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Lenovo

Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(HKD Counter Stock Code: 992 / RMB Counter Stock Code: 80992)

PROPOSED ISSUANCE OF WARRANTS UNDER SPECIFIC MANDATE



Financial Adviser and Placing Agent

INTRODUCTION

The Board is pleased to announce that on May 28, 2024, after trading hours, the Board has approved the Proposed Warrants Issuance to issue 1,150,000,000 Warrants at an issue price of HK\$1.43. The Board considers that the proposed three-year Warrants issuance represents good opportunities to raise additional funds without immediate dilution for the Group to support future growth, while broadening the capital base of the Company, and is a further vote of confidence in the Company's ongoing transformation, global market leadership, and growth momentum. In addition, the Warrants are not interest bearing and the Proposed Warrant Issuance will not lead to any immediate dilution effect on the shareholding of the existing Shareholders.

INDICATIVE PRINCIPAL TERMS

A summary of the indicative principal terms of the Proposed Warrants Issuance and the terms of Warrants are set out below:

Amount of Warrants to be issued: 1,150,000,000 Warrants

Issue Price: HK\$1.43 per Warrant

Subscription Period: Three years

Subscription Rights: The rights of the holders of Warrants to subscribe for Shares pursuant to the Warrants and in relation to each Warrant, means the right of the holder(s) of Warrants in respect of such Warrant to subscribe for one Share pursuant to such Warrant (subject to customary

adjustment).

Exercise Price: The initial exercise price for the Warrants shall be HK\$12.31, and is subject to adjustment upon occurrence of any customary adjustment events.

Rights and Ranking of Warrant Shares: The Warrant Shares, when issued and fully paid, will rank equally in all respects among themselves and with all other Shares in issue as at the respective dates of allotment and issue of the Warrant Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company with a record date falling on or after the respective dates of allotment and issue of the Warrant Shares.

Undertakings by the holders of the Warrants: Subject to the terms of the Warrants, (x) prior to (i) sale of the Warrants or (ii) exercise of the subscription rights attached to the Warrants in relation to any or all of their Warrants, the holders of the Warrants shall first offer the respective Warrants or the subscription rights attached to the Warrants to Legend Holdings Corporation, the single largest shareholder of the Company, by written notice; (y) upon subscription and retention of the Warrant Shares, the holders of the Warrant Shares shall act in concert with Legend Holdings Corporation on matters relating to the Company which require shareholders' approval.

Form of the Warrants: The Warrants will be issued in registered form.

Conditions to the Proposed Warrants Issuance will include, among others, (i) the passing at the GM of the resolutions to approve the Proposed Warrants Issuance and the Specific Mandate by the Shareholders by way of poll in accordance with the articles of association of the Company and the Listing Rules; and (ii) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrant Shares and such approval and granting of permission not having been withdrawn or revoked.

The Proposed Warrants Issuance will be conducted by way of a private placement and in connection therewith, the Company has engaged Citigroup Global Markets Asia Limited as the placing agent. Details of the Proposed Warrants Issuance will be disclosed in a subsequent announcement upon finalization of the terms of the Warrants and the transaction documents.

PROPOSED USE OF NET PROCEEDS

The Company intends to use the net proceeds from the Proposed Warrants Issuance to repay existing debts and for general corporate and working capital purposes.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF EXERCISE OF WARRANTS AND SUFFICIENCY OF PUBLIC FLOAT

Assuming the exercise in full of the subscription rights attached to the Warrants at the initial exercise price (subject to adjustment), it will result in the issue of 1,150,000,000 Shares, which represent (i) approximately 9.3% of the total number of Shares in issue of the Company as of the date of this announcement and (ii) approximately 8.5% of the total number of Shares in issue of the Company upon the full exercise of the Warrants (assuming there will be no change in the total number of Shares in issue from the date of this announcement up to the exercise of the Warrants).

Based on the information available to the Company and to the best knowledge of the Directors, the Company will maintain sufficient public float following the Proposed Warrants Issuance.

SPECIFIC MANDATE

The Warrants and the Warrant Shares (in the event that the Warrants are exercised) will be issued pursuant to the Specific Mandate to be sought at the GM.

The Company will make further announcement(s) in relation to the details of the Proposed Warrants Issuance as and when necessary in compliance with the relevant requirements under the Listing Rules.

GM

A circular containing, among other things, details of the Proposed Warrants Issuance and the Specific Mandate and a notice of GM, is expected to be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

As no binding agreement in relation to the Proposed Warrants Issuance has been entered into as at the date of this announcement, the Proposed Warrants Issuance may or may not materialize. The Shareholders and investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Lenovo Group Limited, a company incorporated in Hong Kong with limited liability under the laws of Hong Kong, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“GM”	the general meeting of the Company to be convened for the Shareholders to consider, and if thought fit, approve, among others, the Proposed Warrants Issuance and the Specific Mandate

“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Proposed Warrants Issuance”	the proposed issuance of the Warrants by the Company
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board at the GM for the allotment and issue of the Warrants and the Warrant Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	1,150,000,000 warrants to be issued by the Company, each to subscribe for one Share
“Warrant Shares”	new Shares to be issued by the Company to the holder(s) of the Warrants pursuant to the exercise of the subscription rights attached to the Warrants
“%”	per cent.

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

May 29, 2024

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. Gordon Robert Halyburton Orr, Mr. John Lawson Thornton, Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted), Mr. Woo Chin Wan Raymond, Ms. Yang Lan, Ms. Cher Wang Hsiueh Hong, and Professor Xue Lan.