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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)

INITIAL CLOSING ANNOUNCEMENT

IN RELATION TO ACQUISITION OF THE X86 SERVER HARDWARE AND RELATED MAINTENANCE SERVICES BUSINESS OF INTERNATIONAL BUSINESS MACHINES CORPORATION

Reference is made to the announcements of Lenovo Group Limited (the “**Company**”) dated January 23, 2014 and September 29, 2014 in relation to the acquisition of the X86 server hardware and related maintenance services business of International Business Machines Corporation (“**IBM**”) (the “**Acquisition**”) and the Initial Closing. Capitalized terms used in this announcement shall have the same meanings as those defined in Company’s announcement dated January 23, 2014.

The Board is pleased to announce that the Initial Closing became effective on October 1, 2014. The Cash Consideration (after certain adjustments), being approximately US\$1,847,000,000 (equivalent to approximately HK\$14,327,179,000) was paid and the Consideration Shares, being 182,000,000 Shares, were allotted and issued to IBM. For a period of one year from the Initial Closing Date, without the prior written consent of the Company, IBM is restricted from offering, selling, transferring or otherwise disposing of the Consideration Shares to a third party, except (i) pursuant to a tender or exchange offer made to all Shareholders, or (ii) in connection with a third party acquisition or business combination transaction involving the Company.

The Subsequent Closings are subject to the conditions set out in the Master Asset Purchase Agreement and further announcement will be made by the Company as and when necessary.

Shareholders and potential investors should note that the Acquisition may or may not proceed to the Subsequent Closings and are therefore reminded to exercise caution when dealing in the securities of the Company.

For the purpose of this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.757. The exchange rate is used for illustration purposes only and should not be taken as a representation that the HK\$ amount could actually be converted into US\$ at that rate, or at all.

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

October 2, 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.