

BUSINESS REVIEW

After IT industry went through a rather tough year, China IT market saw signs of recovery during the 2002/03 fiscal year and showed a gradual improvement. During the year, Legend continued to implement its three key business strategies: the expansion of its terminal device product line, the enhancement of its back-office products, and the development of its service business. In 2002, China IT market as a whole managed only 2% growth in revenue. Legend's revenue growth during the 2002/03 fiscal year exceeded 5%.

Legend strengthened its core competence through both its technological innovations and the expansion of value-added services. The Group successfully launched its mobile handset business, and rolled out a wide variety of models. Legend's IT service business framework - "Three-horizontal and Four-vertical" is a big step towards implementing the Group's strategy of service transformation.

Corporate IT Business

Sustained growth momentum

The corporate computer unit shipment in China market recorded a year on year growth of 21.7% in the 2002*, while the revenue increased 2.4%. Compared to the 5.1% drop in the previous year, the situation has improved. Server market in China recorded a phenomenal growth with shipment increased by over 20% while the unit shipment of notebooks grew more than 30%. Under the Chinese government's support for IT infrastructure buildup in the education sector, revenue in that sector surged by over 50%. The personnel and management changes within the Chinese government caused a number of medium to large-scale e-government projects to be delayed, resulting in lower than expected growth in this sector in the second half of the year.

* 2002 represents the period from April 2002 to March 2003
2001 represents the period from April 2001 to March 2002

業務回顧

2002/03財年中國IT市場乍暖還寒，情況逐漸呈現一些改善。聯想繼續貫徹擴展終端產品線、加強後台產品，以及開拓服務業務的三大策略舉措。中國IT市場總值於2002年只有2%增長，在此市場環境下，聯想2002/03財年的營業額仍取得5%以上增長。

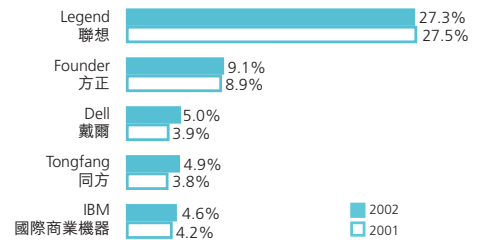
聯想通過不斷在技術上的創新和在服務擴展增值應用，大幅提升核心業務的能力。在新業務拓展方面，聯想順利啟動並快速推進移動電話業務，已成功推出多款產品。IT服務業務順利完成「三橫四縱」的戰略部署，是聯想服務轉型完成佈局向戰略實施邁進重要一步。

企業IT業務

整體業績保持良好增長勢頭

2002年*中國商用電腦市場銷量年比年增長21.7%，而銷售額年比年增長2.4%，相比2001年*的銷售額5.1%的下降有回穩的趨勢。2002年中國服務器市場處於高增長狀態，銷量增長超過20%，筆記本市場的平均增長率超過30%。年內中國教育行業市場在國家的大力推動下，得到了50%以上的超高速增長。相比之下，由於各級政府換屆影響，下半年的部份大、中型政府信息化項目受到延遲，銷量遜於市場預期。

* 2002年指2002年4月至2003年3月期間
2001年指2001年4月至2002年3月期間



Market Share of Top 5 PC Brands in China
中國五大電腦品牌市場佔有率

Source: IDC, February 2003
資料來源：IDC, 2003年2月

Under this market environment, Legend's corporate IT business recorded a 7.2% rise in turnover, with sales of servers and notebook computers achieved the fastest growth. Both gross profit and operating profit of Legend's corporate IT business showed improvement. Gross profit margin improved to 15.3% from 14.2% of the past year while operating profit grew 29.9%. Education and SME sectors drove the growth. The increased sales to the education sector and the reduction on component tariff have led to a drop in the overall average selling price (ASP).

Continued breakthroughs in technological innovation

Legend achieved the goals of product differentiation and value added by applying new and cutting-edge technologies to its products such as supercomputers, servers, and PCs, thus greatly improved profit margins for the financial year.

在這樣的市場環境下，聯想企業IT業務的銷售額取得了年比年7.2%的增長，其中服務器和筆記本電腦的增長最快。同時聯想企業IT業務的毛利率和經營利潤均繼續保持良好的增長趨勢，在毛利率及利潤方面均有增長。毛利率由去年14.2%上升至15.3%，經營利潤年比年增長29.9%，反映集團在企業IT業務盈利能力的進一步提升。教育行業、中小企業為主要的增長動力。由於教育業務比例的大幅增加及原器件進口關稅下降等，平均單價下降較大。

技術創新取得進一步突破

聯想通過創新技術的應用，在高性能計算、服務器、電腦等業務多個領域以差異化的技術帶動產品增值，為聯想贏得了2002/03財年內利潤率大幅提升的良好業績。



Legend Helps the Informatisation of Beijing Wu Yu Tai Tea Company 聯想為北京吳裕泰茶葉公司實施信息化

Beijing Wu Yu Tai Tea Company ("Wu Yu Tai") is a well-known tea company with a 115-year history, whose major business is production and processing of tea, and supply for retail outlets. The company has 32 retail outlets and 150 employees, and an annual turnover of about RMB100 million. Following expansion,

Wu Yu Tai ran into operational bottlenecks. The company believed that informatisation would provide an effective solution, and selected Legend as the provider of the project.

The project involved extensive business consultation and solutions design amongst other things, and Legend's "IT 1 for 1" played an instrumental role. The Group's channel partner, Beijing Beiwei Machine Electron Technology Co. Ltd., gave full support when it came to laying networks, supplying products, and providing maintenance.

Once Legend's system was adopted, Wu Yu Tai achieved significant improvements as information transparency was greatly enhanced. These changes facilitated inter-departmental information flow, and enhanced the management and internal control of the company by more closely linking the processes of procurement, sales, inventory management, transportation, delivery and invoicing.

