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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: 992)

VOLUNTARY ANNOUNCEMENT

DISPOSAL OF EQUITY INTEREST IN A JOINT VENTURE COMPANY

The board of directors (the “**Board**”) of Lenovo Group Limited (the “**Company**”) wishes to inform shareholders that on 1 March 2017, Lenovo (Beijing) Limited* (聯想(北京)有限公司) (the “**Seller**”), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the “**Agreement**”) in relation to the disposal of 49% equity interest in Chengdu Lian Chuang Rong Jin Investment Limited* (成都聯創融錦投資有限責任公司) (the “**Disposal Company**”, together with its subsidiaries, the “**Disposal Group**”) (the “**Disposal**”) for a consideration of approximately RMB1,617 million (equivalent to approximately HK\$1,825 million). In addition, among the undistributed profits of the Disposal Company as at 31 December 2016, approximately RMB264 million (equivalent to approximately HK\$298 million) will be distributed to the Seller prior to completion of the Disposal.

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

The Disposal Group is principally engaged in property development and its principal projects are Hefei Raycom City (合肥融科城) and Wuhan Raycom Celestial Heights (武漢融科天域). The types of properties under the projects include residential properties, commercial complex, office buildings and parking spaces.

The purchaser, Beijing Sunac Raycom Real Estate Company Limited* (北京融創融科地產有限公司), is an indirect wholly-owned subsidiary of Sunac China Holdings Limited, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 1918). 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 Group. The pre-tax gain arising from the Disposal is estimated to be approximately HK\$1,696 million, which represents the difference between the consideration of the Disposal and the unaudited carrying amount of the Disposal Group as at 31 December 2016 after distribution of the profits to the Seller, net of relevant transaction costs. The actual amount of gain or loss as a result of the Disposal to be recognized by the Group will be subject to audit. The proceeds received from the Disposal are intended to be used for general corporate purposes. The Board considers that the Disposal will provide general working capital to finance the Company’s operations and investments in driving the Company’s long term competitiveness and profitable growth.

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

1 March 2017

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1: HK\$1.12834. 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*