (3) Without taking into account of the Lenovo Share awards held by Lenovo Directors.

As at the date of this announcement, the Company is the single largest shareholder of Lenovo and holds an aggregate of approximately 32.12% interests in Lenovo, directly and indirectly, through Lenovo Relevant Shareholders and Union Star. Lenovo is a subsidiary of the Company.

Assuming full conversion of the New Convertible Bonds at the minimum initial Conversion Price of HK\$9.82 per Lenovo Share, the New Convertible Bonds will be convertible into not more than 538,797,098 Lenovo Shares, the shareholding interest of the Group in Lenovo, without taking into account the Partial Repurchase and any dilution effect of the Existing Convertible Bonds, will be diluted by approximately 1.36% from approximately 32.12% to approximately 30.76% of the enlarged issued share capital of Lenovo (the “Dilution Effect”).

Alternatively, taking into account the dilution effect of the Existing Convertible Bonds, assuming (i) completion of the Partial Repurchase and all of the remaining Existing Convertible Bonds outstanding are fully converted at the prevailing conversion price of HK\$6.60 into 260,822,538 Lenovo Shares, and (ii) full conversion of the New Convertible Bonds at the minimum initial Conversion Price of HK\$9.82 into not more than 538,797,098 Lenovo Shares, the shareholding interest of the Group in Lenovo will be increased by approximately 0.01% from approximately 30.13% (calculated by assuming all the Existing Convertible Bonds currently outstanding in the principal amount of US\$674.5 million are fully converted into Lenovo Shares at the prevailing conversion price of HK\$6.60) to approximately 30.14% of the enlarged issued share capital of Lenovo.

Upon completion of the Bond Issue and the Partial Repurchase, it is expected that Lenovo will remain as a subsidiary of the Company and its financial results, assets, liabilities and cash flows will continue to be consolidated in the Group’s consolidated financial statements.

## **USE OF PROCEEDS**

The gross proceeds and the net proceeds (after deduction of estimated commissions and expenses) from the Bond Issue will be US\$675 million and approximately US\$664 million, respectively. The estimated net proceeds will be used: (1) to fund the Partial Repurchase; and (2) for Lenovo’s general working capital purposes.

## **REASONS FOR AND BENEFITS OF THE PROPOSED PARTIAL REPURCHASE AND BOND ISSUE**

The proposed Partial Repurchase and the Bond Issue allow Lenovo to extend its debt maturity profile and provide Lenovo with additional funds at lower funding cost for general working capital purposes. The Directors consider that the Partial Repurchase, the terms of the Dealer Manager Agreement, the Bond Issue, the terms of the Bond Subscription Agreement and the Terms and Conditions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GENERAL MANDATE OF LENOVO**

The Bond Issue is not subject to the shareholders' approval of Lenovo. The Conversion Shares will be issued pursuant to the General Mandate which authorised its directors to allot and issue a maximum of 2,408,341,122 Lenovo Shares (representing 20% of the total issued share capital of Lenovo as at the date of the annual general meeting of Lenovo held on July 26, 2022). As at the date of this announcement, (i) no portion of the General Mandate has been utilised; and (ii) the General Mandate is sufficient for the allotment and issuance of the Conversion Shares.

## **INFORMATION OF THE COMPANY AND LENOVO**

Legend Holdings is a leading industrial investments and operations company in the PRC and the Company focuses on technological innovation and the real economy, and has established two business segments of "industrial operations" and "industrial incubations and investments". Through strategic management, operation improvement, resource allocation, financial supports and value-added services, etc., the Company is committed to building industrial pillars, incubating or investing in start-up and growing-stage companies with great potential, so as to promote the continuous growth of the Company's overall value. As at the date of this announcement, Chinese Academy of Science Holdings Co., Ltd (中國科學院控股有限公司), the single largest Shareholder of the Company, holds approximately 29.04% issued share capital of the Company.

Lenovo is a limited liability company incorporated in Hong Kong and a subsidiary of the Company. Lenovo Shares have been listed on the Stock Exchange since 1994. The principal activities of the Group are the sales and manufacture of personal computers, tablets, smartphones, servers and related information technology products and the provision of advanced information services across the world.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Dilution Effect constitutes a deemed disposal by the Company of 1.36% interest in Lenovo (the "**Proposed Deemed Disposal**"). As one of the applicable percentage ratios (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the Proposed Deemed Disposal exceeds 5% but less than 25%, which constitutes a discloseable transaction of the Company and is subject to the notice and announcement requirements under Chapter 14 of the Listing Rules.

**Completion of the Partial Repurchase is subject to, among other things, completion of the proposed Bond Issue, satisfaction and/or waiver of the conditions precedent in the Dealer Manager Agreement, market conditions and investors' demand. Completion of the Bond Issue is subject to satisfaction and/or waiver of the conditions precedent in the Bond Subscription Agreement. In addition, each of the Dealer Manager Agreement and the Bond Subscription Agreement may be terminated under certain circumstances. Please refer to the sections headed "THE DEALER MANAGER AGREEMENT" and "THE BOND SUBSCRIPTION AGREEMENT" above for further information. As Lenovo may or may not obtain the necessary approvals from the Stock Exchange and the Bond Issue may or may not be completed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company**