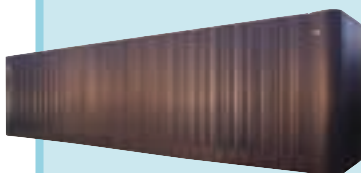
北京吳裕泰茶葉公司(「吳裕泰」)是一家有115年歷史的老字號，主營業務是生產、加工及向各零售門市供應茶葉。公司有32家專營店、150名員工，年營業額接近一億人民幣。隨著業務擴展，吳裕泰在運作上碰到管理瓶頸。吳裕泰決定通過信息化解決這些問題，並選擇了聯想作為其信息化項目的供應商。

在項目實施過程中，聯想的「IT 1 for 1」小組在業務諮詢、方案設計等方面發揮主導作用，聯想的渠道伙伴北京北緯機電技術有限公司在網絡佈線、產品供貨、後期保障提供全面支持。

通過使用聯想的系統，吳裕泰有了很大變化，各部門之間的信息透明度增強，實現了採購、銷售、庫存、調撥、配送、出單等跨部門信息流通與管理，有利於公司整體管理與控制。

Besides the launch of the first ever supercomputer in China in August 2002, Legend also unveiled other new corporate IT products in the 2002/03 financial year. After the launch of its Xeon server series, the Group also rolled out a series of new server products based on Itanium 2. The substantial increase in shipment of dual processor and multi-processor servers has helped Legend to firm its position as number one server brand among Chinese vendors.

除在2002年8月推出國內首台萬億次服務器，2002財年內聯想繼續推進企業產品的更新，公司在中國率先推出至強(Xeon)新品服務器的基礎上，又發佈了包括安騰II (Itanium 2) 在內的一系列新品，兩路以上服務器比例明顯提高，逐漸樹立了國產服務器第一品牌的地位。



Legend Rolls Out the First Supercomputer in China 聯想推出國內首台萬億次計算機

Legend's vision is to become a "High-tech Legend", a goal reinforced to its staff on a daily basis. Leveraging the Group's research capabilities in high-performance computing technologies, over the course of four months more than 60 technical professionals had developed the first supercomputer in China to reach a computing speed of 1,000 GFLOPS (Giga Floating Operations Per Second).

Dubbed the "Deepcomp 1800", Legend's supercomputer debuted in August last year. Its computing speed of 1,050 GFLOPS ranked 43rd in the Top 500 list of the world's fastest computers (<http://www.top500.org>), an achievement selected as one of the Xinhua News Agency's top ten news stories in China for the year. Within just a year, Legend's supercomputer had already been adopted by a number of high-end users such as the Chinese Academy of Sciences, China National Space Administration and China National Offshore Oil Corporation.

In the process of developing the supercomputer, Legend also created a series of new technologies protected by intellectual property patents, successfully acquired three patents for invention and one patent for a new product model. Applications for additional ten invention patents and four more new product patents are currently being processed, showing Legend's firm grasp of the core technologies involved in high-performance computing as well as technologies which can also be used in ordinary servers and back-office computing equipment. These developments have successfully enhanced the technological standards of Legend's servers, and established Legend as the number one brand for domestic manufactured servers in China.

聯想的願景之一是成為「高科技的聯想」，每一天聯想員工都朝著這目標邁進。聯想基於多年來在高性能計算技術的研究，在近四個月裏，動用60多名技術人員，研製了國內首台實測速度超過萬億次的高性能計算機。

命名為「深騰1800」的聯想萬億次計算機於去年8月面世，以每秒1.05萬億次的運算速度名列世界Top 500排行榜 (<http://www.top500.org>) 第43位，並入選中國新華社2002年國內十大新聞。在短短一年內，聯想的高性能服務器已被中科院、航天局、中國海洋石油總公司等高端用戶採用。

聯想在高性能計算機的研發過程中，同時開發一系列知識產權專利技術，成功取得3項發明專利和1項實用新型專利，另外申請了10項發明專利和4項實用新型專利。聯想的高性能計算核心技術同時被充份使用在普通服務器及後台設備，提升聯想服務器的技術含量，確立國產服務器第一品牌的地位。



Legend's in-house commercial PC series - "Kaitian" received good market response after its launch in 2002 and stimulated revenue growth of the Group's corporate IT business. "Kaitian 6800" series captured the "Intel Innovative PC Award" in the United States, an accolade that has successfully boosted Legend's brand image.

In-depth service transformation

Targeting SMEs, Legend's "IT 1 for 1" scheme focused on technology, application solutions, and resources integration. It achieved significant results in facilitating channel transformation and established comprehensive business structures of consultation, solutions, operations, and services. Approximately 500 channel partners were trained for "IT 1 for 1" and achieved the Group's service standards. Over 200 of them have become partners of Legend's "IT 1 for 1" sales centres, working hand-in-hand with Legend to expand its value-added service business nationwide. More than 20 products were rolled out in the past year, 15 of which have already attained intellectual property rights, while Legend's "IT 1 for 1" application solutions have received numerous industry awards.

Further development in vertical markets

Legend continued to expand in the education and SME markets, further solidifying its top position in the market.

Legend has already developed a comprehensive system of application solutions for the education sector focusing on school Intranet and wide area network (WAN). They covered 80% of demand from the Group's target market. Legend's education solutions have been widely and successfully applied and have now benefited over 2,000 clients.

Legend has also made significant progress in vertical industries and accumulated valuable experience along the way. The Group has developed an extensive range of application solutions for SMEs. It has also accumulated solid experience in consultation and in providing IT services for specific industries, such as retail and manufacturing. The Group's corporate IT solutions have been successfully adopted by around 300 clients.

聯想自行開發的一系列商用電腦在2002/03財年內獲得廣泛的市場好評，帶動了商用電腦銷售的增長，「開天6800」在2002年9月在美國獲「英特爾PC創新獎」，提升了品牌形象。

服務轉型進一步深化

聯想的「IT 1 for 1」面向中小商業客戶群，以技術、應用和方案為核心、整合產業資源，在促進渠道轉型和構建諮詢、方案、運營和服務的全程業務體系方面取得了明顯成效。在接受「IT 1 for 1」培訓並掌握服務技能的近500家渠道伙伴中，200多家已經成為「IT 1 for 1」營銷中心體系的一員，和聯想一起在全國拓展增值服務業務。財年內新推出的產品20多個，其中自主知識產權產品15個。「IT 1 for 1」應用方案產品在業界的評比中屢獲殊榮。

行業市場取得進一步發展

聯想在教育和中小企業客戶群組迅速擴展，鞏固了市場份額第一的地位。

聯想已經建立了完善的教育領域應用方案體系，以校園網和城域網為主線，方案產品線齊全，覆蓋了目標市場需求的80%。聯想的教育行業方案已成功應用在2,000餘個客戶中。

聯想在其他垂直行業也取得了進展，並積累了相應的行業經驗。聯想在中小企業領域形成全套的應用方案體系。在特定行業（零售、生產製造）的信息化應用服務中，累積了豐富的諮詢與實施經驗，企業方案已成功應用在近300個客戶中。

Consumer IT Business

As a result of the economic development of second-tier and third-tier cities in China and the increasing popularity of digital products nationwide, the home PC market in China sustained stable growth in 2002*, with unit shipment increased 12.7% over the previous year. Owing to the relatively faster growth of the low to mid-end markets and falling prices and tariff reduction of computer components, the overall sales value of this market dropped 7.4% compared with the previous year.

