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Business Review

Despite the past year's difficult operating environment, the Group still managed to sustain healthy growth and make progress towards its targets of technological innovation and service enhancement, at the same time laying solid foundations for its new business initiatives. Overall, Legend was highly successful in transforming itself into a customer-oriented company, putting into place major organisational restructuring, implementing its policy of technological innovation, and shifting its role from that of a pure hardware company into an enterprise providing a comprehensive range of services. These achievements provide an exceptionally solid base for the Group's long-term development. Legend's six major business areas also made good progress towards achieving the targets set for them at the beginning of the year.

Corporate IT Business

Compared to 2000* when the year-on-year growth rate reached 46.5%, the turnover of China's corporate computer market in 2001* dropped 5.1% year on year. This demonstrates that the corporate computer market in China was also affected by the slowdown in growth. Despite this harsh environment, Legend's corporate IT business turnover still recorded a growth of 14% coupled with further improvements in its gross profit margin and operating profit.

In August last year, the Group rolled out a new corporate computer product series, "Kaitian", "Qitian" and "Yangtian", which offered improved design, upgraded functionality and higher overall quality. Catering for the network environment of corporate users, the "Kaitian" series comes with tailor-made application solutions that obtained 34 national patents and gained the CCID's "Technological Innovation Award". The series has been highly commended by corporate users.

* 2001 represents the period from April 2001 to March 2002
2000 represents the period from April 2000 to March 2001

業務回顧

儘管聯想集團在2001/02財年面對不景氣的經營環境，但仍保持了集團的健康發展，同時在技術、服務、新業務等多方面打下了良好基礎。年內，聯想落實了以客戶為導向的轉型，完成公司組織結構調整，推進技術創新的策略，逐步實現由提供單純硬件產品向提供全面服務的模式轉變。這些舉措為公司長期穩定的發展奠定了良好的基礎。聯想的六大業務群亦按照年初制定的發展策略，有力地向目標推進。

企業IT業務

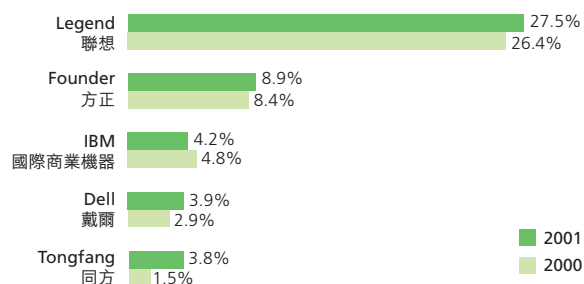
2001年*中國商用電腦市場總銷售額年比年下降5.1%，相對2000年*46.5%的年比年增長，顯示中國商用電腦市場也受到增長放緩的影響。在這樣的市場環境下，聯想企業IT業務之銷售額仍獲得14%增長，而毛利率及經營利潤亦有明顯改善。

集團於去年8月更新商用電腦產品系列，推出了外觀、性能及品質全新的「開天」、「啟天」及「揚天」系列商用電腦，其中「開天」系列針對企業用戶的網絡環境度身訂做應用方案，不但受到客戶的高度讚賞，更擁有34項國家專利，並獲得賽迪顧問(CCID)的「技術創新獎」。

* 2001年指2001年4月至2002年3月期間
2000年指2000年4月至2001年3月期間

Markets are ever-changing. We keep our ears to the ground for the first signs of market shifts, and our flexible management tactics allow us to rapidly formulate proactive policies that in turn trigger new market trends.

市場趨勢瞬息萬變，我們憑敏銳的市場觸角、靈活的管理手法，制定出具前瞻性的策略，帶領市場潮流。

MARKET SHARE OF TOP 5 PC BRANDS IN CHINA
 中國五大電腦品牌市場佔有率


Source: IDC, May 2002 (After white box market size adjustments)
 資料來源：IDC, 2002年5月（經調整白牌機市場規模後）

Legend demonstrated its mastery of wireless network technology in the past year by rolling out a notebook computer that utilises such technology, the first time the Group has applied wireless technology to notebook computer products. Tracking technological changes in the market closely, Legend also launched the first notebook computer equipped with an Intel Pentium 4-M chip in China in March this year, a move reflecting the Group's heavyweight R&D capabilities.

Legend achieved spectacular development in its server business, both in terms of market position and technological development. For the October to December 2001 quarter, Legend's servers ranked, for the first time, amongst the world's top ten best selling servers. March this year saw the Group's successful development of the cutting-edge core server technology, "Wanquan Sureye Server Intellectual Monitoring Management System". A new "Legend Wanquan" server series based on Intel's powerful and advanced Xeon CPU technology was also rolled out, with the Group being the only Chinese manufacturer of the eight global OEM strategic partners chosen by Intel to promote its Xeon CPUs. Another breakthrough for Legend came in the area of high-end server development, as it marked its entry into the high-end server market with the launch of the iCluster1800 series. Last November also witnessed the Group's signing of a strategic OEM agreement on storage products with IBM, which will lead to the joint development of storage technologies and the product market.

Legend significantly enhanced its service provision for enterprises with the careful positioning of its "IT 1 for 1" service scheme in 2000, effectively stimulating the Group's commercial computer product sales. Through a series of partnerships with software developers in China, Legend also provided a variety of solutions to SMEs, such as those dealing with imports and exports, customs declaration, training, manufacturing and design. To enhance the channel's provision of value-added services, Legend signed up 145 partners for its "IT 1 for 1" scheme and provided them with versatile professional training.

在筆記本電腦方面，集團掌握了無線網絡技術，年內推出了具有無線網絡功能的筆記本電腦，首次把無線技術應用於筆記本電腦產品。此外，聯想亦緊貼市場技術轉變，於今年3月推出中國首台配置了Intel P4-M芯片的筆記本電腦，充份反映了聯想的產品研發能力。

在服務器方面，聯想無論在市場地位還是在技術方面都取得很好的發展。於2001年10至12季度，聯想服務器首次進入全球服務器市場銷量排名前10名。今年3月，集團成功研發出服務器核心技術領域的最新成果——「萬全慧眼(Sureye)服務器智能監控管理系統」，並於國內推出基於Intel最新至強(Xeon)CPU技術而開發的新「聯想萬全」服務器，成為Intel在全球8家推進新至強(Xeon)處理器原設備生產商(OEM)戰略合作伙伴中唯一的中國廠商。聯想在高性能服務器方面亦取得了突破，推出iCluster1800系列，標誌著聯想正式進入高性能服務器市場。此外，集團於去年11月與IBM達成存儲產品的策略性OEM合作協議，共同在中國開拓存儲技術及產品市場。

