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Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 992)

DESPATCH OF CIRCULAR REGARDING

**(1) CONNECTED TRANSACTION AND PROPOSED SHARE AND BONUS
WARRANTS ISSUANCE UNDER SPECIFIC MANDATE**

(2) APPLICATION FOR WHITEWASH WAIVER

**(3) SPECIAL DEAL RELATING TO RELEVANT MANAGEMENT
PARTICIPATION**

AND

(4) NOTICE OF GENERAL MEETING

Reference is made to the announcement (the “**Announcement**”) of Lenovo Group Limited (the “**Company**”) dated September 29, 2017 in relation to, among other things, the Subscription, the Specific Mandate, the Whitewash Waiver and the Relevant Management Participation (the “**Proposed Matters**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

DESPATCH OF THE CIRCULAR

The Board is pleased to announce that the circular containing, among other things: (i) further information on the Proposed Matters; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Proposed Matters; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Proposed Matters, and to make recommendations (a) as to whether the Proposed Matters are fair and reasonable; and (b) as to voting of the resolution(s) to approve the Proposed Matters at the GM; (iv) a notice of the GM; and (v) other information as required under the Listing Rules and the Takeovers Code (the “**Circular**”) has been despatched to the Shareholders on October 16, 2017.

Shareholders are encouraged to read the Circular carefully, and in particular the recommendation of the Independent Board Committee to the Independent Shareholders and the letter from the Independent Financial Adviser contained in the Circular, before voting on the relevant resolutions at the GM to be held at 9:00 a.m. on Friday, November 3, 2017 at Marina Room, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong.

THE SUBSCRIBER AND THE SUBSCRIBER CONCERT GROUP

As set out in the Announcement, the Subscriber had proposed to allot and issue new shares to each of SHL, LHL (through LEL) and THC, which will hold a 20.95%, 32.00% and 47.05%, respectively, shareholding interest in the Subscriber immediately before or upon Completion. After further discussions, the Subscriber Concert Group has determined that, immediately before or upon Completion, the Subscriber will allot and issue new shares to each of SHL, LEL and THC, which will hold a 18.95%, 32.00% and 49.05%, respectively, shareholding interest in the Subscriber.

As set out in the Circular and pursuant to the relevant provisions of the Takeovers Code, the Subscriber Concert Group comprises the Subscriber, LHL, RLL, LEL, Mr. Yang, Mr. Wong, SHL, THC, the Trustee, Mr. Liu Chuanzhi, Mr. Zhu Linan, Mr. Zhao John Huan and parties acting in concert with any of them.

The Subscriber Concert Group's aggregate shareholding interests in the Company will be increased from 4,227,376,861 Shares, representing approximately 38.05% of the total issued shares of the Company as at the Latest Practicable Date to 5,224,127,440 Shares, representing approximately 43.16% of the total issued shares of the Company as enlarged by the Share Subscription and the issuance of the Warrant Shares upon Completion and the exercise in full of the Bonus Warrants. On this basis, unless the Whitewash Waiver is obtained, the Subscriber Concert Group will be required to make a mandatory general offer to all the Shareholders for all equity share capital of the Company, other than those already owned or agreed to be acquired by the Subscriber Concert Group, pursuant to Rule 26 of the Takeovers Code. LHL, Mr. Yang, Mr. Wong, SHL, the Trustee and the Subscriber have applied to the Executive for a waiver from the obligation to make a mandatory general offer pursuant to Note 1 of Dispensations from Rule 26 of the Takeovers Code.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company setting out the interest in the Company of, amongst others, the Subscriber Concert Group described above (i) as at the Latest Practicable Date; (ii) immediately after the Completion (assuming the Bonus Warrants are not exercised); (iii) immediately after Completion and exercise of the Bonus Warrants in full; (iv) immediately after the Completion and exercise of all outstanding RSUs and SARs held by Mr. Yang, Mr. Wong, Mr. Liu Chuanzhi, Mr. Zhao John Huan and Mr. Zhu Linan (assuming the Bonus Warrants are not exercised); and (v) immediately after Completion and exercise of all outstanding RSUs and SARs held by Mr. Yang, Mr. Wong, Mr. Liu Chuanzhi, Mr. Zhao John Huan and Mr. Zhu Linan and exercise of the Bonus Warrants in full, in each case assuming that (A) none of the members of the Subscriber Concert Group or Management Participants (together with their respective investment holding vehicles, if any) disposes of any Shares before Completion; and (B) there will not be any other changes to the total number of Shares in issue and shareholding structure of the Company from the Latest Practicable Date, are and will be as follows:

