

October 22, 2020

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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)

**(1) PROPOSED ISSUANCE OF U.S. DOLLAR-DENOMINATED
NOTES
AND
(2) CONCURRENT TENDER OFFER TO PURCHASE THE
PREFERRED SHARES, THE 2022 NOTES AND THE 2023 NOTES**

PROPOSED NOTES ISSUE

Introduction

The Board is pleased to announce that the Company proposes to conduct an international offering of the New Notes to professional and institutional investors only. It is intended that the New Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Company denominated in U.S. dollars. The completion of the Notes Issue is dependent on several factors, including but not limited to global market conditions, corporate needs of the Company and investors' interests. The size and pricing of the proposed Notes Issue will be determined following a book-building process to be conducted by Citigroup, Morgan Stanley, Credit Suisse, J.P. Morgan, BNP PARIBAS and Goldman Sachs (Asia) L.L.C. as the joint global coordinators, and DBS Bank Ltd., Crédit Agricole CIB, Mizuho Securities, MUFG, and Société Générale Corporate & Investment Banking as the joint bookrunners in respect of the Notes Issue.

The New Notes to be issued by the Company have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States. The New Notes will only be offered (i) in the United States to qualified institutional buyers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or in transactions not subject to the registration requirements of the U.S. Securities Act; and (ii) in offshore transactions to Non-U.S. Persons in compliance with Regulation S.

There will be no public offering of the New Notes in Hong Kong, the United States, or any other jurisdictions.

Proposed use of net proceeds

The Company intends to use the net proceeds of the proposed Notes Issue to purchase for cash all or a portion of the Securities pursuant to the terms set forth in the Tender Offer Memorandum, and for the Company's working capital purposes.

Listing

The Company intends to make an application to the Stock Exchange for the listing of, and permission to deal in, the New Notes. Admission of the New Notes for listing on the Stock Exchange is not to be taken as an indication of the merits of the Company or the New Notes.

CONCURRENT TENDER OFFER TO PURCHASE THE PREFERRED SHARES, THE 2022 NOTES AND THE 2023 NOTES UP TO THE TENDER CAP

Summary of the outstanding Securities

The Preferred Shares were issued on March 16, 2017 and April 6, 2017 and are listed on the Singapore Exchange Securities Trading Limited. The ISIN for the Preferred Shares is XS1575529539. The outstanding principal amount under the Preferred Shares is U.S.\$1,000,000,000 as of the date of this announcement.

The 2022 Notes and the 2023 Notes were issued in 2017 and 2018, respectively and are listed on the Stock Exchange. The ISIN for the 2022 Notes and the 2023 Notes are XS1573181440 and XS1765886244, and as of the date of this announcement, the outstanding principal amount under the 2022 Notes and the 2023 Notes are U.S.\$500,000,000 and U.S.\$750,000,000 respectively.

Summary of the Tender Offer

On October 22, 2020, the Company and LPSL commenced the Tender Offer to purchase for cash the outstanding Securities subject to the Tender Cap.

The Company and LPSL are offering to purchase Securities tendered up to the Tender Cap. If the aggregate principal amount of Securities validly tendered in the Tender Offer exceeds the Tender Cap, the tender instructions will be accepted in accordance with the following acceptance priority:

1. firstly, towards tender instructions validly received in respect of any Preferred Shares;
2. secondly, towards tender instructions validly received in respect of any 2022 Notes; and
3. finally, towards tender instructions validly received in respect of any 2023 Notes.

Each of the Company and LPSL reserves the right, in their sole discretion, to purchase the Securities in excess of or below the Tender Cap, or not to purchase any Securities, subject to applicable law.

If the aggregate principal amount of the Securities validly tendered exceeds the Tender Cap, the Company and LPSL will, subject to the acceptance priority set forth above, accept such Securities tendered on a pro-rata basis such that the aggregate principal amount of Securities accepted for purchase does not exceed the Tender Cap. If the Tender Cap is exceeded and the proration would leave any holder of the Securities with less than the minimum denomination of U.S.\$200,000 in aggregate principal amount of the Securities, whether in the Securities (i) validly tendered; or (ii) returned to a Holder as a result of proration, the Company and LPSL, at their sole discretion, may elect not to prorate such Securities and will either accept or reject all of the Securities subject of that holder's tender instruction.

A separate tender instruction must be completed on behalf of each beneficial owner of the Securities and for each series of Securities being tendered due to potential proration.

Tender instructions will be irrevocable in all circumstances.

The Tender Offer commenced today and will expire at the Expiration Deadline, unless the period for the Tender Offer is extended or re-opened, revoked or terminated by the Company or LPSL in their sole discretion. An announcement will be made if and when the Expiration Deadline is extended.

Holders who validly tender their Securities at or prior to the Expiration Deadline (and do not subsequently revoke such tender in the limited circumstances in which such revocation is permitted) will be eligible to receive the relevant Tender Consideration in cash consisting of (a) the product of (i) the aggregate principal amount of the relevant Securities validly tendered and accepted for purchase, and (ii) the relevant Tender Price; plus (b) the Accrued Distribution (in the case of the Preferred Shares) or the Accrued Interest (in the case of the 2022 Notes and/or the 2023 Notes, as applicable), if the tendered Securities are accepted by the Company or LPSL for purchase. Such Tender Consideration is expected to be paid on or about the Settlement Date.

The completion and settlement of the Tender Offer is conditional upon the issuance and settlement of the New Notes, unless waived in the Company or LPSL's sole discretion. Further, the Company and LPSL may, in their sole and absolute discretion, amend, extend or terminate the Tender Offer in compliance with applicable law.

Further Details

The terms of the Tender Offer are more fully described in the Tender Offer Memorandum. For additional information regarding the tender and approval delivery procedures and the conditions of the Tender Offer, please refer to the Tender Offer Memorandum and its related documents.