The Group's home PC unit shipment rose by 9.5% but overall turnover of Legend's consumer IT business decreased by 7.8%, similar to the general decrease in the market. During the year, the Group put greater emphasis on its profit and profit margins. The launch of its unique new dual mode home PC helped improve gross profit margin and operating profit. Gross profit margin of this business division increased to 13.3% from last year's 10.8% while profit contribution surged 55% from last year.

Product innovation improves profit

Legend has long been dedicated to providing Chinese consumers with innovative, user-friendly, and trend-setting products. In October last year, the Group rolled out a new generation of dual mode home PCs, "Tianjiao" and "Tianrui" series. These series utilise Legend's self-developed operating system LEOS, which combines PC functions with those of electrical appliances to create a new standard for digital applications. The "Tianjiao" and "Tianrui" dual mode PCs provide user-friendly and enriched digital applications. Users can play music and view digital photos on hard disk, storage card and CD ROM by simply pressing a button. This product series represented a major stride forward for Legend and created a distinct advantage over its competitors in terms of both product technology and applications. The "Tianjiao" PC series in particular has won numerous product design awards from both China and Hong Kong.

消費IT業務

隨著二、三線城市的經濟發展以及數碼產品日益普及，中國家用電腦市場於2002年*維持平穩增長，銷量較2001年*增長約12.7%。由於中低端市場增長高於整體市場，同時電腦零部件的成本及進口關稅下降，市場總值較去年降低7.4%。

集團本財年家用電腦銷量較去年增加9.5%，消費IT業務營業額降低7.8%，與市場相約。年內集團消費IT業務的策略注重利潤及利潤率，加上於10月推出了新穎、獨特的雙模式家用電腦，毛利率及經營利潤較去年大幅改善，毛利率由去年的10.8%上升至13.3%，盈利貢獻較去年大幅提升55%。

產品大膽創新提升利潤空間

聯想致力為中國消費用戶提供易用、新潮的創意產品，去年10月底推出的新一代雙模式家用電腦—「天驕」及「天瑞」系列，採用自主研發的數碼家電操作系統LEOS，實現電腦、家電一體化，創出數碼應用新標準。「天驕」及「天瑞」雙模式電腦提供操作更加簡單、內容更加豐富的數碼應用。雙模式電腦亦具一鍵直接播放硬盤、存儲卡和光盤中的照片、音樂和視頻作品功能。該系列在產品技術和應用方面與競爭對手拉開差距，「天驕」電腦更榮獲中國及香港多項產品設計大獎。

* 2002 represents the period from April 2002 to March 2003
2001 represents the period from April 2001 to March 2002

* 2002年指2002年4月至2003年3月期間
2001年指2001年4月至2002年3月期間



Further expansion of “lenovo 1+1 Home Specialty Shops”

Legend continued to expand its network of “lenovo 1+1 Home Specialty Shops”. The number of shops increased from 570 last year to 760 in order to meet the growing demand in small to medium cities. The Group’s marketing activities for consumer products have achieved impressive results. Both its National Day promotion and the promotion for old customers received well responses.

大力擴展「聯想1+1專賣店」

年內，集團繼續擴展「聯想1+1專賣店」，配合發展中小城市電腦市場需要，專賣店的數目已由去年的570家增至760家。聯想在消費市場的推廣活動取得很好的成效，國慶假期的促銷活動及春節後專為聯想老用戶提供的購買電腦優惠，獲得市場良好反應。



Legend’s Dual Mode PCs Offer User-friendly Digital Applications 聯想「雙模式」電腦輕鬆體驗數碼應用

Digital products are becoming increasingly popular in China. However, research has shown widespread dissatisfaction among Chinese families with many current digital applications, largely due to the complexity of creating digital documents (such as digital photo albums and audio-video clips) using ordinary PCs and inconvenience in viewing or sharing these files. Because it is difficult to solve this problem using standard computing operations, Legend’s engineers have addressed user needs by developing a completely new method which has led to the birth of Legend’s dual mode computers.

Legend’s self-developed “LEOS” operating system is perhaps the most unique feature of the dual mode computers, the “Tianjiao” and “Tianrui” series launched in October last year. While retaining the computing functions of a PC, the LEOS operating system allows PC functions to collaborate with those of electrical appliances. Without going through the traditional operating system, users can run MP3, CD, DVD, VCD, or any video and music files on the hard disk, simply by pressing the LEOS power supply button on the control panel or the on/off button on the remote control. The whole process takes just twenty seconds.

The invention of dual mode PCs has once again put Legend’s spirit of innovation and customer-oriented performance on display, at the same time creating a brand new operational mode for home PCs. Dual mode PC series were an instant hit the moment they were officially launched in the market.

近年數碼產品在中國愈來愈普及，一些調研卻顯示很多家庭對數碼應用感到不滿，因為在一般電腦上製作數碼文件如電子相冊、影音的步驟太繁瑣，自己觀看或與別人分享也不方便。聯想的工程師注意到這點，由於原有電腦操作方式無法全面解決用戶的問題，他們研發了一種嶄新方式更好地滿足用戶需求，聯想「雙模式」電腦就這樣誕生了。

在去年10月發佈的「天驕」、「天瑞」系列「雙模式」家用電腦，採用自主研發的LEOS操作系統，在不降低電腦計算功能的前提下把電腦和家電的功能合二為一。用戶無須經傳統的操作系統，只要按下機箱遙控面板的LEOS電源按鈕或遙控器上的開關鍵，便可在電腦上直接播放MP3、CD、DVD、VCD影碟及在硬盤中的各種視頻及音樂文件，整個過程只需20秒。

雙模式電腦體現了聯想客戶導向及不斷創新的精神，開創了家用電腦新模式，一經推出即受到了市場的熱烈歡迎。

Successfully extending the brand to the digital arena

The digital products market in China grew rapidly in 2002. Digital cameras and MP3 players became hot gift choices, and unit shipment of digital cameras and MP3 players of the market grew by 200% and 100% respectively over the year as a result of the bundled sales strategies by many vendors. Legend also actively expanded in these markets during the year, and successfully established the image of its digital products and its market position. The Group performed exceptionally well in three digital product areas. Unit shipment of Legend's MP3 players ranked first in the market, accounting for a share of 19.7%. Unit shipment of digital cameras and home ink-jet printers also ranked among the top players.

