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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: 0992)**

## **ANNOUNCEMENT**

### **(1) ISSUANCE OF US\$150,000,000 5.375% SECURITIES BY A SUBSIDIARY**

### **(2) PERFORMANCE GUARANTEE FROM THE COMPANY**

### **(3) ISSUANCE OF US\$150,000,000 5.375% INTRA-GROUP NOTES BY THE COMPANY**

Reference is made to the voluntary announcements of the Company dated March 6, 2017 and March 10, 2017 in respect of, *inter alia*, (1) the issuance of US\$850,000,000 5.375% securities by the Issuer; (2) the performance guarantee provided by the Company; and (3) the issuance of US\$850,000,000 5.375% intra-group notes by the Company.

#### **PROPOSED SECURITIES ISSUE**

The Board is pleased to announce that on March 30, 2017, Issuer, the Company, the Sole Structuring Advisor, the Joint Global Coordinators and the Joint Bookrunners entered into the Subscription Agreement in connection with the issuance of the US\$150,000,000 5.375% perpetual securities in the form of cumulative preferred shares, which will be fungible with and form a single series with the Original Securities.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sole Structuring Advisor, the Joint Global Coordinators and the Joint Bookrunners are third parties independent of the Company and its Connected Persons.

The Securities have not been, and will not be registered under the U.S. Securities Act. The Securities will only be offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Securities will be offered to the public in Hong Kong and, to the best of the Directors' knowledge, none of the Securities will be placed to a Connected Person of the Company.

## **PERFORMANCE GUARANTEE FROM THE COMPANY**

The Company will provide certain undertakings in favour of the holders of the Securities relating to the ownership of and the restriction on activities of the Issuer. A deed of performance guarantee will be entered into by the Company in favour of the holders of the Securities relating to the Issuer as at the issue date of the Securities.

## **ISSUANCE OF THE INTRA-GROUP NOTES BY THE COMPANY**

On March 30, 2017, the Company and the issuer entered into the IGN Subscription Agreement in relation to the issue and subscription of the US\$150,000,000 5.375% non-transferable intra-group subordinated capital notes. A deed poll will be executed by the Company in respect of the Intra-Group Notes as at the issue date of the Securities.

## **PROPOSED USE OF NET PROCEEDS**

The net proceeds from the issue of the Securities will be on-lent by the Issuer to the Company through the subscription by the Issuer for the Intra-Group Notes, which the Company intends to use to repay some or all of the amounts outstanding under the promissory note issued to Google Inc. in relation to the Company's acquisition of Motorola Mobility Holdings LLC, and for the Company's working capital and general corporate purposes.

## **LISTING**

Application has been made for the listing and quotation of the Securities on the Official List of the SGX-ST. Admission of the Securities to the Official List of, and quotation of the Securities on, the SGX-ST are not to be taken as an indication of the merits of the Securities, the Issuer or the Company. SGX-ST assumes no responsibility for the contents of this announcement. No listing of the Securities has been sought in Hong Kong.

## **GENERAL**

As the conditions precedent to completion of the Subscription Agreement and the IGN Subscription Agreement may or may not be satisfied, the Subscription Agreement and the

IGN Subscription Agreement may be terminated upon the occurrence of certain events, prospective investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

<b>“Board”</b>	the board of Directors
<b>“Company”</b>	Lenovo Group Limited, a company incorporated on October 5, 1993 with limited liability under the laws of Hong Kong, the ordinary shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited
<b>“Connected Person(s)”</b>	has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Director(s)”</b>	director(s) of the Company
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“IGN Subscription Agreement”</b>	the subscription agreement entered into between the Company and the Issuer on March 30, 2017 in relation to the issue and subscription of the Intra-Group Notes
<b>“Intra-Group Notes”</b>	the US\$150,000,000 5.375% non-transferable intra-group subordinated capital notes to be issued by the Company and subscribed by the Issuer with the proceeds of the issuance of the Securities
<b>“Issuer”</b>	Lenovo Perpetual Securities Limited, a company incorporated in Cayman Islands with limited liability and a direct wholly-owned subsidiary of the Company
<b>“Joint Bookrunners”</b>	Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd. Hong Kong Branch, Barclays Bank PLC, BNP Paribas, China Construction Bank (Asia) Corporation Limited, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Merrill Lynch International, Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc, MUFG Securities EMEA plc, Société Générale and Standard Chartered Bank
<b>“Joint Global Coordinators”</b>	BNP Paribas, Citigroup Global Markets Limited, DBS Bank Ltd. and Morgan Stanley & Co. International plc

<b>“Original Securities”</b>	the US\$850,000,000 5.375% perpetual securities in the form of cumulative preferred shares issued by the Issuer on March 16, 2017
<b>“PRC”</b>	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
<b>“Proposed Securities Issue”</b>	the proposed issue of the Securities by the Issuer as described in this announcement
<b>“Regulation S”</b>	Regulation S under the U.S. Securities Act
<b>“Securities”</b>	the US\$150,000,000 5.375% perpetual securities in the form of cumulative preferred shares of the Issuer
<b>“Sole Structuring Advisor”</b>	Citigroup Global Markets Limited
<b>“Subscription Agreement”</b>	the subscription agreement entered into among the Issuer, the Company, the Sole Structuring Advisor, the Joint Global Coordinators and the Joint Bookrunners on March 30, 2017 in relation to the issuance of the Securities
<b>“U.S.” or “United States”</b>	the United States of America, its territories and possessions and all areas subject to its jurisdiction
<b>“US\$” or “US dollar”</b>	United States dollars, the lawful currency of the United States
<b>“U.S. Securities Act”</b>	the United States Securities Act of 1933, as amended from time to time
<b>“%”</b>	per cent.

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

March 31, 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.*