在企業增值服務方面，聯想於2000年推出的服務品牌「IT 1 for 1」已明確了市場定位，有效地促進聯想商用電腦產品銷售。集團透過與國內軟件開發商聯盟，為中小企業提供多種解決方案，包括進出口、報關、培訓、製造、設計等。為提高渠道提供增值服務的技能，聯想向代理提供多方面的專業培訓，共簽定了145家「IT 1 for 1」合作伙伴。



The Group also put extra efforts into promoting company informatisation. Last year, the "Hand in Hand" project launched one-on-one promotions for over a thousand SMEs. The Group also set up the "Legend Application Solution Centre" in Beijing with Intel to promote the use of servers based on the Intel architecture. The Centre provides customers with numerous services such as porting, testing and tuning. Legend also boosted its channel development with the establishment of a network of 400 commercial specialty shops providing commercial IT products for SMEs. Large clients now have the benefit of Legend's "Account Manager System", which allows customers to draw on Legend's internal resource support more easily.

集團亦積極推廣企業信息化建設，去年推出「手牽手」工程，對超過1,000家中小企業進行一對一的推廣，並與Intel在北京成立「聯想應用方案中心」，推動基於Intel架構的服務器應用。這個開放式的方案中心為客戶提供移植、測試、優化等服務。在渠道方面，聯想發展了一個覆蓋中小企業用戶的商用精品店系統，目前已有400家精品店。聯想更加強了對大客戶的服務，建立了一個「客戶經理制度」，使客戶更方便得到聯想內部資源的支持。





Consumer IT Business

Internet frenzy in 2000 resulted in a period of exceptionally high growth in China's home PC market, and a number of local electrical appliance vendors actively expanding into the consumer IT business. With the burst of the Internet bubble, however, the home PC market experienced major adjustments in 2001*, with total market value growing by just 0.7%

The Group's consumer IT business recorded slight growth in turnover compared with last year. In view of the market slowdown, the Group put greater emphasis on stabilising its gross profit margin. Taking advantage of the lower costs of computer components, Legend rolled out Pentium 4 home computer products and home PCs bundled with LCD monitors at very competitive prices. By enhancing the functionality of its products, not only were sales boosted but the average selling prices of products were maintained.

* 2001 represents the period from April 2001 to March 2002

消費IT業務

互聯網熱潮使中國家用電腦市場在2000年出現了超常增長，多家國內家電廠商積極進入消費IT業務。隨著互聯網泡沫爆破，2001*年家用電腦市場出現大幅調整，全年市場總值增長只有0.7%。

集團消費IT業務本財年之營業額比較去年錄得輕微增幅。集團在市場增長放慢的情況下，以穩定毛利率為重點。聯想於去年初把握元器件減價的市場機會，以具競爭力的價格率先推出了P4電腦及配以液晶顯示器的家用電腦產品，提高產品的性能價格比，不僅有力地促進了銷售，亦保持了產品平均售價。

* 2001年指2001年4月至2002年3月期間





Legend maintained its reputation for product development by rolling out a number of new, user-friendly products suited to the specific needs of consumers in China. In November 2001, the Group launched its new generation home PCs, the Home Cyber Port series "Supremia" and "Premia". These products incorporate devices for minimising noise, along with new world-standard technologies for heat dispersal and data security. Users have already indicated strong approval for the design and quality of these new products.

The main emphasis on Legend's channel development was in increasing the number of its "Legend 1+1 Home PC Specialty Shop". With these outlets more than doubling in number, from last year's 260 to the current 570, the Group can now point to an extensive sales network formed by its combination of 1+1 Specialty Shops, distributors and retail points.

IT Service Business

In financial year 2001/02, Legend entered the IT service business through its acquisition of Han, a leading management consultancy and IT service enterprise in China. With the value of this market expected to grow at an annual rate of 50%, taking it from 2000's US\$840 million to an estimated US\$6.48 billion in 2005, the acquisition of Han opens up huge growth potential for the Group.

在產品開發方面，聯想不斷推出適合中國用戶需要的易用、好用的產品。集團於去年11月推出的新一代家用電腦——家庭數碼港「天麒」、「天麟」電腦，在品質及形像上得到了用戶的認可，所採用的系統在降噪音、散熱、數據安全等多項技術上都處於世界領先水平。

集團在渠道拓展方面以「聯想1+1專賣店」為重點，專賣店的數目由去年的260家增加到570家，形成了由1+1專賣店、分銷商及零售點組成的消費產品分銷網絡。

IT服務業務

聯想在2001/02財年透過收購中國具領先優勢的管理諮詢及IT服務企業漢普，正式進入了中國IT服務市場。中國IT服務市場發展潛力龐大，預計市場總值將由2000年的8.4億美元增加至2005年的64.8億美元，年增長率達50%。





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China's entry into the WTO will place added pressure on the already urgent need for Chinese businesses to informatise in order to enhance management efficiency and competitiveness, and demand for IT services will increase exponentially as a result. Last November's "Conference for Promoting Informatisation of Enterprises", jointly organised by the State Economic & Trade Commission and the Ministry of Information Industry, was held at Legend's Beijing headquarters, and involved more than one hundred business leaders from some of the country's largest enterprises. Legend was able to share its experiences of developing an efficient management information system. Participants looked closely at Legend's achievements in informatisation, and further cooperation was solicited, marking a very positive beginning for Legend's IT service provision. The Group expects its provision of IT services to also facilitate sales of the Group's commercial computer products, taking advantage of the synergy between these two business areas. As China currently lacks a mature and established IT service enterprise, the Group's involvement in this business gives it much scope for successful growth.

Over the year, the Group's IT service business was able to draw on Legend's brand advantages, good customer relationship and abundant capital. An example may be drawn from the area of IT consultancy, where the Group spent HK\$55 million cash on new share subscription in Han, acquiring a 51% equity interest in Han's enlarged share capital. Han's services currently cover Business Process Reengineering (BPR), Enterprise Resources Planning (ERP), Customer Relationship Management (CRM), Application Service Provision (ASP) and the development and application of core software. To date, Han has provided consultancy services on IT transformation to over one hundred enterprises, and made available IT training to some four hundred corporations. Legend's investment in Han will allow it to launch its IT service business at an advanced level.