Handheld Device Business

China mobile handset market became the world's largest market in 2002 with phenomenal growth in shipment to 65 million units. Local Chinese vendors also continued to expand their market shares, and accounted for an aggregate of 30% of total shipment. Legend formally entered into the business and rolled out a wide range of mid to high-end products in a short period of time, and actively grew its sales, distribution and service networks. The Group's mobile handset unit shipment during the year met our expectations. By adding mobile handsets to its portfolio, Legend's handheld device business recorded a spectacular fourfold surge in turnover during the financial year 2002/03.

In June last year, Legend increased its ownership to 80.8% in the joint venture that engages in the mobile handset business, and at the same time injected new capital. The total investment in this exercise amounted to RMB61.5 million.

The year saw Legend successfully leverage its strong brand and transfer its deep management experience in the computer industry to the mobile handset business, a move which helped to establish management and operational systems for this new business. Expansion of product lines and sales and distribution networks were a primary emphasis over the year. Since its first product launch last June, Legend has developed over ten mobile handset models, including GSM and CDMA handsets, and also rolled out colour-screen handsets in November last year. Boasting trend-setting

成功將聯想品牌拓展至數碼領域

中國數碼市場於2002年增長快速，數碼相機、數碼聽等成為送禮熱門選擇，加上廠家的大力推廣及捆綁銷售，2002年中國數碼相機及數碼聽市場銷量較去年分別躍升超過200%及100%。聯想亦積極拓展並成功進入數碼市場，建立起聯想數碼產品形象和地位，在三項數碼業務取得突破，聯想數碼聽2002年銷量佔市場19.7%，市場佔有率第一，聯想數碼相機及家用噴墨打印機銷量均名列前茅。

手持設備業務

中國移動電話市場2002年發展迅速，總銷量達6,500萬部，成為世界最大移動電話市場之一。中國本地廠商繼續擴大市場份額，總體佔有率達到30%。年內聯想移動電話業務快速啟動，在短期內推出多款高中端產品，並積極擴展分銷及服務網絡，銷量令人滿意。由於加入了移動電話產品，2002/03財年手持設備業務營業額較去年大幅增長超過四倍。

聯想於去年6月進一步增持從事移動電話業務的合資公司股權至80.8%，同時向合資公司注入新資金，是次增資的總投資額為6,150萬人民幣。

年內，聯想成功移植聯想品牌效應和電腦業務管理經驗至移動電話業務，迅速形成管理運作體系，並以擴展產品線及分銷網為重點工作。自去年6月首次推出產品以來，聯想目前共有超過10款移動電話，其中包括GSM及CDMA制式的移動電話，並於去年11月發佈彩屏產品。聯想移動電話外形時尚，加上配以和弦鈴聲，獲得市場歡迎。其中「聯想G808」以其40和弦鈴聲及亮麗外形，



designs and popular polyphonic ring tones, Legend's handsets were very well received by the market. Among all the models, "Legend G808" with its streamlined design and 40-chord ring tones has made itself a market favourite and earned a 4% market share amongst mobile handsets selling for the range of RMB2,500 to 3,000. Legend also set up bases in Shanghai and Xiamen to nurture its research and development capabilities, while continuing close cooperation with overseas companies such as Texas Instruments in the creation of products based on self-developed technologies.

成為市場亮點，在 2,500至3,000人民幣價位的市場佔4%份額。此外，聯想在上海和廈門設立專門機構，繼續培養研究開發力量，並積極與德州儀器、國外先進廠商合作，發展以自有技術為基礎的產品。



Legend Launches its First Technological Innovation Convention, "Legend World 2002" 首屆「聯想技術創新大會」召開

Legend has achieved highly positive results since it debuted the strategy of technological innovation a year ago. "Legend World 2002" showed Legend's visions, strategies and the exciting results it has achieved.

"World" was a premier event within the IT and telecommunications industry. Previous hosts included renowned IT enterprises such as IBM, Intel and Oracle. Legend was the first Chinese IT enterprise to host this kind of world-class convention.

"Legend World 2002" took place in December in Beijing. Legend introduced its visionary concept for the future of technological development and applications, its Collaborating Applications project, as well as its strategies for implementing Collaborating Applications. The Group's portfolio includes: (1) Collaborating Applications for personal information terminal devices; (2) Collaborating Applications for corporate IT systems; and (3) Collaborating Applications for communal (including commercial and public community) information systems.

Over 5,000 domestic and overseas guests attended the convention, including representatives from the Chinese government, respected tertiary education institutions, and internationally renowned IT corporations such as Microsoft, Intel, Oracle, and Texas Instruments. "Legend World 2002" opened up Legend's "Technology Era", and was an important milestone on Legend's path to technological innovation.

聯想提出技術創新策略一年多後，取得了階段性成果。聯想藉著舉辦「聯想技術創新大會」，向外界展示在技術上的願景、戰略和成果。

「World」是IT領域里的世界級技術盛會，世界著名的IT企業包括IBM、英特爾及甲骨文都曾舉辦，聯想是首家舉辦「World」的中國企業。

聯想技術創新大會於去年12月在北京舉行，聯想提出對未來技術及應用發展趨勢的前瞻性理念——「關聯應用」，和實現「關聯應用」的技術戰略，即：(1)關聯個人信息終端設備；(2)關聯企業信息應用；及(3)關聯社會信息服務。

超過5,000位中外來賓親臨這個盛會，包括國內的政府高官、學術權威，也有國際著名科技企業如微軟、英特爾、甲骨文及德州儀器等。聯想技術創新大會開創了聯想的「技術元年」，是聯想在技術創新之路上一個里程碑。

Legend has established sales and distribution channels in a number of provinces and adopted a sales and marketing model targeted at different regions. Cooperation with large-scale nationwide distributors has also begun. The Group has been actively providing training to sales personnel at its retail outlets, and has now created a nationwide sales network with over 3,000 retail points and a network of 26 service centres in China.

Driven by industry-specific applications, the pocket PC market sustained relatively rapid growth in 2002. On the other hand, lacking key new applications to drive demand, growth momentum of the PDA market has slowed. By comparison with last year, sales of Legend's electronic dictionaries have grown threefold, further solidifying the Group's strong position in the handheld device market.

