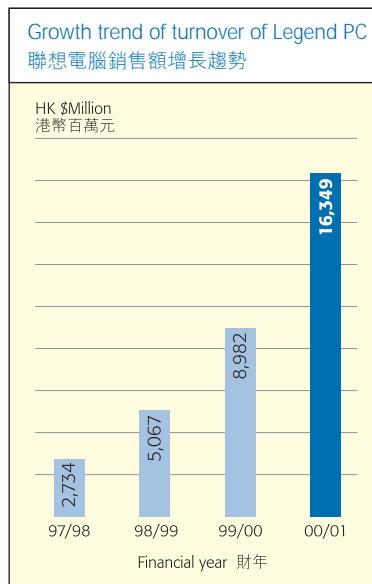


Sales of Legend **notebook computers** achieved a breakthrough, with market share substantially increasing from 17.1% to 23.2%. The Group is cooperating with a number of OEM manufacturers to become the prime mover in this area. In the past year, Legend launched several innovatively designed notebook computers, such as the trendy "Soleil" S series. The "Soleil" S600, with its super slim design, powerful functions and reasonable price, was awarded first prize in a competition run by "Info Buyer" of *China InfoWorld*. The "Soleil" 8100, equipped with an impressive array of functions, was another winner, and was awarded first prize by *PC Home* magazine in its "Editor's Choice" feature.

Legend is fully aware of the latest progress in the mobile Internet arena and is committed to developing **Internet enabled handheld devices**. During the year, the Group launched its "Tianji" series of handheld PC products. Among them, "Tianji 820e" and "Tianji Stock" are the first in a line of Internet enabled handheld devices. Legend also launched palm365.com, providing handheld PC users with numerous and varied Internet information. According to research conducted by CCIDNET, a prominent PRC research institution, Legend's pocket PCs ranked among the top three in the high-end handheld PC market.



年內，聯想牌筆記本電腦的銷售也取得了突破性發展，市場佔有率由17.1%大幅提升至23.2%，集團與多家OEM廠商合作多次搶佔市場先機，推出創新設計的筆記本電腦。於去年年中，集團推出時尚型「昭陽」S系列。「昭陽」S600憑著其超薄優美的設計、強勁功能和實惠的價格，榮獲《中國計算機報》「聰明買家」大獎。此外，性能表現出眾的「昭陽」8100型號於今年初亦獲《個人電腦》雜誌的「編輯選擇獎」殊榮。

集團還密切關注移動互聯網市場的發展，致力拓展掌上互聯網接入設備。年內，集團推出了「天璣」系列掌上電腦產品，其中「天璣820e」和「天璣股龍」是中國首批專為網絡而設計的互聯網掌上電腦。此外，集團還推出了palm365.com，讓客戶可以享用網上資訊。根據中國權威IT行業統計機構賽迪網的調查，聯想掌上電腦在整個高端掌上電腦之市場佔有率名列三甲。





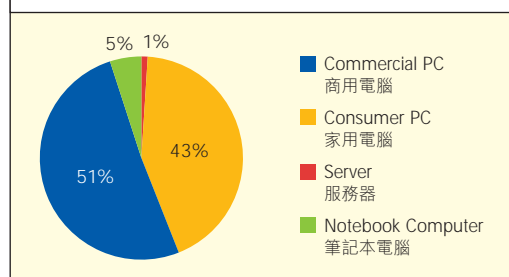
Turning to Legend's sales and distribution network, the number of "Legend 1+1 Home PC Specialty Shops" (our direct sales channel for home users) increased rapidly. The Specialty Shops' strategy and operational model have proved its success, as shown by the fact that 260 of these shops are now in operation, up from 100 in the previous year. "Legend 1+1 Home PC Specialty Shops" have been well received by home users because of their easily accessible locations, variety of appeal and friendly services. Legend's distribution network, which consists of over 3,700 distributors, has also continued to expand into many of the PRC's medium and small cities.