隨著中國加入世貿，國內企業急切需要以信息化手段提高管理效率及競爭力，IT服務的需求將以倍數急速增長。去年11月由國家經貿委及信息產業部聯合在聯想北京總部召開了「推進企業管理信息化工作現場會」，全國100家最大型企業領導參觀並聽取了聯想關於企業管理信息化建設的經驗。與會代表都非常讚賞聯想在信息化建設方面的成績，並希望展開進一步合作，這無疑是聯想IT服務業務發展中很好的開局。發展IT服務業務亦可同時為聯想原有的商用電腦產品帶來協同作用，有利於帶動產品銷售。由於目前中國尚未有具規模、成熟的IT服務企業，集團相信在該領域有很大機會及空間。

年內，集團落實了利用自有品牌優勢、客戶關係、資金優勢，逐步壯大IT服務業務的策略。在IT諮詢方面，集團於今年宣佈以港幣5,500萬元現金認購漢普新股，佔漢普股本擴大後的51%股權。漢普的業務領域函括：業務流程重組(BPR)、企業資源計劃(ERP)系統實施、客戶關係管理(CRM)系統、核心軟件產品開發應用及應用服務供應商(ASP)業務發展。漢普已經成功為國內100多家企業進行了與信息化變革有關的諮詢，為大約400間的企業進行了信息化培訓。是次聯想入股漢普可使聯想在較高的起點起步，發展IT服務業務。

"Customer First" is one of our most constant and important principles. Every level of our business structure, from product design to manufacturing to delivery to marketing, is tailored to the specific needs of our different customer groups. Added to this is our comprehensive range of after-sales services, each of which is designed to reflect our "Customer First" spirit.

「以客為先」是我們的待客之道。根據不同客戶群的需要，我們的業務結構從產品設計、生產供應到市場營銷等環節都變得更有針對性，再加上周到全面的售後服務，充份表現出「以客為先」的精神。



Legend has also been active in developing industry-specific IT services. In April 2002, the Group set up a joint venture (“JV”) with AI Software Company Limited (“AI Software”) to develop IT services for the insurance industry. The agreement may involve funding of up to RMB23.33 million from Legend, with AI Software on its part contributing IT solutions for the insurance industry, along with related intellectual property rights and professional technical staff. Principally engaged in developing insurance-related software, the JV has already successfully developed “Insurance Business Management” and “Insurance Agent Information Management” systems, and its clients include many renowned insurance companies in China.

Handheld Device Business

In 2001, the sales of handheld devices in China grew 37% to reach 1.99 million units, a spectacular growth figure mainly due to China consumers’ strong demand for consumer IT / communications products. With the development of the application market for specific industries, high-end pocket PCs became another area of rapid growth.

The Group has established more than 1,700 distribution and retail outlets for its handheld devices, and has been active in enhancing the levels of technology and quality of its products. During the year, two high-end handheld devices, “Tianji 5000” and “Tianji 3000” pocket PCs, were rolled out. These two products use the Microsoft Pocket PC operating system, and include applications like Word and Excel along with a media player and webpage browsing options. Recently, Legend gave customers yet more options to choose amongst, with the launch of its “Tianji A68” device incorporating new wireless technologies, and “Tianji XP100”, a multi-media pocket PC.

聯想在拓展行業IT服務業務方面亦十分積極，於今年4月宣佈與智軟電腦系統開發有限公司（「智軟」）成立合資公司，共同發展保險領域IT服務。根據協議，聯想計劃投入現金人民幣2,333萬元，而智軟則投入其保險IT解決方案業務、相關知識產權、專業技術人員等。合資公司主要從事保險業軟件開發，已成功開發「保險業務管理系統」及「保險代理信息管理系統」，客戶包括多家國內著名保險公司。

手持設備業務

2001年中國手持設備市場的銷量達199萬台，增長37%，主要是由於中國消費者熱衷於手持設備這類消費IT/通訊產品。此外，隨著行業應用市場的發展，高端的掌上電腦銷量亦開始有較大的增長。

集團已建立了超過1,700個手持設備的分銷及零售點，並且注重提高在產品技術和理念上的層次，推出了高端的手持設備產品——「天璣5000」及「天璣3000」掌上電腦，這兩款產品採用了微軟Pocket PC操作系統，具備Word、Excel、媒體播放、網頁瀏覽等功能。最近集團推出了融合無線技術的「天璣A68」以及多媒體掌上電腦「天璣XP100」，為用戶提供多種選擇。



The Group continued to strengthen its capabilities in product development, signing a strategic agreement in August last year with Siemens to cooperate in the wireless Internet communications arena, leading to the joint development of the first batch of wireless handheld products based on GPRS in China. The prototype of the product has already been produced.

集團繼續提高產品開發能力，於去年8月與德國西門子公司簽訂在無線互聯領域的戰略性合作協議，共同開發中國第一批基於GPRS無線通訊技術的掌上電腦產品，目前已經完成了產品樣板。





Legend set up a number of alliances with other companies with the aim of developing industry-specific handheld device application solutions for information searching and data collection. Over fifty software developers joined the programme, and are currently providing application solutions for fields and institutions such as insurance, securities, the army, the police, traffic management, medicine, tobacco retailing and logistics management. The solutions developed for the police, and for insurance industry and tobacco retailing are already in use by clients.

In view of the huge development potential within China's mobile handset market, and the further opening of the value chain of this industry, the Group declared its official entry into China's mobile handset market in the financial year 2001/02. In doing so, the Group also looked to take advantage of the business opportunities arising from the merging of data communication with vocal communication technologies. In 2001, total sales of mobile handsets in China reached approximately 46.55 million units. Currently, there are about 145 million mobile handset users in China, representing a penetration rate of 11.2%.

In February this year, Legend declared the formation of a JV with Xoceco. Legend and Xoceco own 60% and 40% of equity interest respectively, and the total investment cost is approximately RMB150 million. The agreement will see Legend injecting RMB90 million in cash, while Xoceco will supply RMB60 million, including fixed assets like mobile handset production lines and other related equipment, R&D facilities, raw materials and finished products, with the balance to be paid in cash.