The Company and LPSL have appointed Citigroup, Morgan Stanley, BNP PARIBAS, Credit Suisse, and DBS Bank Ltd. as the Dealer Managers and Morrow Sodali Ltd. as the Tender and Information Agent with respect to the Tender Offer.

Copies of the Tender Offer Memorandum and its related documents can be found on the Offer Website or may be requested from the Tender and Information Agent at:

Phone (London): +44 208 089 3287
Phone (Hong Kong): +852 2158 8405
Email: lenovo@investor.morrowsodali.com
Offer Website: <https://bonds.morrowsodali.com/lenovo>

Any questions or requests for assistance concerning the Tender Offer may be directed to the Dealer Managers at:

Citigroup

Address: 50/F Champion Tower, Three Garden Road, Central, Hong Kong
Phone (Hong Kong): +852 2501 2693
Email: liabilitymanagement.asia@citi.com

Morgan Stanley

Address: 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom
Phone (Hong Kong): +852 2848 5200
Email: apsynd@morganstanley.com

BNP PARIBAS

Address: 63/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Phone (Hong Kong): +852 2108 5228
Email: asia_syndicate@bnpparibas.com

Credit Suisse

Address: Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Phone (Hong Kong): +852 2101 7132
Email: list.liabilitymanagementasia@credit-suisse.com

DBS Bank Ltd.

Address: 10/F, The Center, 99 Queen's Road Central, Hong Kong
Phone (Hong Kong): +852 3668 1900
Email: liabilitymanagement@db.com

GENERAL

No binding agreement in relation to the proposed Notes Issue has been entered into as at the date of this announcement. The proposed Notes Issue may or may not materialise and are subject to, among other things, market conditions and investors' interest. Investors and shareholders of the Company are reminded to exercise caution when dealing in the securities of the Company.

This announcement is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of an offer to sell, the Securities or the New Notes.

DEFINITIONS

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

“2022 Notes”	the U.S.\$500,000,000 3.875% notes due 2022 (ISIN: XS1573181440) issued by the Company
“2022 Notes Tender Price”	the tender price payable per U.S.\$1,000 in principal amount of 2022 Notes
“2023 Notes”	the U.S.\$750,000,000 4.750% notes due 2023 (ISIN: XS1765886244) issued by the Company
“2023 Notes Tender Price”	the tender price payable per U.S.\$1,000 in principal amount of 2023 Notes
“Accrued Distribution”	distribution accrued and unpaid on the relevant Preferred Shares from (and including) the immediately preceding relevant distribution payment date up to (but excluding) the Settlement Date
“Accrued Interest”	interest accrued and unpaid on the 2022 Notes and/ or the 2023 Notes (as applicable) from (and including) the immediately preceding relevant interest payment date up to (but excluding) the Settlement Date
“Board”	the board of Directors
“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
“Dealer Managers”	Citigroup Global Markets Limited, Morgan Stanley & Co. International plc, BNP Paribas, Credit Suisse (Hong Kong) Limited, DBS Bank Ltd.
“Director(s)”	the director(s) of the Company

“Expiration Deadline”	5:00 P.M. (Central European time) on October 28, 2020/ 12:00 A.M. (Hong Kong time) on October 29, 2020, subject to the right of the Company and LPSL to extend, re-open and/or terminate the Tender Offer in their sole discretion
“Holder(s)”	the holder(s) of the Securities
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“LPSL”	Lenovo Perpetual Securities Limited, a company incorporated in Cayman Islands with limited liability and a direct wholly-owned subsidiary of the Company
“New Notes”	the U.S. dollars-denominated senior unsecured notes proposed to be issued by the Company
“Notes Issue”	the issuance of the New Notes by the Company
“Offer Website”	https://bonds.morrowsodali.com/lenovo , the website operated by the Tender and Information Agent for the purpose of the Tender Offer
“Preferred Shares”	the U.S.\$1,000,000,000 5.375% perpetual securities (ISIN: XS1575529539) issued by LPSL and guaranteed by the Company
“Preferred Shares Tender Price”	the tender price payable per U.S.\$1,000 in principal amount of Preferred Shares
“Regulation S”	Regulation S under the U.S. Securities Act
“Rule 144A”	Rule 144A under the U.S. Securities Act
“Securities”	the Preferred Shares, the 2022 Notes and the 2023 Notes, as applicable
“Settlement Date”	on or about November 2, 2020, subject to the right of the Company and LPSL to extend, re-open, amend and/or terminate the Tender Offer in their sole discretion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender and Information Agent”	Morrow Sodali Ltd.
“Tender Cap”	an amount being the aggregate principal amount of Securities up to which the Company and LPSL are offering to purchase, to be determined and announced by the Company and LPSL on the terms and subject to the conditions contained in the Tender Offer Memorandum, which may be raised, amended or otherwise waived by the Company and LPSL at their sole discretion

“Tender Consideration”	the consideration payable by the Company and the LPSL to the relevant Holder(s) pursuant to the Tender Offer
“Tender Offer”	the offer by the Company and LPSL to purchase for cash the outstanding Securities up to the Tender Cap upon the terms and subject to the conditions described in the Tender Offer Memorandum and any amendments or supplements thereto
“Tender Offer Memorandum”	the tender offer memorandum dated on or about October 22, 2020 issued by the Company and LPSL in connection with the Tender Offer
“Tender Price”	the Preferred Shares Tender Price, the 2022 Notes Tender Price and/or the 2023 Notes Tender Price, as applicable
“United States” or “U.S.”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“U.S.\$”, “U.S. dollars” or “USD”	United States dollars, the lawful currency of the United States
“%”	per cent