	As at the Latest Practicable Date ¹		Immediately after Completion (assuming the Bonus Warrants are not exercised) ¹		Immediately after Completion and exercise of the Bonus Warrants in full ¹		Immediately after Completion and exercise of all outstanding RSUs and SARs held by Mr. Yang, Mr. Wong, Mr. Liu Chuanzhi, Mr. Zhao John Huan and Mr. Zhu Linan (assuming the Bonus Warrants are not exercised) ²		Immediately after Completion, and exercise of all outstanding RSUs and SARs held by Mr. Yang, Mr. Wong, Mr. Liu Chuanzhi, Mr. Zhao John Huan and Mr. Zhu Linan and exercise of the Bonus Warrants in full ²	
	Approximate		Approximate		Approximate		Approximate		Approximate	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Subscriber	-	-	906,136,890	7.54%	996,750,579	8.23%	906,136,890	7.54%	996,750,579	8.23%
LHL	2,867,636,724	25.81%	2,867,636,724	23.87%	2,867,636,724	23.69%	2,867,636,724	23.87%	2,867,636,724	23.69%
RLL	388,819,317	3.50%	388,819,317	3.24%	388,819,317	3.21%	388,819,317	3.24%	388,819,317	3.21%
LEL	240,100,000	2.16%	240,100,000	2.00%	240,100,000	1.98%	240,100,000	2.00%	240,100,000	1.98%
SHL	622,804,000	5.61%	622,804,000	5.18%	622,804,000	5.14%	622,804,000	5.18%	622,804,000	5.14%
Mr. Yang	77,906,291	0.70%	77,906,291	0.65%	77,906,291	0.64%	329,887,479	2.75%	329,887,479	2.73%
Mr. Wong	24,693,684	0.22%	24,693,684	0.21%	24,693,684	0.20%	80,036,604	0.67%	80,036,604	0.66%
Mr. Zhu Linan	2,886,713	0.026%	2,886,713	0.024%	2,886,713	0.024%	5,767,442	0.048%	5,767,442	0.048%
Mr. Zhao John Huan	442,148	0.004%	442,148	0.004%	442,148	0.004%	3,731,029	0.031%	3,731,029	0.031%
Mr. Liu Chuanzhi (including his spouse)	2,087,984	0.019%	2,087,984	0.017%	2,087,984	0.017%	4,184,960	0.035%	4,184,960	0.035%
Sub-total of the Subscriber										
Concert Group	4,227,376,861	38.05%	5,133,513,751	42.73%	5,224,127,440	43.16%	5,449,104,445	45.35%	5,539,718,134	45.76%
Ms. Ma Xuezheng	13,182,996	0.119%	13,182,996	0.110%	13,182,996	0.109%	13,182,996	0.110%	13,182,996	0.109%
Mr. William O. Grabe	3,082,592	0.028%	3,082,592	0.026%	3,082,592	0.025%	3,082,592	0.026%	3,082,592	0.025%
Dr. Tian Suning	956,223	0.009%	956,223	0.008%	956,223	0.008%	956,223	0.008%	956,223	0.008%
Mr. Nicholas C. Allen	827,021	0.007%	827,021	0.007%	827,021	0.007%	827,021	0.007%	827,021	0.007%
Mr. Nobuyuki Idei	469,179	0.004%	469,179	0.004%	469,179	0.004%	469,179	0.004%	469,179	0.004%
Mr. William Tudor Brown	365,223	0.003%	365,223	0.003%	365,223	0.003%	365,223	0.003%	365,223	0.003%
Mr. Yang Chih-Yuan Jerry	254,494	0.002%	254,494	0.002%	254,494	0.002%	254,494	0.002%	254,494	0.002%
Mr. Gordon Robert Halyburton Orr	87,426	0.001%	87,426	0.001%	87,426	0.001%	87,426	0.001%	87,426	0.001%
Sub-total of the Directors (other than Mr. Yang, Mr. Zhu Linan and Mr. Zhao John Huan)	19,225,154	0.17%	19,225,154	0.16%	19,225,154	0.17%	19,225,154	0.16%	19,225,154	0.16%
Management Participants (other than Mr. Wong)	66,906,274	0.60%	66,906,274	0.56%	66,906,274	0.55%	66,906,274	0.56%	66,906,274	0.55%
Other Shareholders	6,795,146,435	61.17%	6,795,146,435	56.56%	6,795,146,435	56.13%	6,479,555,741	53.93%	6,479,555,741	53.53%
Total	11,108,654,724	100%	12,014,791,614	100%	12,105,405,303	100%	12,014,791,614	100%	12,105,405,303	100%

Notes:

1. *Without taking into account of any RSUs and/or SARs held by Mr. Yang, Mr. Wong, Mr. Liu Chuanzhi, Mr. Zhao John Huan and Mr. Zhu Linan as of the Latest Practicable Date.*
2. *Assuming that the Shares to be delivered to Mr. Yang, Mr. Wong, Mr. Liu Chuanzhi, Mr. Zhao John Huan and Mr. Zhu Linan upon vesting of the RSUs and exercise of the SARs will be sourced through market purchases of the then existing Shares of the Company.*

Save as disclosed above, all other terms and details relating to the Subscription, the Specific Mandate, the Whitewash Waiver and the Relevant Management Participation remain unchanged and are in full force and effect.

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

October 16, 2017

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 Dr. Tian Suning, Mr. Nicholas C. Allen, Mr. Nobuyuki Idei, Mr. William O. Grabe, Mr. William Tudor Brown, Ms. Ma Xuezheng, Mr. Yang Chih-Yuan Jerry and Mr. Gordon Robert Halyburton Orr.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Subscriber Concert Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Subscriber Concert Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The information in relation to the Subscriber Concert Group contained in this announcement has been supplied by the directors of the Subscriber. The directors of the Subscriber (comprising Mr. Yang Yuanqing, Mr. Wong Wai Ming, Mr. Zhu Linan and Mr. Ning Min) jointly and severally accept full responsibility for the accuracy of the information relating to the Subscriber Concert Group contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.