此外，聯想在手持設備產品移動信息查詢及數據採集方面成立了同盟，致力開發行業應用方案。超過50家開發商參與該同盟，目前已經能提供保險營銷、證券、軍隊、公安警務、交通管理、醫藥衛生、煙草專賣、物流管理等多個行業應用方案。其中公安警務、保險營銷及煙草零售方案已獲客戶採用。

鑑於中國移動電話市場發展潛力龐大，加上移動電話產業價值鏈進一步開放，集團於2001/02財年正式宣佈加入中國移動電話市場。集團亦希望藉此把握數據通訊與語音通訊走向融合的商機。2001年中國移動電話市場的總銷量約為4,655萬部，中國現有移動電話用戶約為1.45億戶，普及率為11.2%。

於今年2月聯想宣佈與廈華電子組成合資公司，雙方分別佔60%及40%股權，總投資額約為人幣1.5億元。根據協議，聯想投入人民幣9,000萬元現金，而廈華電子則投資人民幣6,000萬元，其中有固定資產，包括移動電話生產線及其他相關設備和設施，研發設施、原材料及製成品，其餘部份則以現金支付。



With Xococo possessing an established mobile handset enterprise, an experienced team, strong R&D capabilities and various patents on mobile handset technologies, the Group believes it represents a suitable partner for developing the mobile handset business. Both companies share similar corporate cultures and mutual development goals. The JV is currently capable of manufacturing 500,000 mobile handset units annually, and possesses a good distribution and service network. The Group expects to roll out Legend brand mobile handsets in the second half of 2002.

Legend's strategic alliance with Texas Instruments has allowed the Group to make use of Texas Instruments' wireless GSM/GPRS chipset technology and micro-processors using OMAP application processors to enhance its own Legend brand mobile handsets and new-generation handheld devices. Both parties will be looking for opportunities to cooperate in designing and developing short-distance wireless, LAN and other communications products.

Internet Service Business

The number of Internet users in China has been climbing rapidly and currently stands at some 33.7 million, with recent research (January 2002) placing the growth at 50% annually. Factors which once restricted China's Internet development, such as problems concerning bandwidth, security, and channels for payment and delivery, were all improved in 2001, laying a solid foundation for Internet development.

集團相信廈華電子是聯想在移動電話業務方面的合適伙伴，廈華電子具有完整的移動電話業務、經驗豐富的隊伍、強大的研發力量及擁有多項移動電話技術專利，雙方企業文化相近，管理層對業務發展亦有共識。新合資公司具備年產50萬部移動電話的生產能力和分銷及服務網絡。集團預計在2002年下半年將會推出聯想品牌的移動電話。

此外，集團亦與德州儀器組成策略性聯盟，將分別應用德州儀器的無線GSM/GPRS芯片技術和OMAP應用程式處理器，以加強聯想品牌的移動電話及其新一代手持設備。此外，雙方亦會尋求機會合作設計及開發短距無線、無線局域網(LAN)及其他通訊產品。

信息運營業務

中國上網用戶人數不斷快速增長。根據2002年1月最新統計，中國上網用戶人數達3,370萬人，年增長50%。此外，制約中國互聯網市場發展的各項因素如帶寬、安全、支付和配送等在2001年得到改善，為互聯網的發展奠定了堅實的基礎。

聯繫
無間



we LINK

Legend is extremely confident about the potentialities of China's Internet service market. In June last year, the Group announced the establishment of a JV with the renowned Internet Service Provider, AOL, to jointly develop consumer interactive services in China. After smooth preparations, the JV was established in November 2001, and is currently in the process of developing a series of China-oriented products.

Contract Manufacturing Business

The slowdown in the US and European computer markets led to sales of Legend's QDI motherboards remaining similar to last year, at about 3.4 million units. Though business growth was reined in by unfavourable external factors, Legend continues to hold an optimistic view of contract manufacturing within the China market, and over the past year proceeded to develop this business area through a series of cooperative enterprises and JVs.

In September 2001, Legend set up a JV with Gigabyte to jointly develop contract manufacturing business, with China as production base. Both companies own 50% of equity interest, and contributed their respective production facilities in Huiyang and Dongguan, Guangdong to the JV. Total investment cost was about HK\$250 million.

Legend's printed circuit board ("PCB") business was enhanced when the Group introduced Kingboard as the major shareholder of Techwise Circuits Company Limited ("Techwise Circuits") in January this year. The Group sold a 55% equity interest to Kingboard for HK\$230 million, while maintaining a 30.5% interest in Techwise Circuits after the transaction. Kingboard's experience in the laminates business will act as a positive contribution to Techwise Circuits' business development.

聯想對中國互聯網服務市場充滿信心，去年6月宣佈與全球著名的互動服務供應商AOL成立合資公司，攜手在中國市場發展消費者互動服務。合資公司的籌組工作進展順利，已於去年11月正式成立，目前正在開發適合中國市場的產品。

合同製造業務

受制於歐美電腦市場增長放慢，集團的QDI主機板銷量約有340萬塊，與去年相約。雖然主機板業務受到外圍因素影響，集團看好合同製造業務在中國市場的前景，年內落實以合資、合作方式發展合同製造業務的策略，有助於集團管理層集中資源發展核心業務。

去年9月集團與技嘉達成協議成立合資公司，合資雙方以中國為生產基地，共同發展合同製造業務。兩家公司各佔合資公司50%股權，分別把位於廣東惠陽及東莞的主機板生產設備投入合資公司內，總投資共值約港幣2.5億元。

至於線路板業務方面，集團於今年1月引入建滔作為科惠線路有限公司（「科惠」）的主要股東。集團向建滔出售科惠55%權益，作價約港幣2.3億元。交易完成後，聯想繼續持有科惠30.5%之股權。建滔在積層板方面經驗豐富，這對科惠未來的業務發展起到積極作用。

Deploying cutting-edge technologies, we facilitate people to connect and grasp latest information anytime anywhere.

應用嶄新的技術，使人們在任何時間、任何地點聯繫無間，掌握最新資訊。



Financial Review

This review is designed to highlight key financial and operating information relating to the Group's performance during the year ended 31st March 2002.

Consolidated Financial Results

The Group recorded a profit attributable to shareholders of HK\$1,045 million for the year, compared to HK\$114 million in 2001 (HK\$860 million before prior year adjustments).

On 1st June 2001, the Group spun off Digital China Holdings Limited ("DCHL"). The proforma results were prepared as if the spin-off had been completed as at 31st March 2000. The proforma profit attributable to shareholders for the year ended 31st March 2002 was HK\$1,026 million compared with the HK\$718 million in 2001 (before prior year adjustments), representing a 42.9% or HK\$308 million increase. Even excluding the effect of interest income and gains on disposal, the proforma earnings before interest, taxation, depreciation and amortisation expenses ("EBITDA") of the Group still recorded a 32% or HK\$233 million increase.

