

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 purpose only and does not constitute an offer or an invitation to induce an offer by any person to acquire, subscribe for or purchase any securities.

Lenovo™

Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 992)

COMPLETION OF THE STRATEGIC PARTNERSHIP WITH PCCW LIMITED



Exclusive Financial Adviser

Reference is made to the announcement of Lenovo Group Limited (the “**Company**”) on June 14, 2022 (the “**Announcement**”). Unless the context otherwise requires, terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that all the conditions under the SPA have been satisfied or waived and completion of the strategic partnership with PCCW Limited took place on August 12, 2022.

Completion

The Company is pleased to announce that the Company has allotted and issued 86,424,677 new Shares to the Seller’s nominee at the Issue Price at Completion to settle US\$100.0 million (equivalent to approximately HK\$780.0 million), which is the share element of the total Consideration. The Consideration Shares issued under the General Mandate represent approximately 0.71% of the total number of Shares in issue of the Company immediately after such allotment and issuance.

Upon Completion, the Company holds an 80% interest in PCCW Lenovo Technology Solutions and a 20% interest in PCCW Network Services; PCCW Limited holds an indirect 80% interest in PCCW Network Services through the Seller and PCCW Network Services in turn holds a 20% interest in PCCW Lenovo Technology Solutions. PCCW Lenovo Technology Solutions becomes a subsidiary of the Company upon Completion.

Based on the unaudited pro forma financials of PCCW Lenovo Technology Solutions for the year ended December 31, 2021, PCCW Lenovo Technology Solutions is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules. As such, PCCW Lenovo Technology Solutions is not considered as a connected person of the Company under the Listing Rules.

Conditions precedent

The Board is pleased to announce that as part of satisfaction of the conditions precedent in the SPA, on or prior to the Completion, the Company has entered into (i) two shareholders' agreements for each of PCCW Lenovo Technology Solutions and PCCW Network Services, respectively; (ii) the transitional services agreement relating to the provision of certain transitional services by PCCW Lenovo Technology Solutions to PCCWS; (iii) the transitional services agreement relating to the provision of certain transitional services by the Seller to PCCW Lenovo Technology Solutions; and (iv) the guaranteed revenue agreement relating to revenue to be guaranteed by the Seller to PCCW Lenovo Technology Solutions.

Guaranteed revenue agreement

Pursuant to the guaranteed revenue agreement, the Seller guarantees to PCCW Lenovo Technology Solutions that the total revenue arising from the fees charged by the PCCW Lenovo Technology Solutions and its subsidiaries to service recipients including PCCW Limited and its subsidiaries (except PCCWS and its subsidiaries from time to time) and their affiliates from August 12, 2022 to December 31, 2025 will be no less than US\$ 407.3 million.

In the event there is a shortfall of guaranteed revenue (if any), the Seller shall pay to PCCW Lenovo Technology Solutions an amount equal to 1.5 multiplied by the shortfall after the end of the guaranteed period.

This announcement contains conversion between US\$ and HK\$ at US\$1 = HK\$7.80. The conversion shall not be taken as representation that HK\$ amount could actually be converted into US\$ at that rate, or at all.

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

August 12, 2022

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. William O. Grabe, Mr. William Tudor Brown, Mr. Yang Chih-Yuan Jerry, Mr. Gordon Robert Halyburton Orr, Mr. Woo Chin Wan Raymond, Ms. Yang Lan, Ms. Cher Wang Hsiueh Hong and Professor Xue Lan.