

This would have to be the technological innovations that we achieved. During the year, one of the Group's most important achievements was its launch of the supercomputer in last August. This was the first computer in China to achieve a computing speed of 1,000 GFLOPS (Giga Floating Operations Per Second), an achievement that placed it 43rd in the global Top 500 supercomputer list. Our technological innovations achieved significant results in 2002. In total, we applied for 371 patents, a record for the Group and an achievement which placed us in China's top ten list. Of these 371 patent applications, 194 were invention-related.

Which aspect of the Group's progress over the past year do you see as the most significant?

回顧過去的一年裏，您認為聯想取得的進展當中最有意義的是什麼？

在過去的一年，聯想最有意義的進展是在技術創新取得了多項突破性成就。尤其是中國第一個計算速度超過萬億次的產品化高性能服務器8月在聯想誕生，並在全球高性能計算機前500排行榜中位居43位。2002年聯想的科技創新成果卓著，專利數量創新高，名列中國前十名。2002財年已遞交專利申請371件，其中發明專利達到194件。



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Yang Yuanqing President and Chief Executive Officer  
楊元慶 總裁兼首席執行官

With the decline of the turnover in China's hardware market over the past fiscal year, we adopted a profit-centric strategy. The Group's traditional PC business continued to record remarkable profit growth. In the second quarter of 2002, sales volumes of our desktop computers ranked for the first time amongst the world's top five PC vendors, with consumer PCs achieving global top three status. Sales of server products also recorded spectacular growth, ranking seventh in the world. In September 2002, our "Supremia 9220" and "Kaitian 6800" models were awarded "2002 Intel Innovative PC Award".

The advances in technology and value-added services also enabled us to achieve important breakthroughs in new businesses. For example, our digital products business has expanded at an astonishing speed, growing ten times faster than in 2001. Consumer printer sales were also impressive, with our printers becoming the top seller amongst all local Chinese brands, and with product lines embracing both high-end and low-end markets. Our digital cameras also recorded strong sales, surpassing our expectation and becoming the second best seller in China's digital camera market. Our IT service business made a strong start with the "Three-horizontal and Four-vertical" framework. Our mobile handset business was successfully launched at the beginning of the year, and has recorded operating results that surpassed initial expectations.

"Legend World 2002" was a powerful showcase for the Group's technological strengths, and was a starting point for our "Technology Era".

本財年內，在中國硬件市場營業額下降的情況下，集團採取了以利潤為主要目標導向的經營策略。聯想的傳統電腦業務業績依然獲得大幅提升。2002年第二季度，聯想台式電腦銷量首次進入全球前五，其中消費電腦世界排名第三；伺服器產品銷量大幅上升，於年內衝入全球前十排行榜，位居世界第七；9月，聯想「天麒9220」與「開天6800」電腦齊獲「英特爾PC創新獎」。

在新興業務領域，技術和服務增值幫助聯想取得重要突破。聯想數碼業務發展迅猛，整體成長超出2001年十倍之多。其中，消費打印機脫穎而出，國內品牌位居第一，產品線從高端至低端全面覆蓋；數碼相機銷售強勁，躍升至國內市場前兩名，超過了預期；IT服務業務開端良好，「三橫四縱」業務佈局清晰呈現。移動電話業務於年初順利啟航後，經營業績超出了預期目標。

本年度「聯想技術創新大會」作為全面展示公司技術實力的標誌，開創了聯想的「技術元年」。

Looking back to the development of “Legend” from a mere product name to a strong brand name today, it is clear that branding has played a significant role in our development.

And we always recognise the importance of establishing our own brand. From early days between 1984 when the company was founded, to around 1990, the first generation of Legend staff started our branding effort through the commitment to their standards of integrity and business practices, which laid the foundation for a clear, positive brand image. Since 1990, we have successfully established and developed the “Legend” brand, along the way adopting more professional brand management and better strategies which have enriched the brand's intrinsic values and established it as a cornerstone for future success.

Our brand embodies four superb attributes. As a corporation, we aspire to be “Trustworthy”, “Innovative and Energetic”, “Superior Professional Services” and “Easy”. “Trustworthy” represents the innermost core value of our brand, while the need to offer “Superior Professional Services” is like a DNA code built into every staff member. “Innovative and Energetic” speaks of vitality, of the urge to constantly innovate, to swiftly and flexibly adapt to customers' needs, and to continuously roll out advanced products and services. Finally, “Easy” refers to our commitment to user friendliness, incorporated into every aspect of the product design and development philosophy.

I believe our brand value is built by our hard work and track record. Every employee is a representative for our brand. Of course our brand value ultimately has to be experienced and appreciated by society and our customers. On top of the ceaseless effort of different generations of our staff, the support given by our society also places an indispensable role in our brand value. Our goal is to leverage our strengths and make Legend a famous and respected brand not only in China but also all over the world.