Results Summary

		2002	2001
		HK\$ million 港幣百萬元	HK\$ million 港幣百萬元
Profit attributable to shareholders	股東應佔溢利	1,045	114
Profit attributable to shareholders (before prior year adjustments*)	股東應佔溢利 (重列前*)	1,045	860
Profit attributable to shareholders (proforma and before prior year adjustments)	股東應佔溢利 (備考及重列前)	1,026	718
EBITDA (proforma and before prior year adjustments)	除利息、稅項、折舊及攤銷前 經營溢利(備考及重列前)	973	740

* The prior year adjustments represent amortisation of goodwill (HK\$581 million) and impairment loss of goodwill (HK\$166 million) in 2001. 去年重列項目為2001年度之商譽攤銷(港幣5.81億元)及商譽減值虧損(港幣1.66億元)。

財務回顧

此回顧旨在綜述截至2002年3月31日止年度之集團主要財務數據及經營業績。

綜合業績

年內，集團錄得股東應佔溢利為港幣10.45億元，而2001年則為港幣1.14億元(重列前為港幣8.6億元)。

集團於2001年6月1日分拆神州數碼控股有限公司(「神州數碼」)，而備考業績乃假設該分拆已於2000年3月31日完成。截至2002年3月31日止，備考股東應佔溢利為港幣10.26億元，較2001年(重列前)之備考股東應佔溢利港幣7.18億元，增長42.9%或增加港幣3.08億元。即使不計算利息收入及出售資產之收益，除利息、稅項、折舊及攤銷前經營溢利(備考)仍錄得32%增長或港幣2.33億元的增加。

業績概要



		2002		2001	
		Turnover 營業額 HK\$ million (港幣百萬元)	Contribution to operating profit 盈利貢獻 HK\$ million (港幣百萬元)	Turnover 營業額 HK\$ million (港幣百萬元)	Contribution to operating profit 盈利貢獻 HK\$ million (港幣百萬元)
Corporate IT business	企業 IT 業務	10,078	573	8,873	396
Consumer IT business	消費 IT 業務	7,401	234	7,368	304
Handheld device business	手持設備業務	216	(19)	118	(32)
Contract manufacturing business	合同製造業務	1,534	148	1,715	178
Internet service business	信息運營業務	39	(37)	106	(96)
Others	其他	1,586	22	9,040	168
Gains/(losses) on disposal of subsidiaries, associated companies and investment securities	出售附屬公司、 聯營公司及投資 證券之收益／(虧損)	-	164	-	(1)
Amortisation of goodwill	商譽攤銷	-	-	-	(581)
Impairment loss of goodwill	商譽減值虧損	-	-	-	(166)
		20,854	1,085	27,220	170

Total sales recorded a drop of 23% in 2002 compared to 2001. However, once turnover of others (mainly DCHL business) is excluded, turnover represents an increase of 3%.

Although the growth of China's corporate IT market slowed down in 2001, Legend's corporate IT business achieved 14% and 45% growth in turnover and operating profit respectively.

The consumer IT business recorded slight growth of 0.4% in turnover. In view of the market slowdown, the Group put greater emphasis on stabilising its gross profit margin which nevertheless dropped from 11.77% to 10.83%, explaining the decline in the consumer IT business contribution.

Sales in the handheld device business surged by 84% to HK\$216 million.

The contract manufacturing business recorded a drop in both turnover and contribution, mainly due to the sale of a 55% equity interest of the PCB business by the Group to Kingboard in January 2002.

於年內，集團營業額較2001年下降23%。但在扣除其他業務(主要為神州數碼業務)的營業額後，集團營業額錄得3%之增幅。

儘管2001年中國企業IT市場增長放緩，聯想企業IT業務之營業額及盈利貢獻仍分別錄得14%及45%之增長。

消費IT業務的營業額比較去年錄得0.4%之輕微增長。面對市場增長放緩，縱使集團著重穩定毛利，但毛利率仍然由11.77%下降至10.83%，促使消費IT業務貢獻減少。

手持設備之營業額大幅上升84%至港幣2.16億元。

合同製造業務之營業額及盈利貢獻均向下調，主要由於集團於2002年1月出售55%線路板業務之權益予建滔。



Interest Income

Interest income decreased from HK\$103 million to HK\$67 million, due to the use of some cash on hand for investment, and a substantial drop in interest rates during the year.

Gain on Disposal

The Group recorded a total disposal gain of HK\$164 million in the year.

In January 2002, Legend disposed of 55% of its equity interest in the PCB business to Kingboard, recording a HK\$116 million gain.

The remaining income mainly accrued from the JV with AOL and the disposal of long-term investment securities.

Operating Expenses

Total operating expenses fell from HK\$3,207 million in 2001 to HK\$1,917 million in 2002. As the 2002 results only cover two months of expenses of DCHL compared to a full year in 2001, it is more appropriate to compare the proforma operating expenses. Proforma operating expenses of 2002 and 2001, excluding amortisation and impairment loss of goodwill, are HK\$1,805 million and HK\$1,857 million respectively. The Group would continue to keep the cost under stringent control and improve its operating efficiencies.

Taxation

The Group's effective tax rate for the year was 2.13% compared to the 2001 figure of 2.11% (excluding prior year adjustments, HK\$581 million amortisation of goodwill and HK\$166 million impairment loss of goodwill, which are tax non-deductible items). The Group will continue to adopt the most effective tax planning arrangements.

利息收入

利息收入由港幣1.03億元下降至港幣0.67億元，主要由於部份現金已用作投資用途及年內利率明顯下降所致。

出售資產之收益

年內，集團錄得港幣1.64億元出售資產之收益。

於2002年1月，聯想出售55%線路板業務之權益予建滔，錄得港幣1.16億元之收益。

其他出售資產之收益主要來自於與AOL組建合資公司及出售長線投資股票。

經營支出

總經營支出由2001年的港幣32.07億元下降至2002年的港幣19.17億元。由於神州數碼去年的支出全數計算在2001年整個年度之內，但2002年度經營支出只包括神州數碼首兩個月之支出，故應以備考數據進行比較。撇除上年度的商譽攤銷及商譽減值後，2002年及2001年的備考經營支出分別為港幣18.05億元及港幣18.57億元。集團將繼續審慎控制經營成本及提高運作效率。

稅項

集團年內之有效稅率為2.13%，去年則為2.11%（由於重列項目的港幣5.81億元之商譽攤銷及港幣1.66億元之商譽減值虧損屬非扣稅項目，故不包括在內）。集團將繼續採用有效之稅務安排。



Capital Expenditure

At year end, fixed assets and construction in progress amounted to HK\$891 million compared to last year's HK\$918 million, a decrease of HK\$27 million or 3%. This decrease arose largely because of the effects of disposing subsidiaries and fixed assets during the year.