Legend's marketing activities have involved running a number of large-scale campaigns to further promote computer knowledge and Internet applications. These campaigns included "Internet Journey in the New Era", which targeted commercial markets across several hundred cities, "Legend's New Life on the Internet" and "Weekend Programme", targeting consumer users. To promote its service facilities and build further service channels, Legend also launched its "Legend's Service is Around You" campaign in 20 large cities across the country.

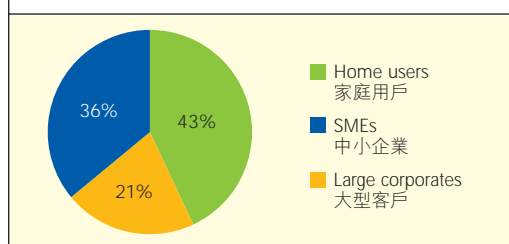
在渠道拓展方面，面對家庭用戶的直銷渠道「聯想1+1專賣店」的數量迅速增加，由年初100家增加至260家，事實證明專賣店的策略及經營模式非常成功。「聯想1+1專賣店」以方便的地點、多姿多彩的店面、周到的服務而備受家庭用戶的喜愛。此外，聯想旗下由3,700家分銷商組成的分銷網也繼續向中小城市深入擴展。

在市場推廣方面，集團於年內舉辦了多項規模龐大的市場活動，繼續深入推廣電腦知識及互聯網應用，包括在幾百個城市舉行針對商業用戶的「推動因特網龍騰新世紀」和針對消費市場的「聯想因特網上新生活」、「周末工程」等活動。此外，集團還在全國20個城市舉行了「聯想服務在您身邊」的推廣活動，推廣聯想的服務設施及策略，建設服務渠道。

Breakdown analysis of unit shipment of Legend PC by product
聯想電腦銷售台數按產品類型分析



Breakdown analysis of unit shipment of Legend PC by customer
聯想電腦銷售台數按客戶類型分析





In 2000, Legend built the largest **call centre** in the PRC's computer industry, with 400 engineers providing customers with 24x7 telephone consultation services. The services provided include pre-sales consultation, after-sales support, sales services and customer feedback collection. The call centre has worked closely with the departments of sales, after-sales service, and research centre. It has become an important channel for providing the Group with up-to-date market information and "on the ground" access to customer views and opinions.

Production has tracked a rapid growth in demand. The new PC production factory in Beijing began operations during the fourth quarter of the financial year, adding another 2 million units of production capacity for the Group annually. Equipped with modern information systems, advanced facilities, and a completely automated warehouse, the new factory maximises production efficiency. It also has a number of cell production lines, offering the ability to fulfill special configuration orders. To meet the rapid development in the eastern PRC market, the Group started to set up new production lines in Shanghai, scheduled for completion by the end of 2001. This facility will boost capacity by 1.5 million units annually.

The **R&D capabilities** of the Group have been greatly strengthened. Legend's software division was awarded CMM2 accreditation, the first Chinese company to receive this accreditation. Additionally, Legend achieved a breakthrough in Internet security with the launch of Legend's "Anti-cracker 2000" series products. In 2000, the Group applied for a total of 123 patents, which is more than the total number of patent applications made between 1996 and 1999.



在2000年，集團還建設了目前中國電腦業規模最大的「呼叫中心」(call centre)，由近400個工程師向客戶提供24x7的電話諮詢服務。聯想call centre的服務包括售前諮詢、售後支援、銷售服務及客戶意見反饋。Call centre與集團原有銷售體系、售後服務體系及研發體系緊密配合，已經成為集團接觸客戶及收集市場信息的重要渠道。

生產製造方面，集團為應付銷售快速增長的需求，在北京設立了新的個人電腦生產廠，並已於財年第四季投產，為聯想增添每年約200萬台的生產能力。新廠設有現代化的資訊系統、先進的生產設施和全自動化的立體倉庫，生產效率得到全面提高。此外，新廠內還設有多條Cell生產線，增添了小批量、按定單製造的能力。此外，為迎合華東市場迅速發展的需要，集團還開始建設上海生產線，並將於2001年年底投產，為聯想再添每年150萬台的電腦生產能力。

集團研發能力亦顯著提高，聯想軟件事業部通過CMM2認證，成為國內首家通過此項認證的企業。此外，集團在信息安全技術方面亦取得突破，推出了聯想「網御2000」系列產品。集團於2000年共申請了123項專利，遠超1996至1999年申請專利之總和。



During the year, Legend made significant steps forward in the areas of product design, sales channels, production facilities and service systems. These developments continue to boost and consolidate Legend's leading position in a competitive market. According to data from IDC, Legend's market share increased to 30.8% in the fourth quarter of 2000, while its market share for consumer PCs reached 37.2%.