IT Service Business

The Chinese government has actively promoted informatisation, and the Chinese enterprises found it increasingly important to enhance competitiveness through investing in IT infrastructure. Under this environment, Legend firmly implemented its strategy of service transformation. Following mergers and acquisitions, the Group's IT service business adopted a "Three-horizontal and Four-vertical" structure, with infrastructure platforms, horizontal applications, operations outsourcing representing the "three-horizontal" and telecom, finance, government and manufacturing forming the "four-vertical". Services offered include consultation, implementation, systems integration and outsourcing.

在渠道建設方面，聯想已在全國範圍內建立了省級分銷渠道和以區域為重心的營銷模式，並開展與全國性大包銷商的合作，同時加強渠道的管理，積極培訓終端店面的專業推銷人員，初步形成了包括超過3,000家分銷商、覆蓋全國的銷售網絡。在服務網絡方面，已在全國建立了26個中心站。

2002年掌上電腦市場受益於行業應用市場的拉動，銷量繼續保持較高的增長速度，但是PDA市場由於缺乏關鍵應用刺激需求，欠缺增長動力。聯想電子辭典產品銷量即較去年上升三倍，鞏固了聯想在手持設備市場的地位。

IT服務業務

中國政府大力倡導信息化，國內企業也迫切需要通過IT手段提高自身競爭力。聯想在2002/03財年堅定落實服務轉型戰略，IT服務業務通過迅速購併和引進，基本完成「三橫四縱」的業務佈局，即基礎平台、水平應用、營運支持的「三橫」及以電信、金融、政府及製造為目標行業的「四縱」，服務範圍涵蓋IT諮詢、應用實施、系統集成及運營外包。



Following its acquisition of Han International Consulting Company Limited and forming of a joint venture with AI Software Company Limited, in October last year Legend signed a Memorandum of Understanding to acquire the business and assets of China Weal Business Machinery Company Limited, a major telecom systems and network integrator in China. Legend Chinaweal System & Service Company Limited was then formed in December, marking Legend's official entry into the telecom IT service market. The first part of the agreed consideration amounted to about HK\$60 million. The remaining amount will be tied in with the financial performance of the new company over the coming few years but the total consideration will not exceed HK\$220 million.

Contract Manufacturing Business

The worldwide motherboard market continued to suffer sluggish growth in 2002, with growth rate fell below the earlier expectation. Though the market achieved small growth, the competitive pricing strategies initiated by larger manufacturers created immense pressure and impacted strongly on smaller players. Unit shipment of Legend's QDI motherboards amounted to approximately 3.25 million units, slightly lower than last year's number.

To take full advantage of its R&D capabilities in the field of motherboard technology, Legend set up a printed circuit board assembling design centre to provide design and technological support for its full range of motherboard products.

繼去年收購漢普國際諮詢有限公司及與智軟電腦系統開發有限公司成立合資公司後，聯想於去年10月簽署投資備忘錄，收購國內實力最強的通訊系統和網絡集成商之一中望商業機器有限公司的重要業務及資產，並於12月正式成立聯想中望系統服務有限公司，進軍電信IT服務市場。聯想第一期支付收購金額約港幣6,000萬元，其他代價與新公司未來幾年的業績掛鉤，總代價不超過港幣2.2億元。

合同製造業務

2002年全球主機板市場的增長繼續放緩，增長率低於年初的預測。雖然市場總體比去年同期有小幅增長，但一些一線廠商採取激進的價格競爭策略，對二線廠商造成極大的衝擊。聯想QDI主機板在年內的銷量約為325萬塊，略低於去年的銷量。

為了充份發揮集團主機板業務的技術研發能力，年內成立了板卡設計中心，為集團全線產品提供板卡設計與技術服務。



Innovative and
Energetic

創新
有活力

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Legend constantly urges its people to try new approaches in order to both create the driving forces for growth and stay competitive. By developing new technologies and leveraging them to stimulate new innovations, Legend is able to both quickly understand customers' needs and offer complete and cutting-edge solutions to them.

聯想不斷嘗試新方法及新事物，超越求進，在企業內部形成持續發展的推動力，造就競爭優勢。集團致力靈活及迅速地發掘和滿足客戶需求，通過技術積累及創新，不斷推出獨特的、富時代感的產品及服務。

FINANCIAL REVIEW

財務回顧

SUMMARISED
FINANCIAL RESULTS
業績概要

		2003	2002	2002
		HK\$'000 港幣千元	Actual 實際 HK\$'000 港幣千元	Proforma 備考 HK\$'000 港幣千元
Turnover	營業額	20,233,290	20,853,254	19,267,384
EBITDA	除利息、稅項、 折舊及攤銷前 經營溢利	1,174,720	1,008,938	972,580
Profit attributable to shareholders before gain/loss on disposal of investments	扣除出售投資損益前 股東應佔溢利	1,043,954	880,660	862,217
Profit attributable to shareholders	股東應佔溢利	1,017,152	1,044,900	1,026,457
Dividend per share (HK cents):	每股股息(港仙)：			
- interim dividend	— 中期股息	1.8	1.5	1.5
- proposed final dividend	— 擬派末期股息	3.0	3.6	3.6
- proposed special dividend	— 擬派特別股息	5.2	—	—
Earnings per share (HK cents):	每股盈利(港仙)：			
- basic	— 基本	13.55	13.86	13.61
- fully diluted	— 全面攤薄	13.54	13.79	13.55

Compared to the proforma result from last year, the Group recorded an increase of 5.0% in turnover to HK\$20,233 million and the gross profit margin increased from 13.70% to 14.82%. As the gross profit of the Group continued to improve and the management adopted effective control on the operating cost, EBITDA increased by 16.4% (compared to 2002 actual figures) or 20.8% (compared to 2002 proforma figures) to HK\$1,175 million.

與去年的備考業績比較，本集團錄得營業額上升5.0%至港幣20.23億元，毛利率由13.70%增至14.82%。由於本集團的毛利率持續上升及管理層推行有效的控制經營成本措施，除利息、稅項、折舊及攤銷前溢利上升16.4%（與二零零二年實際數字比較）或20.8%（與二零零二年備考數字比較）至港幣11.75億元。



Profit attributable to shareholders for the year reached HK\$1,017 million, the basic earnings per share was 13.55 HK cents; fully diluted earnings per share was 13.54 HK cents. Excluding the effect of the losses/gains on disposal of investments, the profit attributable to shareholders increased by HK\$163 million (compared to 2002 actual figures) or HK\$182 million (compared to 2002 proforma figures) to HK\$1,044 million, representing an increase of 18.5% and 21.1% respectively.