During the year, the Group invested HK\$456 million (2001: HK\$455 million) in fixed assets and construction in progress, mainly for building construction and acquisition of office and R&D equipment in Beijing's Haiden District.

During the year, the Group also invested HK\$251 million in FM365.com Limited, a JV with AOL set up to develop the Internet service business in China.

For the coming year, the Group budgeted to use approximately HK\$1 billion in capital expenditure. 40% of which is to be used in enhancing the development of new businesses, including handheld device business, wireless technologies, server and IT services, etc. 20% of which is to be used in R&D, 8% to 10% to be used in developing management information systems for the Group and the remaining to be used in general aspects.

Liquidity and Financial Resources

Cash and bank balance and cash flow 現金、銀行結餘及現金流量		2002	2001
		HK\$ million 港幣百萬元	HK\$ million 港幣百萬元
Cash generated from / (used in):	現金流入／(用於)：		
Operating activities	營運活動	809	771
Returns on investment and servicing of finance	投資回報及融資費用	(239)	(147)
Taxation	稅項	(22)	(9)
Investing activities	投資活動	(733)	(790)
Financing activities	融資活動	(3)	772
Net cash (outflow) / inflow	淨現金(流出)／流入	(188)	597
Effect of foreign exchange rate changes	匯率變動之影響	(5)	(1)
Cash and cash equivalents at the beginning of the year	年初現金及等同現金	2,634	2,038
Cash and cash equivalents at the end of the year	年終現金及等同現金	2,441	2,634

資本性開支

於年底，固定資產及在建工程為港幣8.91億元，相較去年之港幣9.18億元，減少了港幣0.27億元或3%。減少的原因主要是集團在年內出售附屬公司及固定資產所致。

年內，集團共投入港幣4.56億元(2001年：港幣4.55億元)於固定資產及在建工程上，主要是用於北京海澱區的樓房建設、辦公設備及研發設備上。

於年內，集團投資了約港幣2.51億元於與AOL之合資公司 FM365.com Limited上，以發展中國信息運營業務。

未來一年，聯想預算動用約港幣10億元作為資本性開支，其中40%是用於新業務拓展，包括手持設備、無線技術、服務器及IT服務等；另外20%用於研發，8至10%用於建設內部信息管理系統，餘下為一般性的資本支出。

流動資金及財務資源



矢志
創新

we INNOVATE

The Group maintained a very liquid position, with HK\$2.4 billion cash on hand at year end. The Group had a steady inflow of cash from its operating activities.

The increase in cash outflow from returns on investment and servicing of finance was due to higher dividends being paid, and less interest income being earned.

Cash used in investing activities included the capital expenditure made for fixed assets and investments during the year, and net off the sale proceeds from the disposal of investments in the year. The sale proceeds arising from the disposal of the 55% equity interest in PCB business in January 2002 was HK\$229 million.

Cash accumulated from financing activities dropped substantially, as new bank loans in 2001 were borrowed by DCHL, which was then spun off in June 2001.

There are no assets held under finance lease as at the year end (2001: nil).

Borrowing Facilities and Capital Resources

Although the Group has consistently maintained a very liquid position, credit facilities have nevertheless been put in place for contingency purposes. As at 31st March 2002, the Group's total available credit facilities amounted to HK\$2,485 million (2001: HK\$4,070 million), of which HK\$950 million was in trade line, HK\$457 million was in short term and revolving money market facilities, and HK\$1,078 million was in foreign exchange contracts. Available borrowing facilities dropped compared to 2001 because some of these facilities were granted to DCHL directly upon its spin-off in June 2001. As at 31st March 2002, the facility drawn down was HK\$363 million in trade lines and HK\$56 million in foreign exchange contracts used.

於年終，集團之資金充裕，現金餘額為港幣24億元。集團從其營運活動中取得穩定之現金流入。

投資回報及融資費用之現金流出增加主要是由於集團派付更高的股息，以及利息收入減少所致。

用於投資活動之現金包括年內固定資產及投資之資本性開支，以及抵銷年內出售投資回收現金後的淨額。集團於2002年1月出售線路板業務55%股權，收回現金為港幣2.29億元。

融資活動的現金大幅減少，主要是由於神州數碼在2001年向銀行提出新借貸，而神州數碼於2001年6月被分拆。

於年末，集團並無以財務租約持有資產(2001年：無)。

借貸及資本資源

儘管集團一直維持充裕現金，但仍要求保持銀行之綜合信用額度以備不時之需。於2002年3月31日，集團可動用之總信用額度為港幣24.85億元(2001年：港幣40.7億元)。當中，港幣9.5億元為貿易信用額度、港幣4.57億元為短期及循環現金透支，而港幣10.78億元則為外匯合約。與2001年相比，可動用之額度下降，這是由於神州數碼在2001年6月分拆後，部份額度已直接撥給神州數碼。在2002年3月31日，已動用的貿易信用額度為港幣3.63億元，外匯合約為港幣0.56億元。

Our top hand-picked R&D talents bring levels of expertise that enable us to continually develop new and innovative world-class IT products. In addition to computers, we provide a huge variety of consumer IT products, high-end corporate IT products, IT services and Internet services.

擁有全國最頂尖的研發專才，我們不斷研發出嶄新及具世界級水平的IT產品，不僅僅是電腦，而是更豐富的消費IT產品、高端企業IT產品、IT服務、互聯網服務等。



Contingent Liabilities and Off-Balance Sheet Financial Instruments

The Group uses forward foreign exchange contracts and currency swaps to manage its foreign currency exposure, with the objective of minimising the impact of exchange rate fluctuation on earnings. Foreign currency exposures are mainly in trade receivables from European business. The Group's policy is to hedge normal trade transactions, with speculation strictly prohibited. As at 31st March 2002, the Group had total outstanding forward foreign exchange contracts and currency swaps amounting to HK\$56 million.

The Group had no other material contingent liabilities as at 31st March 2002 (2001: nil).

Employees

The total number of employees dropped from 12,070 at the beginning of the year to 7,230 at the end of the year mainly due to the spin-off of DCHL in the first quarter and the disposal of two subsidiaries in the fourth quarter. As a result, total staff costs fell from HK\$836 million to HK\$675 million.

