

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 992)

**(1) CONNECTED TRANSACTION AND PROPOSED SHARE AND BONUS
WARRANTS ISSUANCE UNDER SPECIFIC MANDATE
(2) APPLICATION FOR WHITEWASH WAIVER
AND
(3) SPECIAL DEAL RELATING TO RELEVANT MANAGEMENT
PARTICIPATION**

COMPLETION OF THE SUBSCRIPTION

References are made to the announcement of Lenovo Group Limited (the “**Company**”) dated 29 September 2017 (the “**Announcement**”), the circular of the Company dated 16 October 2017 (the “**Circular**”) in relation to, among others, the Subscription, the Specific Mandate, the Whitewash Waiver and the Relevant Management Participation, and the announcement of the Company dated 10 November 2017 in relation to, among other things, the poll results of the GM. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Circular.

GRANT OF THE WHITEWASH WAIVER

On 8 November 2017, the Executive has conditionally granted the Whitewash Waiver, subject to (i) the allotment and issue of the Subscription Shares and the Warrant Shares (upon exercise of the Bonus Warrants) and the issue of Bonus Warrants by the Company being approved by Independent Shareholders at the GM by way of poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by the Subscriber Concert Group between the date of the Announcement, i.e. 29 September 2017, and the Completion Date.

The Subscription, the Specific Mandate and the Whitewash Waiver have been approved by the Independent Shareholders at the GM held on 10 November 2017 by way of poll.

As at the date of this announcement, both of the aforementioned conditions imposed by the Executive have been fulfilled. Accordingly, no mandatory general offer under Rule 26 of the Takeovers Code will be required to be made by Subscriber Concert Group for all the Shares of the Company not already owned, controlled or agreed to be acquired by the Subscriber Concert Group which may otherwise arise as a result of the allotment and issuance of the Subscription Shares and the Warrant Shares pursuant to the Share Subscription and upon exercise of the Bonus Warrants in full.

CONSENT TO SPECIAL DEAL RELATING TO RELEVANT MANAGEMENT PARTICIPATION

On 8 November 2017, the Executive has conditionally granted its consent to the special deal relating to the Relevant Management Participation (the “**Special Deal**”), subject to the Relevant Management Participation being approved by a vote of the Independent Shareholders at the GM on 10 November 2017 by way of poll.

The Relevant Management Participation has been approved by the Independent Shareholders at the GM on 10 November 2017 by way of poll and therefore, the aforementioned condition of the Special Deal imposed by the Executive has been fulfilled as at the date of this announcement.

ESTABLISHMENT OF THE TRUST

The Trust has been established on 25 October 2017 pursuant to a trust deed executed and delivered by the Trustee and the initial beneficiary. The Subscriber has allotted and issued new shares of the Subscriber to THC and as at the date of this announcement, each of SHL, LHL (through LEL) and THC owns 18.95%, 32.00% and 49.05% shareholding interest in the Subscriber, respectively.

COMPLETION OF SHARE AND BONUS WARRANTS ISSUANCE UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions precedent to the Subscription have been fulfilled and Completion took place on 17 November 2017 in accordance with the terms and conditions of the Subscription Agreement.

Immediately before Completion, the Company had 11,108,654,724 Shares in issue. Upon Completion, 906,136,890 new Shares, representing approximately 7.54% of the total number of Shares in issue of the Company as at the date of this announcement (as enlarged by the allotment and issue of the Subscription Shares), have been duly allotted and issued as fully paid to the Subscriber at the Subscription Price of HK\$4.31 per Subscription Share. Accordingly, immediately after Completion, there are 12,014,791,614 Shares in issue.

The gross proceeds and the net proceeds from the Share Subscription are approximately HK\$3,905,450,000 and HK\$3,873,938,171 respectively.

Upon Completion, the Company has issued and the Subscriber has subscribed for 90,613,689 units of Bonus Warrants at the initial exercise price of HK\$5.17 per Bonus Warrant. The exercise in full of the subscription rights attaching to the Bonus Warrants will result in the issue of 90,613,689 Shares which represent approximately 0.75% of the total number of Shares in issue of the Company as enlarged by the Share Subscription and the full exercise of the Bonus Warrants (assuming there will be no other changes in the total number of Shares in issue of the Company).

The aggregate proceeds from the exercise of the Bonus Warrants in full are estimated to be approximately HK\$468,472,772.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before the Completion; (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 date of this announcement, are and will be as follows:

| Subscriber | Immediately before the Completion 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 | |
|---|--|---------------|---|---------------|--|---------------|--|---------------|--|---------------|
| | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % |
| 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% |

| | Immediately before the Completion ¹ | | Immediately after Completion (assuming the Bonus Warrants are not exercised) ¹ | | Immediately after Completion and exercise of the Bonus Warrants in full 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 (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 | |
|--|--|---------------|---|---------------|--|---------------|--|---------------|--|---------------|
| | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % |
| 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 | 257,529 | 0.002% | 257,529 | 0.002% | 257,529 | 0.002% | 257,529 | 0.002% | 257,529 | 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) | 19,228,189 | 0.17% | 19,228,189 | 0.16% | 19,228,189 | 0.16% | 19,228,189 | 0.16% | 19,228,189 | 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 | 6,795,143,400 | 61.17% | 6,795,143,400 | 56.56% | 6,795,143,400 | 56.13% | 6,479,552,706 | 53.93% | 6,479,552,706 | 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:

- 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 date of this announcement.
- 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.

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

17 November 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.