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Lenovo™

Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 992)

**CANCELLATION OF THE REPURCHASED US\$675 MILLION 3.375%
CONVERTIBLE BONDS DUE 2024**

(Stock Code: 05562)

**COMPLETION OF THE ISSUE OF US\$675 MILLION 2.50%
CONVERTIBLE BONDS DUE 2029**

(Stock Code: 05440)

Joint Global Coordinators, Joint Dealer Managers

GS

JPM

BNPP

CITI

Joint Global Coordinators

MS

CS

DBS

HSBC

Reference is made to the announcements of the Company dated August 17, 2022 and August 18, 2022 in relation to the proposed Partial Repurchase and the proposed Bond Issue (collectively, the “**Announcements**”). Unless the context otherwise requires, capitalised words and expressions used herein shall have the same meanings as defined in Announcements.

CANCELLATION OF THE REPURCHASED EXISTING CONVERTIBLE BONDS

As at the date of this announcement, out of the commitments to sell US\$455.0 million in aggregate principal amount of the Existing Convertible Bonds from holders of the Existing Convertible Bonds, the Company has, through the Dealer Managers, agreed to repurchase US\$455.0 million in aggregate principal amount of the Existing Convertible Bonds at a Repurchase Price of approximately US\$546.7 million, representing 120.15% of the principal amount of the repurchased Existing Convertible Bonds (including a Repurchase Price of 119.85% and accrued interest of 0.30%). Upon completion of the Partial Repurchase, US\$455.0 million in aggregate principal amount of the Existing Convertible Bonds will be cancelled, and the remaining principal amount of the outstanding Existing Convertible Bonds is US\$219.5 million.

The Company may, through the Dealer Managers, continue to purchase the remaining outstanding Existing Convertible Bonds from time to time in the open market or otherwise pursuant to the terms and conditions of the Existing Convertible Bonds.

COMPLETION OF THE BOND ISSUE

The Board is pleased to announce that all the conditions precedent to the issue of the New Convertible Bonds under the Bond Subscription Agreement have been satisfied (or waived) and the completion of the issue of the New Convertible Bonds in the aggregate principal amount of US\$675 million took place on August 26, 2022.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION

Assuming full conversion of the remaining outstanding Existing Convertible Bonds at the conversion price of HK\$6.60 per Share, the remaining outstanding Existing Convertible Bonds will be convertible (translated into Hong Kong dollars at the fixed rate of HK\$7.8425 = US\$1.00) into 260,822,538 Shares, representing approximately 2.15% of the issued share capital of the Company as at the date of this announcement and approximately 2.11% of the issued share capital of the Company as enlarged by the issue of such conversion shares.

Assuming full conversion of the New Convertible Bonds at the Conversion Price of HK\$9.94 per Share, the New Convertible Bonds will be convertible (translated into Hong Kong dollars at the fixed rate of HK\$7.8385 = US\$1.00) into 532,292,505 Shares, representing approximately 4.39% of the issued share capital of the Company as at the date of this announcement and approximately 4.20% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The following table summarises the shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming full conversion of the remaining outstanding Existing Convertible Bonds at the conversion price of HK\$6.60 per Share; (iii) assuming full conversion of

the New Convertible Bonds at the initial Conversion Price of HK\$9.94 per Share; and (iv) assuming full conversion of the remaining outstanding Existing Convertible Bonds and the New Convertible Bonds at their respective conversion prices:

Shareholders	As at the date of this announcement		Assuming 32.54% of the Existing Convertible Bonds remaining outstanding are fully converted into Shares at an adjusted conversion price of HK\$6.60 per Share		Assuming the New Convertible Bonds are fully converted into Shares at the initial Conversion Price		Assuming 32.54% of the Existing Convertible Bonds remaining outstanding are fully converted into Shares at an adjusted conversion price of HK\$6.60 per Share and the New Convertible Bonds are fully converted into Shares at the initial Conversion Price	
	No. of Shares	% of issued share capital of the Company (approximate)	No. of Shares	% of issued share capital of the Company (approximate)	No. of Shares	% of issued share capital of the Company (approximate)	No. of Shares	% of issued share capital of the Company (approximate)
LHL ⁽¹⁾	2,867,636,724	23.64%	2,867,636,724	23.15%	2,867,636,724	22.65%	2,867,636,724	22.19%
RLL ⁽²⁾	257,400,000	2.12%	257,400,000	2.08%	257,400,000	2.03%	257,400,000	1.99%
LEL ⁽³⁾	480,900,000	3.97%	480,900,000	3.88%	480,900,000	3.80%	480,900,000	3.72%
SHL ⁽⁴⁾	622,804,000	5.14%	622,804,000	5.03%	622,804,000	4.92%	622,804,000	4.82%
Union Star ⁽⁵⁾	719,304,248	5.93%	719,304,248	5.81%	719,304,248	5.68%	719,304,248	5.57%
Directors of the Company	157,301,016	1.30%	157,301,016	1.27%	157,301,016	1.24%	157,301,016	1.22%
Existing Convertible Bonds	-	-	260,822,538	2.11%	-	-	260,822,538	2.02%
Subscribers of the New Convertible Bonds	-	-	-	-	532,292,505	4.20%	532,292,505	4.12%
Other public Shareholders	7,022,784,303	57.90%	7,022,784,303	56.69%	7,022,784,303	55.47%	7,022,784,303	54.35%
Total	12,128,130,291	100.0%	12,388,952,829	100.0%	12,660,422,796	100.0%	12,921,245,334	100.0%

Notes:

- (1) Legend Holdings Corporation (“LHL”), a company incorporated in the PRC, the H shares of which are listed on the Stock Exchange (stock code: 3396).
- (2) Right Lane Limited (“RLL”), a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of LHL.
- (3) Legion Elite Limited (“LEL”), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of RLL.
- (4) Sureinvest Holdings Limited (“SHL”), a company incorporated in the British Virgin Islands and an investment holding company held as to 87.00% by Mr. Yang Yuanqing, 4.66% by Mr. Wong Wai Ming (chief financial officer of the Company) and 8.34% by eight other individuals.
- (5) Union Star Limited (“Union Star”), a company incorporated in the Cayman Islands and is held as to 24.49%, 37.91% and 37.60% by SHL, LHL (through LEL) and Red Eagle Group (PTC) Limited (through Harvest Star Limited), respectively. Harvest Star Limited is a company incorporated in the Cayman Island and a wholly owned subsidiary of Red Eagle Group (PTC) Limited (a company incorporated in the British Virgin Islands and a trust holding company of an employee benefit trust of the Company).
- (6) Without taking into account of the share awards held by the Directors.

LISTING OF THE NEW CONVERTIBLE BONDS ON THE STOCK EXCHANGE

The listing of, and dealings in, the New Convertible Bonds will commence on August 29, 2022. The approval for the listing of, and permission to deal in, the Conversion Shares has been granted by the Stock Exchange.

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

August 29, 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.