Legend has implemented a remuneration policy, a discretionary bonus programme and a share option scheme for employees, in which benefits are determined according to the performance of the Group and individual employees. The Group also provides benefits such as in-house and external training courses, insurance and medical benefits. These policies are reviewed regularly to ensure they remain competitive and appropriate.

或然負債及資產負債表以外之財務工具

集團利用遠期外匯合約及幣種變換規避外匯風險，以減低匯率變動對集團收入所造成之影響。外匯風險主要來自集團歐洲業務之應收賬。對於一般貿易活動集團採用對沖政策，但嚴禁投機活動。於2002年3月31日，集團未完成之遠期外匯合約及幣種變換總金額為港幣0.56億元。

集團截至2002年3月31日止並無其他重大的或然負債(2001年：無)。

員工

集團年初的員工總數為12,070人，而年結時下降至7,230人，主要由於在第一季度分拆神州數碼，以及在第四季度出售兩家附屬公司。故此，員工總開支亦由港幣8.36億元減少至港幣6.75億元。

聯想因應集團業績及員工個人表現實施酬金政策、酌情花紅制度及購股權計劃，同時亦提供員工福利，如：內部和外部培訓、保險及醫療福利。集團會不時檢討該等政策以確保競爭力及配合公司需要。



Future Prospects

Although the Group's management expects the IT market in China to continue to be pressured by external factors in 2002, it is convinced of the market's future development potential. A number of factors lie behind this conviction, including China's computer penetration rate, far lower than the US and Europe, the country's annual 7% GDP growth rate, which is leading to a rapid rise in living standards, the government's active promotion of informatisation in institutions and business enterprises, the needs of local enterprises for computerisation and China's successful bid for the 2008 Olympic Games.

Over the next few years, Legend will maintain its focus on the China market, along with its development strategy of transformation into an innovative service and technology company. The Group plans to both enhance its value-added services to drive product sales, and expand its service business to make it a profit driver. Regarding technological innovation, it will increase its investment in R&D in order to enhance its R&D capabilities in product and application development. The major strategies of the Group's core businesses to be implemented in the coming year are discussed below.

Corporate IT Business

China's commercial computer market is set to develop rapidly in 2002, with market sales of commercial desktop PCs, notebook computers and servers expected to show a healthy growth. The Chinese Government has been actively promoting informatisation, launching its "e-government", "School Link", and "Golden Series" projects, all of which have encouraged Chinese enterprises to accelerate informatisation to enhance their competitiveness and prepare for the challenges brought by China's accession to WTO.

未來展望

中國IT市場於2002年的發展相信仍然會受制於外圍因素，但是聯想管理層深信中國IT市場的潛力。中國電腦的普及率仍較其他歐美國家低，中國國民生產總值每年以7%增長，人民生活水平快速獲得提升。中國政府對信息化的重視及積極推廣，本土企業加快信息化，以及中國成功申辦2008年奧運會都對中國IT產業有很大的刺激作用。

在未來數年，聯想仍會以中國市場為主，繼續堅定地落實既定發展策略，以服務轉型和技術創新為重點。在服務方面，集團一方面加強增值服務帶動產品銷售，另一方面會致力拓展服務業務，使之成為集團的利潤增長點。在技術創新方面，集團將逐步加大研發投入，務求達到提升產品及應用研發能力的目標。各項核心業務在未來一年的主要策略分述如下。

企業IT業務

中國商用電腦市場在2002年的發展將較為蓬勃，預期商用台式電腦、筆記本、服務器市場銷售額均會有不俗的增長。中國政府大力推動信息化建設，推行「電子政務」、「校校通」、「金系列」工程，積極鼓勵中國企業加快信息化步伐以提高競爭力，迎接中國加入世界貿易組織所帶來的挑戰。



The Group has two major strategies for its corporate IT business. The first is to develop a comprehensive series of high-end corporate IT products which will provide corporate clients with high value cutting-edge products. The second involves developing application solutions and services for specific industries that can provide customers with total solutions that include products, applications and services. In planning product development for corporate IT business, Legend will focus on servers, high-end servers and storage devices. R&D investment will see the Group emphasising component and system testing technologies, system management software and storage systems, all of which provide unified solutions to corporate users. In line with the high value corporate clients place on solutions provision, Legend will leverage its "IT 1 for 1" services to formulate application solutions for education, e-government and SME management, thus expanding the Group's already profitable position as a solution provider.

The Group also plans to upgrade its distribution channels to inaugurate channels that offer both products and value-added services. By providing local customers with services in logistics, applications consultancy, systems integration, solutions implementation, and operational maintenance, the channels will themselves become essential and integrated features of local IT environment. Other changes to be pursued by the Group with the aim of providing better services to clients include developing new service models for large customers, configuration-to-order production and supply chain management.

集團企業IT業務未來一年的主要策略是：一方面向全系列高端企業IT產品發展，為企業客戶提供更高技術、更高增值的產品；另一方面發展重點領域之應用方案及服務，為用戶提供包括產品、應用方案及服務在內的全面解決方案。產品方面，聯想將以服務器、高性能服務器、存儲設備作為企業IT業務的產品重點。研發投入方面以部件及系統測試技術、系統管理軟件、存儲系統作為主要方向，為企業用戶提供一體化的方案。鑑於企業客戶對方案的重視，聯想將以「IT 1 for 1」作為基礎，構建針對教育、電子政務及中小企業三大應用方案體系，擴展聯想在應用方案的優勢。

集團還計劃推動分銷渠道向增值服務方向轉型，分銷渠道藉此能提高自身的價值，為地方客戶提供物流配送、應用諮詢、系統集成、方案實施、運營維護等多種服務。此外，集團還將在大客戶服務模式、產品按單訂製、供應鏈管理等方面尋求更大突破，為客戶提供更稱心的服務。



Consumer IT Business

The Group expects China's home PC market to sustain stable growth in 2002. Big cities are now beginning to see a rise in second-time purchase, while growth in home PC sales in small and medium cities has become even more pronounced. The Group believes that application PCs will continue to provide the core of home PC sales, while the increasing popularity of digital products is another factor expected to drive demand for home PCs.