年內的股東應佔溢利為港幣10.17億元，每股基本盈利為港幣13.55仙；而每股全面攤薄盈利為港幣13.54仙。撇除出售投資的虧損／收益造成的影響，股東應佔溢利則增加港幣1.63億元（與二零零二年實際數字比較）或港幣1.82億元（與二零零二年備考數字比較）至港幣10.44億元，即分別增加18.5%及21.1%。

TURNOVER AND CONTRIBUTION 營業額及盈利貢獻

		2003		2002	
		Turnover	Contribution to operating profit	Turnover	Contribution to operating profit
		營業額	盈利貢獻	營業額	盈利貢獻
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Corporate IT business	企業IT業務	10,803,311	744,153	10,077,796	573,077
Consumer IT business	消費IT業務	6,822,633	363,527	7,400,769	234,335
Handheld device business	手持設備業務	1,440,328	29,017	216,434	(18,906)
IT service business	IT服務業務	183,800	(61,405)	-	-
Contract manufacturing business	合同製造業務	983,218	8,554	1,533,864	147,901
Others	其他	-	-	1,624,391	(14,942)
Amortisation of goodwill	商譽攤銷	-	(7,463)	-	-
(Losses)/Gains on disposals of investments	出售投資之(虧損)/收益	-	(26,802)	-	164,240
Total	合計	20,233,290	1,049,581	20,853,254	1,085,705

During the year, sales of servers and notebook computers increased and application solutions to small and medium sized enterprises were further expanded. The turnover of corporate IT business recorded an increase of 7.2% and the profit contribution increased by 29.9%.

Although the turnover of consumer IT business dropped by 7.8%, the profit contribution showed an increase of 55.1% due to an improved margin.

The Group launched the mobile handset business during the year, turnover in handheld device business saw a 5.7 times increase over last year's figure. The contribution also turned from a loss of HK\$19 million to a profit of HK\$29 million.

During the year, the Group acquired the IT service business from China Weal Business Machinery Co. Ltd. and further expanded the scope of IT service business. For the year, the IT service business recorded a turnover of HK\$184 million and a loss of HK\$61 million.

Due to a sluggish motherboard market and the disposal of the printed circuit board business by the Group in January 2002, the turnover of contract manufacturing business decreased by 35.9% and the profit contribution dropped to HK\$9 million.

Other businesses of last year mainly represented the results from Digital China Holdings Limited and its subsidiaries ("DCHL Group") and the Internet business. The DCHL Group was spun off from the Group in June 2001 and the Internet business was shifted to a jointly controlled entity in October 2001.

年內，服務器及筆記本電腦的銷售額均有所增加，而中小企業的應用方案亦進一步擴大。企業IT業務的營業額錄得7.2%的增長及盈利貢獻亦上升29.9%。

儘管消費IT業務的營業額下跌7.8%，但因邊際毛利有相當的改善，盈利貢獻因而取得55.1%的增長。

鑒於本集團於年內開展移動電話業務，手持設備業務的營業額因而較去年大幅增長超過5.7倍。盈利貢獻亦由虧損港幣0.19億元轉變至溢利港幣0.29億元。

年內，本集團收購中望商業機器有限公司的業務，並進一步拓展IT服務業務範圍。全年IT服務業務的營業額共錄得港幣1.84億元，而虧損則為港幣0.61億元。

鑒於主機板市場增長放緩及本集團於二零零二年一月已出售線路板業務，合同製造業務的營業額下跌35.9%，而盈利貢獻亦降低至港幣0.09億元。

去年的其他業務主要為神州數碼控股有限公司及其附屬公司（「神州數碼集團」）及互聯網業務的業績。神州數碼集團已於二零零一年六月從本集團分拆，而互聯網服務則於二零零一年十月轉移至一間共同控制實體。



Losses on Disposals of Investments

The Group recorded a net loss on disposal of investments of HK\$27 million during the year. The loss was mainly caused by disposal of Yestock Limited, an associated company, which amounted to HK\$34 million while the sales of investment securities recorded a gain of HK\$7 million.

Taxation

The Group's effective tax rate for the year was 2.53% and for the year 2002 was 2.13%. The Group will continue to adopt effective tax planning strategies for the operation in the future.

Dividends

The Group has maintained a consistent dividend policy. The interim dividend paid during the year was 1.8 HK cents per share for a total amount of HK\$135 million and the final dividend is proposed to be 3.0 HK cents per share for a total amount of HK\$224 million. After considering the Group's cash position and the needs for business development, the Directors also proposed a special dividend of 5.2 HK cents per share for this year for a total of HK\$388 million.

Significant Investments and Acquisitions

During the year, the Group invested HK\$295 million in fixed assets and construction-in-progress which were mainly located in Chinese mainland. The Group also spent approximately HK\$394 million for investments mainly connected with the expansion of handheld device business and IT service business, etc.

In the coming year, the Group expects to spend approximately HK\$1 billion for capital expenditure for the development of new businesses, research and development and other general purpose capital expenditure. The funding is expected to be generated from its existing business.

出售投資之虧損

年內，本集團錄得港幣0.27億元的出售投資虧損淨額。主要是因為出售一家聯營公司Yestock Limited引致虧損港幣0.34億元，而出售證券投資則錄得港幣0.07億元的收益。

稅項

本集團於年內的有效稅率為2.53%，而二零零二年則為2.13%。本集團將繼續為業務經營採用有效的稅務籌劃。

股息

本集團採取一貫的股息分派政策。年內已派付的中期股息為每股港幣1.8仙，總金額為港幣1.35億元，而擬派末期股息將為每股港幣3.0仙，總金額為港幣2.24億元。在考慮集團的現金狀況及業務增長需要後，董事會同時建議本年派發特別股息每股港幣5.2仙，總金額為港幣3.88億元。

重要投資及收購

年內，本集團投資港幣2.95億元購置固定資產及主要位於中國大陸的在建工程。本集團亦動用約港幣3.94億元拓展手持設備業務及IT服務業務等。

集團預計明年將動用約港幣10億元作資本支出，主要包括拓展新業務、研發及一般資本開支。所需資金將可源自現有之業務。

Liquidity and Financial Resources

As at 31st March 2003, total assets of the Group was HK\$6,756 million which was composed of shareholders' fund of HK\$4,189 million, minority interests of HK\$60 million and current liabilities of HK\$2,507 million. The current ratio of the Group was 2.1.

The Group had a solid financial position and maintained steady cash flow from its operating activities. As at 31st March 2003, cash and bank balances of the Group were HK\$2,808 million. The balances consisted of about 35% in Hong Kong dollars, 38.5% in US dollars, 26% in Renminbi and 0.5% in other currencies.