### What is the value of your brand? Why did you change Legend's logo?

### 您如何看 聯想品牌？ 為什麼要更換 品牌標識？

回顧聯想從一個產品名稱逐漸演化成今天這樣一個強勢品牌的發展歷程，品牌在我們的成長當中發揮著舉足輕重的作用，我們歷來也重視品牌的建設，從1984年公司創立到1990年，第一代聯想人用誠信和實實在在的行動為我們品牌建設打下了堅實的基礎。從1990年起，我們成功地創立並打響了聯想品牌。今天我們採用了更專業化的品牌管理和更清晰的品牌戰略，使聯想品牌的內涵在繼承的基礎上得以昇華，更加明晰，為聯想的基業長青打下堅實的基礎。

我們品牌有四大頂尖特性：「誠信」、「創新有活力」、「優質專業服務」和「容易」。聯想品牌最核心的東西就是誠信，服務是聯想人的DNA，創新有活力是旺盛生命的象徵，推動我們積極創新應用技術，並靈活、迅速地適應客戶需求，不斷推出先進獨特的產品及服務；容易就是讓客戶深刻地體會到聯想好用、易用的產品開發與設計理念。

對聯想來說，品牌是靠人踏踏實實做出來的，通過做事和做人長期積累起來而形成的，全公司的每個員工都是我們品牌的代言人，而我們品牌的價值最終是要靠社會和大眾來認可的。我們品牌價值的積累是一代代聯想人不懈努力的結果，也是和社會各界對於我們的支持分不開的，我們一定要把我們的優勢堅持下去，我們品牌的最終目標是不僅要成為國內的金字招牌，更要成為國際上的金字招牌。

To further develop our brand and make it more consistent with our long-term strategic vision, last year we initiated a comprehensive reassessment of our brand strategy, eventually deciding to adopt a single brand structure. Since our original English brand name “Legend” has already been registered by businesses in many countries, we started to change our logo from “Legend” to “lenovo” from April this year. This change is also a preparatory step for our planned expansion into international markets. “lenovo” represents “an innovative Legend”, and is a name that I believe will better represent our increasingly diversified business development and better reflect the unique attributes of our brand value, paving the way for our brighter future.

為了進一步發展聯想品牌，使它更好地與我們公司戰略願景相結合，我們在去年開始對我們的品牌體系做了全面的梳理，作出了建設單一品牌架構的決策，同時為了應對我們原有品牌英文名稱「Legend」在許多國家已經被註冊的情況，我們於今年四月更換品牌標識，把品牌英文名稱從「Legend」更換為「lenovo」，為我們的國際化戰略做先行部署。「lenovo」寓意為「創新的聯想」，我相信新的品牌標識更能反映我們日趨多元化的業務發展，也更能有效表達我們品牌特性，促進公司業績更上一層樓。

From fundamental and long-term perspective, our corporate culture and management capabilities are the most important core competence. We have drawn on 19 years of effort and experience to arrive at the management system and corporate culture of today, and these two elements are undoubtedly key factors that have contributed most to our growth in the past and our solid business foundations.

### What do you consider to be the Group's core competence?

Our corporate culture is the crystallisation of the ideology, the wisdom, and the experience of two generations of our staff. Our core values are summarised in four slogans: “Serving Customers”, “Accuracy and Truth Seeking”, “Trustworthy and Integrity” and “Innovative and Can Do Spirit”. These phrases precisely summarise the unique features of our corporate culture. “Trustworthy and Integrity” is at its root, representing the fundamental

### 您認為聯想的核 心競爭力 是什麼？

從根本上來說，我認為我們的企業文化和我們的基礎管理水平是我們的核心競爭力。我們的基礎管理水平和我們的企業文化是通過十九年的探索和積累而形成的，是我們這些年能夠取得成長的關鍵，是我們企業基業長青的地基。

我們的企業文化是兩代聯想人共同的理念和智慧  
的結晶，是聯想成功經驗的總結。「服務客戶、精  
準求實、誠信共享、創業創新」是我們的核心理念，  
它高度總結了我們的企業文化的特點。「誠信  
共享」是聯想文化的根本，是聯想人最基本的道德  
準則，是制度規範、流程透明的最佳土壤。同

ethic and essential ingredient for nurturing systematic and transparent management processes. As a people-oriented company, Legend has a mission to provide its staff with the greatest possible scope for personal development, leading to enhancement of value and improvement of work and life quality. Our staff incorporate their personal aspirations into the company's long-term development.

We are an organisation that is managed by rules rather than by any single individual, and we operate according to comprehensive objectives, appraisal and incentive systems. Our capabilities also enable us to quickly put together a capable and powerful task force, armed with strong leadership skills and ready to react to the ever-changing needs of the market.

