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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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **THE OPTION AGREEMENT AND THE GUARANTEE AGREEMENT**

The Board announces that, on August 27, 2018, Lenovo Beijing, a wholly-owned subsidiary of the Company, the Company, Yuan Jia, HII and ZJSB entered into the Option Agreement, pursuant to which, among other things, (i) Lenovo Beijing granted the Put Option to Yuan Jia; and (ii) Yuan Jia granted the Call Option to Lenovo Beijing. Further, Lenovo Beijing, Yuan Jia, ZJSB and the Company entered into the Guarantee Agreement whereby the Company irrevocably guaranteed certain obligations and liabilities of Lenovo Beijing under the Option Agreement.

#### **THE OPTION AGREEMENT**

Set out below are the major terms of the Option Agreement:

- (a) **Date** August 27, 2018
- (b) **Parties**
- 1) Lenovo Beijing
  - 2) the Company
  - 3) Yuan Jia
  - 4) HII
  - 5) ZJSB
- (c) **Put Option** Lenovo Beijing granted the Put Option to Yuan Jia to require Lenovo Beijing to purchase the entire equity interest in the share capital of ZJSB owned by Yuan Jia.
- Exercise period:** The Put Option can be exercised at any time 36 months after September 1, 2018.
- (d) **Call Option** Yuan Jia granted the Call Option to Lenovo Beijing to require Yuan Jia to sell its entire enquiry interest in the share capital of ZJSB to Lenovo Beijing.
- Exercise period:** The call Option can be exercised at any time 48 months after September 1, 2018.

- (e) **Effective Date** The Option Agreement shall be effective on the date all the approvals, filings and registrations from the relevant PRC governmental departments and relevant commercial banks are obtained or completed.
- (f) **Maximum amount payable for the Put Option** The aggregate amount payable by Lenovo Beijing to Yuan Jia and ZJSB pursuant to the exercise of the Put Option by Yuan Jia shall not exceed RMB2,300,000,000.

## **THE GUARANTEE AGREEMENT**

On August 27, 2018, Lenovo Beijing, Yuan Jia, ZJSB and the Company entered into the Guarantee Agreement whereby the Company irrevocably guaranteed certain obligations and liabilities of Lenovo Beijing under the Option Agreement.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

ZJSB is a joint venture established by Yuan Jia with the Company through Lenovo Beijing as a platform to acquire manufacturing business in the Hefei area. The Company considers the entry into the Transactions induces the formation of ZJSB with Yuan Jia, whereby ZJSB will be able to leverage on Yuan Jia's local expertise and network in the area and offers a good opportunity for the Company to acquire, or to nominate a third party of its choice to acquire, the entire majority interest in ZJSB from Yuan Jia at a locked pricing mechanism and, in turn, enhance the Group's control over ZJSB.

## **INFORMATION ON ZJSB**

ZJSB is a company incorporated in the PRC and is principally engaged in investment holding. As at the date of this announcement, ZJSB is owned as to 99.31% by Yuan Jia and 0.69% by Lenovo Beijing.

## **INFORMATION ON YUAN JIA**

Yuan Jia is a limited liability partnership established in the PRC and is principally engaged in investment holding and its general partner, Jia Tou, is primarily engaged in manufacturing of computers, telecommunication and other electronic equipment.

## **INFORMATION ON HII**

HII is a company established in the PRC primarily engaged in industrial investment, asset restructuring, merger and acquisition, leasing, business and asset entrustment as well as investment consultancy and management.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios are less than 5%, the Transactions does not constitute a notifiable transaction of the Company and are not subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. However, if and when Yuan Jia intends to exercise the Call Option, the Company will (where necessary) comply with all relevant requirements under the Listing Rules.

## DEFINITIONS

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

“%”	per cent
“Board”	the board of Directors of the Company
“Call Option”	the call option granted by Yuan Jia to Lenovo Beijing to require Yuan Jia to sell the Option Shares to Lenovo Beijing under the Option Agreement
“Company”	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
“Director(s)”	the director(s) of the Company
“Guarantee Agreement”	the joint and several liability guarantee agreement entered into among Lenovo Beijing, the Company, Yuan Jia and ZJSB on August 27, 2018, pursuant to which the Company irrevocably guaranteed certain obligations and liabilities of Lenovo Beijing under the Option Agreement
“HII”	Hefei Industry Investment Holding Co., Ltd.* (合肥市工業投資控股有限公司), a PRC capital investment company, which is a limited partner of Yuan Jia and an independent third party of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jia Tou”	Hefei Jia Tou Electronics Co., Ltd.* (合肥嘉投電子有限公司), a limited liability company incorporated in the PRC and an independent third party of the Company
“Lenovo Beijing”	Lenovo (Beijing) Limited, a company incorporated in the PRC and a wholly-owned direct subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“Option Agreement”	the option agreement entered into among Lenovo Beijing, the Company, Yuan Jia, HII and ZJSB on August 27, 2018, pursuant to which, among other things, (i) Lenovo Beijing shall grant the Put Option to Yuan Jia; and (ii) Yuan Jia shall grant the Call Option to Lenovo Beijing, subject to the terms and conditions of the Option Agreement

“Option Shares”	the entire equity interest in the share capital of ZJSB held by Yuan Jia
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“Put Option”	the put option granted by Lenovo Beijing to Yuan Jia to require Lenovo Beijing to purchase the Option Shares under the Option Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Option Agreement and the Guarantee Agreement
“Yuan Jia”	Hefei Yuan Jia Start-up Investment LLP* (合肥源嘉創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC and an independent third party of the Company
“ZJSB”	Hefei Zhi Ju Sheng Bao Equity Investment Co., Ltd.* (合肥智聚晟寶股權投資有限公司), a company incorporated in the PRC and is owned by Lenovo Beijing as to 0.69%

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

August 27, 2018

*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, Mr. Gordon Robert Halyburton Orr and Professor Shoucheng Zhang.*

*\*For identification purpose only*