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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)

ANNOUNCEMENT

DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

The board of directors (the “**Board**”) of Lenovo Group Limited (the “**Company**”) wishes to inform shareholders of the Company that on 28 November 2017, 摩托羅拉（北京）移動技術有限公司 (Motorola (Beijing) Mobility Technologies Co. Ltd.*) (the “**Seller**”), a wholly-owned subsidiary of the Company, entered into an equity interest transfer and framework agreement (the “**Agreement**”) in relation to (i) the disposal of 100% equity interest in 聯想移動通信軟件（武漢）有限公司 (Lenovo Mobile Communication Software (Wuhan) Limited*) (the “**Disposal Company**”) to 國開新城（北京）資產管理有限公司 (CDBC New Town (Beijing) Asset Management Co., Ltd.*) (the “**Purchaser**”) (the “**Disposal**”); and (ii) the transfer to the Purchaser of certain liabilities incurred by the Disposal Company. The total consideration involved under the Agreement is approximately RMB1,240 million (equivalent to approximately HK\$1,468 million).

The consideration for the Disposal was determined after arm’s length negotiations with reference to the market value of the Disposal Company’s assets.

The principal asset of the Disposal Company is a land parcel and an office building thereon known as the 聯想武漢研發基地 (Wuhan R&D Property*) which is under construction and due to be completed in 2018.

The Purchaser is an indirect wholly-owned subsidiary of China New Town Development Company Limited, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 1278). To the best of the Directors’ knowledge, information and belief, after making reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons (as defined in the Rules Governing

the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the “**Listing Rules**”).

The Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Following the Disposal, the Company and its subsidiaries (the “**Group**”) will cease to have any equity interest in the Disposal Company. A pre-tax gain arising from the Disposal (representing the difference between the consideration of the Disposal and the unaudited carrying amount of the Disposal Company as at 28 November 2017, net of settlement of certain liabilities of the Disposal Company, payment for completing the construction, and relevant transaction costs) is expected to be recorded. The actual amount of gain or loss as a result of the Disposal to be recognized by the Group will be subject to audit and be disclosed in the Company’s quarterly results announcement. The proceeds received from the Disposal are intended to be used for general corporate purposes. The Board considers that the Disposal will optimize the Company’s fixed assets and enhance the cash flow position of the Company.

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

28 November 2017

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1:HK\$1.1836. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

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.

** For identification purpose only*