From business perspectives, our understanding of the market and our ability to react swiftly to its changes is another of our core competences, and is reflected in our customer-oriented, user-friendly product designs and services.

Collaborating Applications is our vision for technological innovation over the next five to ten years, and is one of our most important technology strategies. The biggest problem with personal information terminals, corporate information applications and social information services is the disconnection and isolation of applications, leading to considerable wastage of resources. To tackle this problem, we introduced the concept of Collaborating Applications.

**What are the “Collaborating Applications” that you introduced at “Legend World 2002”? What are your strategies for achieving these “Collaborating Applications”?**

時，作為一家「以人為本」的公司，聯想集團把為員工「創造發展空間，提升員工價值，提高工作生活質量」作為企業的使命，員工也「把個人追求融入到企業的長遠發展之中」。在我們的企業文化氛圍下的員工說到做到，處驚不亂，是我們企業最重要的資產。

我們是一個「法治」的公司而不是「人治」的公司。其次，我們有良好的目標管理、考核、激勵機制。我們的基礎管理水平體現在建班子、帶隊伍的能力，面對多變的市場我們能快速有效地組織起富有執行力的團隊。

從業務層面，我們對市場的把握能力和快速反應能力是我們重要的核心競爭力之一，這具體反映在我們的客戶導向和易用的產品設計和服務上。

**在「聯想技術創新大會」上您提出了關聯應用，請問什麼是「關聯應用」？聯想在「關聯應用」的策略是什麼？**

關聯應用是我們未來五到十年的技術願景，是我們最重要的技術創新戰略之一。眾所周知，不論是未來個人信息終端、企業信息應用還是社會信息服務，最大的問題就是應用的

割裂和資源的浪費。應對這些問題聯想提出的解決方案就是關聯應用。

The concept behind Collaborating Applications is threefold. (1) Collaborating Applications for personal information terminal devices. We believe that by using a standard protocol, different personal information terminals such as electrical appliances, telecommunications products and computers, can be functionally connected and share resources and services. (2) Collaborating Applications for corporate IT systems. This allows the enhancement of applications and structural management. This will in turn result in optimum sharing and utilisation of resources through centralised management of fundamental structures and dynamic optimisation. (3) Collaborating Applications for communal information systems. These will enable IT service providers to provide enterprises, organisations and individuals with the applications and services in a more effective and convenient manner, through their worldwide IT infrastructure and application resources.

We have made some progress in the field of Collaborating Applications. For instance, we have developed a Collaborating Terminal Protocol for personal information terminals whereby different terminals preset with this protocol, whether they be electrical appliances, telecommunications products, computers or other such objects, can connect through the Internet to create new functions and applications. We believe Collaborating Applications for personal information terminals is a vital step towards 3C convergence, and offers great potential for future development.

We also believe that to promote and ultimately translate the Collaborating Applications into a widely accepted reality, it is essential to have the active involvement and investment of parties as many as possible that share the same vision. We welcome any opportunities to cooperate with other institutions in China or overseas to embrace a new era of Collaborating Applications.

我們所說的關聯應用，包含三方面內容。首先是關聯個人信息終端——我們相信家電、通訊、計算等多種個人信息終端應該通過一定的協議標準實現智能互聯、資源共享、協同服務；第二是關聯企業信息應用——企業內部的應用和基礎架構管理更趨水平化，通過對基礎架構的集中管理和動態優化達成資源的充份共享利用，基於開放式標準架構的應用軟件和中間件使得應用之間能夠充份協同；最後是關聯社會信息服務——新型的IT運營服務商將通過他們遍佈全球的基礎架構和應用資源方便地幫助每一個企業、組織及個人實現他們所需的應用和服務。

為了推動關聯應用，我們已經取得了一些成果。在個人信息終端方面，我們自行設計了關聯終端協議，預置了該協議的家電、通訊、計算等多種信息終端，可以隨時隨地動態組網，產生新的功能和應用，最大限度地發揮各種設備的應用價值。我們相信，個人信息終端的關聯應用是對3C融合方向的一個重大補充，具有廣泛的應用前景。

當然，我們非常清楚要讓一種應用模式成為普遍接受的現實，需要更多的合作企業在共同的理念認同下，共同投入、共同促進才能實現。因此，聯想願同國內外企業合作，共同開創關聯應用的新時代。



Most market participants believe that the slowdown in the growth of China IT industry over the last two years is a temporary phenomenon, and China IT market remains one of the most attractive markets in terms of potential for growth, likely soon to be back on the double-digit growth track. The immense potential of China IT industry has already attracted numerous global IT enterprises, a development that has helped China IT industry to foster a relatively complete industry supply chain within a short period of time, therefore enhance the overall competences of China IT industry.

