

SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 30 September 2004, the following persons, not being a director or chief executive of the Company, had the following interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Notes	Capacity	Percentages of aggregate holding of long/short positions in shares (%)		
			Long position held in shares	Short position held in shares	(Note 6)
Legend Holdings Limited	1, 2	Beneficial owner/ Interest of a controlled corporation	283,201,872/ 140,232,042	8,568,800	49.20/0.996
Employees' Shareholding Society of Legend Holdings Limited	1, 3	Interest of controlled corporations	423,433,914	8,568,800	49.20/0.996
General Atlantic Partners (Bermuda), L.P.	4	Beneficial owner/ Interests of persons acting in concert	92,037,409/ 19,736,591	—	12.99/—
GAP Coinvestment Partners II, L.P.	4	Beneficial owner/ Interests of persons acting in concert	12,748,289/ 99,025,711	—	12.99/—
GapStar, LLC	4	Beneficial owner/ Interests of persons acting in concert	6,988,302/ 104,785,698	—	12.99/—
GAP (Bermuda) Limited	4	Interest of a controlled corporation/ Interests of persons acting in concert	92,037,409/ 19,736,591	—	12.99/—
General Atlantic Partners, LLC	4	Interest of a controlled corporation/ Interests of persons acting in concert	6,988,302/ 104,785,698	—	12.99/—
J.P. Morgan Chase & Co.	5	Beneficial owner/ Investment manager/ Approved lending agent	600/ 75,572,200/ 53,906,700	—	15.04/—

Notes:

1. The English names "Legend Holdings Limited" and "Employees' Shareholding Society of Legend Holdings Limited" are direct transliterations of their Chinese registered names "聯想控股有限公司" and "聯想控股有限公司職工持股會" respectively.
2. 140,232,042 shares were held by Right Lane Limited, a wholly owned subsidiary and a controlled corporation of Legend Holdings Limited, and therefore Legend Holdings Limited was deemed to be interested in such shares by virtue of the SFO.

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3. Employees' Shareholding Society of Legend Holdings Limited was the controlling shareholder of Legend Holdings Limited and was therefore deemed to be interested in the 423,433,914 shares in which Legend Holdings Limited was interested.
4. GAP (Bermuda) Limited is the general partner of General Atlantic Partners (Bermuda), L.P., and General Atlantic Partners, LLC ("GAP LLC") is the sole member of GapStar, LLC. The individuals who are the managing members of GAP LLC are also the executive officers and directors of GAP (Bermuda) Limited. In addition, the general partners of GAP Coinvestment Partners II, L.P. are also the managing members of GAP LLC.
5. J.P. Morgan Chase & Co. was deemed to be interested in an aggregate of 129,479,500 shares by virtue of the SFO. Those interests comprised direct interests in 73,401,200 shares and 2,171,000 shares held by JF Asset Management Limited and JF International Management Inc. respectively, both of which were subsidiaries and controlled corporations of J.P. Morgan Fleming Asset Management (Asia) Inc. which itself was a subsidiary and a controlled corporation of J.P. Morgan Fleming Asset Management Holdings Inc.. J.P. Morgan Fleming Asset Management Holdings Inc. was then a subsidiary and a controlled corporation of J.P. Morgan Chase & Co.. Also, direct interest in 600 shares was held by J.P. Morgan Whitefriars Inc., which was a subsidiary controlled in turn by J.P. Morgan Overseas Capital Corporation, J.P. Morgan International Finance Limited, J.P. Morgan International Inc. and JPMorgan Chase Bank, all of which were subsidiaries and controlled corporations of J.P. Morgan Chase & Co.. In addition, JPMorgan Chase Bank had a direct interest in 53,906,700 shares of the Company.
6. The percentages of aggregate holding of long/short positions in shares were calculated on the basis of 860,629,331 shares of the Company in issue at 30 September 2004.

Save as disclosed above, at 30 September 2004, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept under Section 336 of the SFO.

COMPLIANCE WITH THE CONTINUING DISCLOSURE REQUIREMENTS UNDER CHAPTER 13 OF THE LISTING RULES

In compliance with the continuing disclosure requirements under Rule 13.21 of Chapter 13 of the Listing Rules, the Board reports below details of a facility agreement which includes a condition relating to the specific performance of the controlling shareholder of the Company.

On 24 March 2003, the Company entered into a facility agreement (the "2003 Facility Agreement") with a syndicate of banks (the "Banks") for a 4-year transferable loan facility of up to US\$70 million. The said loan facility has been used by the Company to repay in full the outstanding amounts under a previous facility agreement entered into by the Company on 25 March 2002 and thereafter, finance its general working capital.

The 2003 Facility Agreement includes a condition to the effect that Legend Holdings Limited, the controlling shareholder of the Company, is to beneficially hold not less than 40% of the issued share capital of the Company throughout the term of the 2003 Facility Agreement. A breach of such condition, if not remedied within 30 days after the agent of the Banks has given written notice to the Company, shall constitute an event of default under the 2003 Facility Agreement and, upon such occurrence, all amounts outstanding under the 2003 Facility Agreement shall immediately become due and payable.

The loan facility under the 2003 Facility Agreement had been fully drawn and all remained outstanding at 30 September 2004.