Although the Group has been in a very strong cash position, credit facilities have nevertheless been put in place for contingency purposes. As at 31st March 2003, the Group's total available credit facilities amounted to HK\$2,620 million, of which HK\$938 million was in trade line, HK\$720 million was in short term and revolving money market facilities and HK\$962 million was in foreign exchange contract. As at 31st March 2003, the facility drawn down was HK\$414 million bills payable and the foreign exchange contracts used was HK\$46 million.

There was no outstanding bank loan as at 31st March 2003 and there were no assets held under finance lease during the year and at the year end.

The Group consistently adopted a hedging policy for business transactions to minimise the risk of fluctuation from exchange rates. Foreign currency exposures were mainly the trade receivables from the business in Europe. As at 31st March 2003, the Group had total outstanding forward foreign exchange contracts and currency swaps amounting to HK\$46 million.

流動資金及財政資源

於二零零三年三月三十一日，集團之總資產為港幣67.56億元，其中股東資金為港幣41.89億元、少數股東權益為港幣0.6億元及流動負債為港幣25.07億元。集團之流動比率為2.1。

集團之財政狀況穩健，並從營運活動中維持強勁及穩定之現金流。於二零零三年三月三十一日，集團之現金及銀行結餘為港幣28.08億元，其中港幣佔35%、美元佔38.5%、人民幣佔26%及0.5%為其他貨幣。

儘管集團一直持有充裕現金，但仍保持銀行之綜合信用額度以備不時之需。於二零零三年三月三十一日，集團可動用之總信用額度為港幣26.2億元，其中，港幣9.38億元為貿易信用額度、港幣7.2億元為短期及循環現金透支，而港幣9.62億元則為外匯合約。於二零零三年三月三十一日，已動用的貿易信用額度為港幣4.14億元，外匯合約為港幣0.46億元。

於二零零三年三月三十一日，集團並無尚未償還之銀行貸款。於年內及年末，集團並無以財務租約持有資產。

本集團繼續採用對沖政策，以減低因外幣匯率變化而對一般商貿活動所造成的影響。外匯風險主要為歐洲業務之應收貿易款項。於二零零三年三月三十一日，集團未完成之遠期外匯合約及幣種變換總金額為港幣0.46億元。



Contingent Liabilities

The Group had no material contingent liabilities as at 31st March 2003.

Employees

As at 31st March 2003, the Group had a total 9,705 employees, 9,572 of whom were employed in Chinese mainland and 133 were employed in Hong Kong and overseas.

The Group implemented remuneration policy, discretionary bonus program, and share option scheme, which are determined according to the performance of the Group and individual employee. In order to improve the quality of the staff, the Group provides job rotation, in-house training and external training courses to the staff. The Group also provides benefits such as insurance, medical and retirement contribution funds. These policies are reviewed regularly to ensure they remain competitive and appropriate.

或然負債

於二零零三年三月三十一日，本集團沒有重大的或然負債。

員工

於二零零三年三月三十一日，集團共聘用9,705名僱員，其中9,572名受僱於中國大陸，而133名則受僱於香港及海外。

集團因應業績及員工表現實施酬金政策、酌情花紅及購股權計劃。為改善員工質素，集團亦有為員工提供崗位輪換、內部培訓及外部訓練。集團同時亦提供員工福利，如保險、醫療及退休金供款等，並會不時檢討該等政策以確保競爭力及配合公司需要。

Superior
Professional
Services

優質專業

服務





Listening to our customers patiently and carefully, Legend can firmly understand their needs and offer comprehensive solutions. As a result, Legend wins excellent reputation by not only adding significant values to our customers, but also exceeds their expectations.

聯想耐心聆聽客戶的聲音，注重客戶體驗，準確把握客戶需求，通過完善的體系、專業的人才、豐富的經驗來服務客戶，為客戶創造出更多的價值，達至超出期望的結果，建立卓越的服務信譽。

FUTURE PROSPECTS

China's economy shows strong fundamentals in 2003. The Chinese government is placing great emphasis on informatisation, and its active fiscal policy will foster further growth in the IT market. And with personnel changes within the government now completed, government purchases are expected to continue to stimulate the corporate IT market. Although the outbreak of SARS may cause short-term disruption in certain Chinese provinces and cities, once the situation is brought under control the corporate and consumer markets should soon return to normal.

In order to maintain sustainable long-term growth in the future, the Group will pursue the strategy of "Three-tier Business". The first tier is the core business, including commercial and consumer desktops. The second tier is the growth business, including notebooks, servers, mobile handsets, peripheral equipment, network security and digital products. The third tier is the seed business, including

未來展望

2003年中國經濟基本因素良好。中國政府高度重視信息建設及積極的財政政策將有助IT市場增長。另外，政府換屆已經完成，預計政府採購將繼續刺激企業IT市場。雖然非典型肺炎肆虐對中國一些省市可能會造成短期干擾，由於IT設備及服務是耐用品，相信在疫情得到控制後，企業採購及消費市場會回復正常。

為更好的促進集團長遠的持續增長，新財年集團採取三層業務劃分的經營戰略：即(1)核心業務—包括商用、家用台式電腦等；(2)成長業務—包括筆記本、服務器、移動電話、外圍設備、信息安全、數碼業務等；(3)種子業務—包括IT服務、高



Legend Joins Hands with Distributors to Grasp New Business Opportunities in e-Education 聯想與分銷商攜手抓住教育電子化商機

Since the Chinese government began actively promoting e-education in 2000, most educational institutions around the country have reacted positively. Legend's existing strong positioning in the education sector has helped it acquire numerous orders for e-education applications. One successful example was a contract concluded with Anhui province worth over RMB100 million.

The Anhui Education Department commissioned Legend and its largest agent in Anhui, Hefei Anlian Computer Co., Ltd. ("Anlian") to establish 510 e-classrooms in the province, providing 30,000 desktop computers, 510 servers, and 510 sets of "Qitian Parasaga e-classroom Software".

Winning this contract owed much to Legend's ability to provide sophisticated classroom network solutions, some of which were jointly developed by Legend and Anlian. Legend's excellent channel management also created strong customer confidence in its ability to successfully implement the project. And Legend's extensive network of authorised maintenance centres spread across Anhui province was a guarantee to speedy and reliable maintenance service.

With Legend's help, Anlian successfully borrowed the capital required for the project from International Far Eastern Leasing Co., Ltd. The project has not only set a new model for the "School Link" project, it also has created a new sales approach. The success and significance of this project carried beyond the financial gains for the Group.