年內，集團在產品設計、銷售渠道、生產製造、服務體系建設等多方面取得長足發展，令聯想在競爭激烈的市場上進一步鞏固其地位。IDC數據顯示，聯想2000年第四季市場佔有率提升至30.8%，家用電腦市場佔有率更達37.2%。



Internet Services

Even with Internet fever abating, the Internet is part of everyday life of many people in the PRC, both in obtaining information and communications. Management is convinced that market prospects for the Internet remain highly positive, and has developed and implemented several Internet focused projects during the year.

Legend's Internet services began with the launch of its "Conet" PCs in 1999. In April 2000, the Group launched its FM365.com portal, cooperating with a number of content providers to provide users with a wide range of practical and varied information. Daily page views for FM365.com have reached 34 million, and the site has won 2.9 million registered e-mail users in just a year.

In cooperation with China Telecom, Legend provides PC users with Internet connection services. Registered users have reached 1.7 million.

The Group has identified three major directions for developing its Internet services, focusing on the education, finance and travel sectors. In cooperation with the National Higher Education Self-Learning Exam Committee, the Affiliated High School of Peking University and the New Oriental School, FM365.com now provides a number of on-line courses and services via its education channel.

The financial arena is another major focus of Legend's Internet business development. In August last year, Legend acquired 5,433,947 shares of series B convertible preferred stock of Yestock Limited ("Yestock") at US\$9.2 per share. Yestock is the PRC's largest securities e-commerce and m-commerce platform service provider. The acquisition is equivalent to 40% of Yestock's total shares on an as converted and fully diluted basis.



互聯網服務

互聯網熱潮雖然降溫，但已經成為很多中國人生活的一部份，用以獲取資訊及溝通。管理層一直堅信，互聯網有廣闊的市場前景。集團於年內發展和實施了多個發展項目。

自於1999年底推出「天禧」電腦後，聯想開始發展互聯網服務。2000年4月，集團正式推出了FM365.com的入門網站，與國內外多家內容供應商合作，向用戶提供實用豐富的資訊。在短短一年內，FM365.com每日總瀏覽量已達到3,400萬頁，電子郵件註冊用戶達290萬人。

透過與中國電信的緊密合作，聯想為互聯網電腦用戶提供互聯網接入服務，登記用戶已達170萬人。

在互聯網服務方面，集團訂立了三大主要發展方向，專注在教育、財經和旅遊方面發展。聯想分別與高等教育自學考試委員會、北大附中和新東方外語學校合作，透過FM365.com的教育頻道提供多項網上課程和服務。

財經領域也是聯想互聯網策略重點發展的領域之一。去年八月，聯想以每股作價9.2美元購入中國最大的證券電子商務及移動電子商務平台服務商Yestock Limited (「贏時通」) 5,433,947股B系列可轉換優先股，以已轉換及全面攤薄基準計算，相等於贏時通股本40%的股權。

Motherboard Manufacturing

After a series of adjustments, the motherboard business has entered a stable stage of development. During the year under review, Legend sold over 3.5 million motherboards, breaking all previous sales records. Motherboards used in the manufacture of Legend brand computers accounted for 45% of these sales. The Group also saw major development in both product technology and manufacturing. During the year, the Group launched a number of new motherboard products such as the Intel Pentium 4, Pentium III, Celeron and AMD series. It also launched the innovative technology StepEasy, which can speed up the productivity of CPUs in seconds, significantly enhancing their work functions. The Group adopted a number of measures to improve the manufacturing processes of motherboards and related devices, further boosting production efficiency. Legend's motherboard manufacturing was accredited ISO14000 during the year.

