



Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0992)

The directors of Lenovo Group Limited (the “Company”) announce that the Company has entered into an Amendment Agreement with International Business Machines Corporation (“IBM”) on May 25, 2006 (the “Amendment Agreement”) to amend the Company Agreement entered into between them on December 7, 2004 (the “Company Agreement”). The Company also announce that it has on May 25, 2006 released its financial results for the year ended March 31, 2006. Details of the terms and conditions of the Company Agreement were set out in the circular to the shareholders of the Company dated December 31, 2004 (the “Circular”). Terms defined in the Circular have the same meaning in this announcement.

The Company Agreement contains, inter alia, lock-up restrictions on IBM pursuant to which, subject to certain exemptions, IBM was restricted from disposing of the Base Consideration Shares. Pursuant to the lock-up provisions, IBM was entitled to transfer one-third of the Base Consideration Shares from May 1, 2006, being the day after the first anniversary of the Initial Closing, two-thirds of the Base Consideration Shares from May 1, 2007, being the day after the second anniversary of the Initial Closing and 100% of the Base Consideration Shares from May 1, 2008, being the day after the third anniversary of the Initial Closing. As at May 25, 2006, IBM was interested in 931,870,515 Shares and 375,282,756 Non-voting Shares of the Company, the aggregate of which being the Base Consideration Shares subject to the lock-up provisions as stated above.

Pursuant to the Amendment Agreement, IBM is entitled under the lock-up provisions of the Company Agreement (including transfers already permitted under the Company Agreement) to transfer from May 25, 2006 up to two-thirds of the Base Consideration Shares, and from November 1, 2007 to transfer all of the Base Consideration Shares, subject to certain additional conditions regarding off-market sales and timing of sales through the Stock Exchange.

The entering into of the Amendment Agreement by the Company will allow IBM to reduce its shareholding in the Company in an orderly manner, so that IBM is no longer a connected person of the Company and the Company can minimize the regulatory burdens associated with adapting the relationship to meet the Company’s evolving needs.

By order of the Board
Yuanqing Yang
Chairman

Hong Kong, May 26, 2006

As of the date of this announcement, the Executive Directors are Mr. Yuanqing Yang, Mr. William J Amelio and Ms Xuezheng Ma, the Non-executive Directors are Mr. Chuanzhi Liu, Mr. Linan Zhu, Mr. James G Coulter, Mr. William O Grabe, Mr. Weijian Shan, Mr. Justin T Chang (alternate Director to Mr. James G Coulter), Mr. Vince Feng (alternate Director to Mr. William O Grabe) and Mr Daniel A Carroll (alternate Director to Mr. Weijian Shan); and the Independent Non-executive Directors are Mr. Wai Ming Wong, Professor Chia-Wei Woo, Mr. Lee Sen Ting and Mr. John W. Barter III.

“Please also refer to the published version of this announcement in the South China Morning Post”