消費IT業務

預計2002年中國家用電腦市場將保持平穩增長。家用電腦二次購買逐漸在大城市出現，而在中小城市家用電腦的銷量增長將更為明顯。集團相信應用電腦將會繼續成為家用電腦的主流，數碼產品應用日漸廣泛不單會帶動數碼產品的需求，亦會促進家用電腦的銷售。



積極
增長



we

GROW

The Group will be strengthening its R&D capabilities this year with the aim of developing more home PC product applications, so providing buyers with added value and breaking the bottleneck of home computer applications. To satisfy customers' requirement for special devices, Legend will begin to provide configuration-to-order services through its "Legend 1+1 Home PC Specialty Shops". Digital home products will be another area of its consumer IT business to be actively promoted in 2002. Legend's digital products presently include digital printers, digital cameras, and MP3 players. The Group intends to expand and develop further applications for photography, music, video and computer education.

Since their establishment two years ago, "Legend 1+1 Home PC Specialty Shops" have become the major sales channels for the Group's consumer IT products. This network will be expanded in the future, with the target of having 1,000 specialty chain stores, selling not only computers but also a wide variety of IT products and services.

IT Service Business

Legend expects to focus on the needs of enterprises and specific industries when it comes to developing its IT service business. Placing weight on areas such as IT consultancy, the development and implementation of applications, systems integration and outsourcing, the Group expects to see a stable development in its range of IT services.

集團在未來一年會加強研發，發展更多家用電腦產品的應用，為用戶提供更多的附加價值，突破家用電腦的應用瓶頸。為滿足小部份用戶對配置的特別需求，聯想將利用「聯想1+1專賣店」提供店面預定服務。此外，數字家庭產品亦會是消費IT業務在2002年大力推動的業務。聯想的數字家庭產品業務以數碼打印、數碼相機、數碼隨身聽為主，同時亦會致力開發在照片、音樂、視頻、電腦教育各方面的應用。

「聯想1+1專賣店」自兩年前開展以來，已成為聯想消費IT產品的主要銷售渠道。未來集團會繼續擴大這個網絡至包含1,000家連鎖專賣式店鋪，並進一步豐富其產品線，從單一的電腦銷售向提供多種產品及服務的綜合型店轉變。

IT服務業務

集團的IT服務業務在新一年內會致力構築企業及行業兩個領域的業務基礎，並以IT諮詢、應用開發及實施、系統集成、外包運營作為重點穩步開拓IT服務。

Actively seeking growth drivers – Through cooperation with local and internationally-renowned IT enterprises and combining the strengths of partners, we aim to develop new IT-related businesses with tremendous growth potential.

積極尋求增長動力 – 透過夥拍國內外IT企業，結合雙方優勢，開拓具龐大增長潛力的IT相關業務。



To speed up expansion of its IT services, the Group expects to cooperate widely with both local and international companies, and set up alliances with systems integrators, software developers, Internet Service Providers and consulting firms. Legend also plans to leverage its powerful brand name, strong customer relationship and abundant capital to strengthen its position in the IT service business market. The Group will also emphasise on enhancing its managerial capabilities to develop service business. Besides, to ensure a high quality managerial environment which can attract new talents, the Group will devote efforts to improving its internal management systems.

Handheld Device Business

Sales of handheld devices in China are estimated to grow at a 25% compound annual growth rate between 2001 and 2006. The market focus will be on customised PDAs, with different niche markets of pocket PCs expected to develop according to the needs of different industries.

The Group will continue to consolidate its core technologies for handheld devices, with expected heavy investment in wireless products that will create a comprehensive wireless product line with associated applications. For the pocket PC market, we will target at the development of application solutions for enterprises, including tobacco retailing, the police and insurance industry. Legend will also launch PDA products tailored for consumers, enterprises, professionals and students, and set up distribution channels for these market segments.

China's mobile handset market is estimated to grow by 29% in 2002, with sales of 70 million units. With the opening of the value chain of the mobile handset industry, Legend will focus on the technology development, branding and marketing as well as the distribution segments of the value chain.

為加快IT服務業務的開展，集團將與中外企業建立廣泛的合作關係，包括與集成商、軟件商、運營服務商、諮詢商等結盟發展。同時聯想會充份利用品牌優勢、客戶關係、資金優勢逐步壯大IT服務業務。集團亦會加強發展服務業務管理能力，並且不斷完善內部管理機制及管理基礎，創造良好內部環境吸引優秀人才。

手持設備業務

預期中國手持設備銷量在2001至2006年將以25%的年複合增長率增長。特色應用PDA產品將成為市場焦點，而根據不同行業或應用細分的掌上電腦市場亦逐漸形成。

集團會繼續積累手持設備的核心技術，重點投入和發展無線產品，形成完整的無線產品線及應用方案。在掌上電腦方面，集團將針對煙草買賣、公安警務、保險營銷等重點行業發展應用方案。集團亦會細分PDA市場，推出針對個人消費、企業、專業用戶及學生的PDA產品，並建設專有分銷渠道。

中國移動電話市場估計在2002年將會增長29%，總台數超過7,000萬台。由於移動電話產業價值鏈的開放，集團的重點將會是價值鏈中技術研發、品牌運作及分銷渠道等環節。



By applying the extensive and successful management experience of its computer operations to the newly acquired mobile handset business, Legend expects to see rapid and dynamic growth. The first crucial step will be to establish Legend's brand image in the mobile handset market, a move ready for implementation in the second half of 2002 with the rolling out of several new mobile handsets combining top quality with high-tech features and trend-setting designs. These phones will be marketed through extensive advertising campaigns and made available through a wide range of sales channels. Further research resources will be dedicated to the Group's mobile handset business, to ensure even more attractive products and consequent enhancement in competitiveness.

In conclusion, Legend's management views the challenges that will invariably arise in the coming year as vital stepping stones leading to substantial long-term achievements. With full confidence in Legend's business abilities and the future growth potential of China's IT market, we believe the Group will continue to bring good returns to its shareholders and investors.

集團將快速啟動移動電話業務，並且引用聯想在電腦業務方面的成功管理經驗在移動電話業務上。集團首要是在市場樹立聯想移動電話的品牌形象，在2002年下半年聯想將配合廣告宣傳，推出數款高質量、高科技及時尚的移動電話，同時擴展銷售渠道。為了鞏固在移動電話市場的競爭力，集團亦會致力研發移動電話技術，以推出更吸引的移動電話產品。

總括而言，集團管理層認為聯想在2002年仍然會面對很多挑戰，但是我們對中國市場及聯想的實力充滿信心，並且相信集團將為股東及投資者繼續帶來良好的回報。