For the segment markets, we noted some new growth areas. Demand for IT services is growing strongly and becoming more diversified, and is estimated to become a US\$15 billion market within five years. As wireless technologies continue to develop, together with the evolution of commercial practices and consumer lifestyles, wireless applications and terminal devices are expected to perform strongly. Analysts have predicted a compound annual growth rate (CAGR) of over 25% across the next few years. Back-office products too, including peripherals, are expected to enjoy a CAGR of more than 20% over the next five years.

China is a vast country with considerable differences, in terms of economic and social development amongst different regions. After ten years of education and investment, IT infrastructure level in some large cities are relatively advanced, leading to constant demand for more enhanced IT equipment and applications upgrade. On the other hand, IT infrastructure levels in many small and medium-sized cities remain relatively low. This in fact represents tremendous opportunities for the industry. From long term perspective, in order to establish a strong foothold in China market, one shall have in-depth knowledge of market, ability to respond to customers' needs, a powerful brand and technological expertise.

### What is your view on the future trend for IT market in China?

### 您是如何看中國未來IT市場的發展趨勢？

業界普遍認為中國的IT產業將是世界上發展潛力最大和發展速度最快的。過去兩年來中國IT行業的增幅回落是一個暫時現象，中國的IT產業將很快重新回到兩位數的長期增長軌道上來。中國IT產業的潛力吸引了許多著名的全球IT廠商的參與，推動了中國的IT產業更快速地形成較完整的產業鏈，提高了中國的IT產業的整體水平。

從細分市場來說，我們注意到IT行業在近期呈現一些新的增長點。IT服務需求將呈現強勁增長和多元化的態勢，預計在五年內成為一個價值150億美元的市場。隨著無線技術的不斷發展和商務習慣和社會生活的不斷演變，無線應用和終端等也將有飛速的增長，預計近幾年將有超過25%的年複合增長；同時包括外圍設備在內的後端產品預計未來五年將有20%以上的年複合增長。

中國幅員遼闊，各地經濟社會發展狀況有很大的差異性。經過近十年的發展，一些大城市的IT基礎裝備水平較高，但同時對進一步提升IT裝備能力和整合應用能力提出了更高的要求。而廣大的中小城鎮IT基礎裝備水平還較低，同樣也蘊含著巨大的商機。從長遠來說，只有那些充份地把握市場趨勢和真正貼近國內客戶的需求，並且具有強有力品牌和技術實力的市場參與者才能在中國的IT產業發展當中佔得有利的位置。

### What are the driving forces that will propel Legend's growth?

The driving forces for our growth will come both within the company and from the external market. We are a very young company. The average age of our energetic, enthusiastic staff is just 29. Nevertheless, we strive to become a vibrant and legendary company.

From the near term perspective, we are well prepared and well placed. Our strategic transformation has already shown positive results and our organisation has already had a truly customer-oriented operational structure. We have fostered a range of high-potential businesses, which will continue to propel our growth. Sales of our servers and notebook computers have sustained strong growth, and we believe that aiming for annual growth of over 30% is viable. Our information security products are backed by cutting-edge technologies, rendering them highly competitive in the marketplace. Our mobile handsets and digital products will continue to sustain their current rapid growth.

All these factors, in combination with promising market conditions in China, have positioned us well in a very favourable environment. The robust growth of the China IT market certainly offers us tremendous development potentials. Meanwhile, we will make our long term strategic plans for international markets, which allow us to capture growth opportunities and consolidate resources in a wider horizon.

I am highly confident that we will continue our track record of delivering long-term value and satisfying returns for our shareholders.

### 您認為什麼是推動聯想進一步增長的動力？

我認為我們進一步增長的動力既有來自內部的又有來自外部的。從內部條件來看，我們是一個年輕的公司，員工平均年齡才29歲，有著蓬勃的朝氣和十足的幹勁，我們有遠大的抱負。

就近期而言，我們推行的戰略轉型已經初見成效，公司內部以客戶為導向的組織架構日益完善。我們的技術研發能力在不斷積累，我們的服務內涵更加豐富，我們有一系列高成長類業務將持續地推動我們業績的進一步成長。我們的服務器和筆記本的增長勢頭很好，預計有把握持續每年30%以上的成長。我們的信息安全產品具有技術優勢，有很強的市場競爭力，移動電話和數碼應用產品也將有著高速的增長。

結合外部條件來看，我們正處一個十分有利的環境和時期，現階段我們立足於中國市場，中國IT市場強勁的需求增長，為我們的進一步增長提供了巨大的空間，當然我們也會積極進行戰略部署，進一步開拓國際市場，在更大的範圍內整合我們的資源和獲取增長機會。

我堅信我們將一如既往為聯想的股東創造出長期豐厚的回報。