

Google buys 5.94% stake in Lenovo

HONG KONG: Google bought a 5.94% stake in Lenovo for US\$750m having sold Motorola to the Chinese technology company.



Google has bought a US\$750m stake in Lenovo following the sale of its Motorola unit to the Hong Kong company. Image: Lenovo.

The US Internet firm bought 618.3m shares in the Lenovo at US\$1.213 each after Lenovo bought Motorola for US\$2.91bn last week, according to Dow Jones Newswires.

The deal provides Lenovo with footholds in smartphone and tablet markets where it is eager to gain traction.

It also came just a week after the Chinese firm said it will buy IBM's low-end server business for US\$2.3bn, giving it a platform to compete in that sector with US giants Dell and Hewlett-Packard.

However, Lenovo's Hong Kong-listed shares lost almost a quarter of their value after the Motorola news, with traders worried the technology company had bitten off more than it could chew by buying the unprofitable handset producer.

Source: AFP via I-Net Bridge