## **DEFINITIONS**

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

"Board"	the board of Directors of the Company
"Bond Issue"	the issuance of the New Convertible Bonds by Lenovo
"Bond Subscription Agreement"	the subscription agreement dated August 17, 2022 entered into among Lenovo and the Joint Global Coordinators in respect of the Bond Issue
"Bondholder(s)"	holder(s) of the New Convertible Bonds from time to time
"Company" or "Legend Holdings"	Legend Holdings Corporation, a joint stock limited company incorporated under the laws of the PRC, the H shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"CB Ask Price"	the ask price of the Existing Convertible Bonds of 117.45% on the launch date of the reverse bookbuilding (August 17, 2022)
"Commencement Date"	August 17, 2022
"Conversion Price"	price for the conversion of the New Convertible Bonds, and initially a 42.5% premium to the Reference Share Price
"Conversion Shares"	Lenovo Shares to be allotted and issued by Lenovo upon conversion of the New Convertible Bonds
"Dealer Manager Agreement"	the dealer manager agreement dated August 17, 2022 entered into among Lenovo and the Dealer Managers in respect of the Partial Repurchase



“Dealer Managers”	Goldman Sachs (Asia) L.L.C. , J.P. Morgan Securities plc, BNP Paribas Securities (Asia) Limited and Citigroup Global Markets Limited
“Director(s)”	director(s) of the Company
“Existing Convertible Bonds”	the US\$675 million in aggregate principal amount of the 3.375% convertible bonds due 2024 (bond stock code: 05562; ISIN: XS1937306121) issued by Lenovo on January 24, 2019
“General Mandate”	the general mandate to allot, issue and deal with Lenovo Shares granted to the directors of Lenovo by a resolution of Lenovo shareholders passed at its annual general meeting of Lenovo held on July 26, 2022
“Group”	the Company and its subsidiaries
“LEL”	Legion Elite Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of RLL, which directly holds an aggregate of 480,900,000 Lenovo Shares (representing approximately 3.97% of the issued share capital of Lenovo) as at the date of this announcement
“Lenovo”	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 (Stock Code: 992)
“Lenovo Relevant Shareholders”	the Company, RLL and LEL, which together directly hold an aggregate of 3,605,936,724 Lenovo Shares (representing approximately 29.73% of the issued shares of Lenovo as at the date of this announcement)
“Lenovo Shares”	means the ordinary shares of Lenovo
“Listing Rules”	means the Rule Governing the Listing of Securities on the Stock Exchange
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Date”	August 26, 2022

“Joint Global Coordinator”	Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities plc, BNP Paribas Securities (Asia) Limited, Citigroup Global Markets Limited, Morgan Stanley Asia Limited, Credit Suisse (Hong Kong) Limited, The Development Bank of Singapore Limited, The Hongkong and Shanghai Banking Corporation Limited
“Maturity Date”	on or about August 26, 2029
“NDRC”	means the National Development and Reform Commission of the PRC or its relevant competent local counterpart
“NDRC Circular”	means the Circular on Promoting the Reform of the Administrative System on the Filings and Registrations of Foreign Debt Issuance by Enterprises (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015] 2044號) issued by the NDRC and which came into effect on September 14, 2015, and any implementation rules or applicable policies in relation thereto as issued by the NDRC from time to time
“New Convertible Bonds”	the US\$675 million in aggregate principal amount of 2.50% convertible bonds due 2029 to be issued by Lenovo
“Offering Circular”	means the offering circular to be prepared by Lenovo for use in connection with the Bond Issue
“Partial Repurchase”	the partial purchase of an amount of US\$455 million of principal amount of the Existing Convertible Bonds
“PRC” or “China”	the People’s Republic of China
“Put Option Date”	August 26, 2026
“Reference Share Price”	greater of (i)HK\$6.89, being the closing price of the Shares on August 17, 2022 and (ii) the VWAP
“Repurchase Price”	$CB\ Ask\ Price\ (\%) + (Reference\ Share\ Price - HK\$6.89) \times 70\% / HK\$6.60 + 1.50\%$
“RLL”	Right Lane Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company which directly holds an aggregate of 257,400,000 Lenovo Shares as at the date of this announcement
“Settlement Date”	August 26, 2022 being the date on which the Existing Convertible Bonds are purchased pursuant to the Partial Repurchase, subject to the rights of the Company to extend and/or amend the Partial Repurchase

“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terms and Conditions”	the terms and conditions of the New Convertible Bonds
“trading day(s)”	a day when the Stock Exchange or, as the case may be an alternative stock exchange is open for dealing business
“Union Star”	Union Star Limited, a company incorporated under the laws of the Cayman Islands, of which the Company indirectly holds approximately 37.91% of its issued share capital through its wholly owned subsidiary, LEL. Union Star directly holds 719,304,248 Lenovo Shares (representing approximately 5.93% of the issued shares of Lenovo as at the date of this announcement). The attributable shareholding interests of the Group in Lenovo held through Union Star is approximately 2.41% as at the date of this announcement
“U.S.” or “United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“VWAP”	the volume weighted average price (determined on Bloomberg page <992 HK Equity VWAP>) of the Lenovo Shares on the Stock Exchange on the trading days immediately following August 17, 2022
“%”	per cent.

By order of the Board  
**Legend Holdings Corporation**  
**NING Min**  
*Chairman*

August 18, 2022

*As at the date of this announcement, the Executive Directors of the Company are Mr. NING Min and Mr. LI Peng, the Non-executive Directors of the Company are Mr. ZHU Linan, Mr. ZHAO John Huan, Mr. SUO Jishuan and Mr. Yang Jianhua; and the Independent Non-executive Directors of the Company are Mr. MA Weihua, Ms. HAO Quan and Mr. YIN Jian'an.*