Europe, the PRC and the Asian region remain the main target sales markets for the Group's motherboard business. The Group is also exploring the computer systems integration market and the OEM market. In addition, the Group is further improving its promotion and marketing activities (in particular the promotion of its "QDI" brand and products) with an emphasis on participation in large-scale international exhibitions.

Liquidity and Financial Resources

At year end, the Group had cash and bank deposits of HK\$2,633 million (2000: HK\$2,180 million) and outstanding bank borrowings and other loans of HK\$832 million (2000: HK\$332 million), of which HK\$813 million was borrowed for Digital China business. There are no assets held under finance lease as at the year end (2000: HK\$10 million).

主機板製造

主機板業務經過一系列調整，進入了穩定發展的階段，年內售出主機板超過350萬塊，創造了歷年銷售新紀錄，其中45%用於生產聯想電腦。此外，集團在產品技術和生產方面亦有良好發展。年內，聯想推出了多種Intel Pentium 4、Pentium III、Celeron和AMD系列主機板產品，並且推出了創新技術 StepEasy，該技術可在數秒內改變CPU的工作頻率，提高CPU的工作性能。集團還採取了多項措施改善主機板的生產程序和設備，進一步提高生產效率，而板卡生產廠更於年內通過ISO14000環保體系認證。

歐洲、中國和亞洲等地區仍是集團主機板銷售的重點。聯想正努力開拓電腦系統集成和OEM市場。集團還加強了市場推廣，透過參與國際大型展覽等推廣「QDI」品牌及產品。

流動資金及財務資源

截至本年度末，集團持有現金及銀行存款共港幣26.33億元（二零零零年：港幣21.8億元），銀行及其他貸款共港幣8.32億元（二零零零年：港幣3.32億元），其中8.13億元為神州數碼業務的貸款。年末，集團並無以財務租約持有之資產（二零零零年：港幣0.1億元）。

Bank loans were mainly borrowed for the business in Mainland China and the loans are mainly denominated in Renminbi for hedging purpose. The annual interest rate of the borrowings at the current financial year end ranged from 5.58% to 5.85%.

The Group continued to follow the practice of prudent cash management during the year. When necessary, the Group will engage in currency hedging against exchange risks.

The Group's gearing ratio at the year end was 0.17 (2000: 0.07) which is calculated based on the Group's total borrowings of HK\$832 million (2000: HK\$332 million) and the shareholders' funds of HK\$4,809 million (2000: HK\$5,040 million). The Group has adopted a prudent borrowing policy with a gearing ratio being maintained at an acceptable level.

Management is comfortable that existing financial resource will be sufficient for future expansion plans. Should other opportunities arise requiring additional funding, management believes that the Group is in a good position to obtain financing on favourable terms.

Contingent Liabilities

The Group had no material contingent liabilities as at 31st March 2001.

All guarantees executed by the Company for the benefits of Digital China business has been released with effect from the listing of Digital China Holdings Limited.



銀行貸款主要為滿足集團在中國大陸的業務運作需要，貸款貨幣主要是人民幣。本財年銀行貸款年利率為5.58%至5.85%之間。

年內，集團繼續執行謹慎的現金管理政策，並於必要時安排對沖措施以預防匯率風險。

按總貸款港幣8.32億元(二零零零年：港幣3.32億元)和股東資金港幣48.09億元(二零零零年：港幣50.40億元)計算，本年度末集團貸款權益比率為0.17(二零零零年：0.07)。集團採取了謹慎的借貸政策，使貸款權益比率保持在可接受的水平。

管理層預期現有的資金將能滿足集團未來發展計劃的需要，若其他發展機會要求額外資金，集團管理層相信集團將能夠以優惠的條件籌得資金。

或然負債

集團於二零零零一年三月三十一日無任何重大的或然負債。

公司所有為神州數碼業務作出的擔保已自神州數碼控股有限公司上市之日撤銷。