中國政府於2000年開始大力倡導教育電子化，各省市教育機構紛紛響應。聯想在教育行業有良好基礎，取得多項大單。去年4月安徽省與聯想簽訂了上億人民幣協議，便是其中一個成功例子。

安徽省教育廳委托聯想及其在安徽最大的代理商—合肥安聯電腦公司(「安聯」)共同承建510間電子教室，提供30,000台電腦、510台服務器及510套聯想「啟天傳奇電子教室軟件」。

聯想和安聯能取得這項大單，是因為聯想提供成熟的電子網絡教室解決方案，軟件部份由聯想和安聯共同開發。聯想完善的渠道管理體系亦增添客戶對實施的信心。聯想授權維修站遍佈安徽，能提供快速服務。

在聯想的協調下，安聯通過向遠東國際租賃有限公司融資，順利解決了該項目的資金。這個項目開創了實施「校校通」的新模式，創造了新的銷售模式，對聯想而言它的意義遠超項目本身的價值。



IT service, high performance server and storage products. Through setting different key performance benchmarks for the three businesses, the Group effectively allocates its resources by matching business objectives with performance review and incentive programs. The Group expects that the growth business and the seed business to develop rapidly in mid-term and long-term respectively and gradually transform into core business and generate stable growth.

Legend has initiated a number of strategies and targets for the coming year. Apart from maintaining profit growth, the Group plans to accelerate its business development. It will also continue to pursue its transformation strategy, strengthen its ability to provide quality professional services and speed up the pace of its technological innovations.

A number of research institutions believe that the rate of development in China corporate IT market will accelerate and lead to a unit shipment growth of around 20% in 2003. The Group expects that demand for IT in the education and government sectors in particular will maintain high growth, given the Chinese government's extensive investment in major IT projects (e.g. its 12 "Golden Series" projects) and e-government facilities, and the continued investment in IT by educational institutions. Telecommunications and insurance industries are increasing their IT investments to stay competitive and, thus will stimulate corporate demand. The Group is optimistic that it will see strong growth in the China's overall corporate IT market during 2003.

The Group expects the promotion of informatisation in government, education and other industries to stimulate higher demand for servers. Legend's "Deepcomp 2600", making use of advanced Collaboration Applications technology, is expected to stimulate growth in unit shipment and improve gross profit in the high-end commercial server arena. The notebook market should also perform well in the coming year, as manufacturing costs come down, systems improve, and wireless applications become more popular. Competition will be focused on a company's ability to understand customer needs and on the extent of its service capabilities. Legend will go extra miles in promoting sales through solutions and services in 2003, at the same time strengthening its customer relations and bolstering its market influence.

Rapid growth in the Chinese economy has speeded up the pace of urbanisation, in turn leading to a surge in demand for home PCs in newly emerging cities. Computer use in major cities has also increased in the past few years, and urban

性能服務器、存儲等。集團通過設立三層業務不同的戰略目標及經營指標、相應的資源投入及考核激勵計劃。集團期望成長、種子業務分別在中期、長期快速增長，逐步轉化成為核心業務，為集團的創造持續穩定的增長。

未來一年，聯想的策略目標包括：在保持利潤穩定增長的基礎上，實現業務快速增長。集團將繼續致力推進戰略轉型，強化優質專業服務能力，加速技術創新的市場轉化。

多家調研機構預計，2003中國企業IT市場將加速，銷量可望20%左右的增長。由於2003年中國新一屆政府將對重點業務工程(如12項「金系列」工程)和各地電子政務進行大量的資金投入，同時教育機構繼續保持在IT投資的力度，集團預期IT需求在教育 and 政府行業仍然保持較高的增長，同時隨著電信、保險等行業IT投資不斷回升，企業面對市場競爭導致對IT需求的不斷增強，集團對2003中國企業IT整體市場的強勁需求持樂觀態度。

集團預期政府、教育以及各種行業信息化建設的推進使服務器需求繼續保持較大的增長。在高單價和高利潤的高端商用服務器領域，集團預期採用關聯應用技術的「深騰2600」將帶動銷售的成長和毛利的進一步改善。隨著筆記本成本進一步降低，無線移動應用普及以及系統整體性能的改善，筆記本市場在2003財年會有不俗的成長。在2003財年，各廠商的競爭更多體現在對垂直行業客戶需求認知、整體服務能力的競爭。集團在2003財年將進一步加大方案營銷和服務轉型的力度，推動應用方案和服務來拉動銷售，加強客戶關係，擴大市場影響力。

中國經濟快速增長加快城市化步伐，新興城市對家用電腦需求日增。大城市家用電腦普及率近年不斷上升，同時大城市二次購買需求顯著。預計

consumers are now increasingly looking to purchase a second computer. Legend expects the home PC market to continue its double-digit growth into 2003. The Chinese government's intensive promotion of computer education in secondary and primary schools over the past two years is leading to a rapid increase in demand for home PCs by students. Chinese consumers are also showing strong interest in digital products, and in particular digital cameras, a trend that should also stimulate consumer demand for computers. Legend's successful business framework for digital arena helps to stimulate the sales of PCs. Furthermore, a number of recent developments in the market have benefited sales of branded PCs. The Chinese government's commitment to crack down on tax invasion and strengthen the system for collecting value-added tax, for example, has prompted an increased tendency to opt for branded computers rather than white box computers. To prepare for future competition and cater for second purchases and the specific "Learner" market segment, Legend plans to tailor specific product lines, services and marketing activities to related markets.

Consumers recently have sent out strong purchasing signals in the digital products arena, especially for digital cameras. Analysts estimate that sales of digital cameras in China will double year on year, with shipment reaching four million units in 2005. Leveraging its strong competitive edge in the consumer market, Legend expects to boost sales of its digital cameras considerably.

Mobile handset users will also continue to grow in 2003. Mobile handsets with colour screen and multimedia messaging service (MMS) will drive consumer demand, helping sales to maintain double-digit growth. The Group will continue to place strong emphasis on developing its mobile handset business, which is forging increasingly powerful synergies with Legend's existing businesses. In the coming year, the Group's major goals for its mobile handset business are to expand its existing product lines, strengthen existing channels for mobile handset sales, enlarge the scale of its business and build up its core competitiveness, thus ensuring healthy long-term development.

Legend will develop its handset business with four major design trends in mind. It will pay great attention to: (1) trendy look with folder style, light and thin; (2) colour application supporting MMS; (3) entertainment feature with camera or polyphonic ring tones; and (4) m-commerce application that allows data processing anytime anywhere. These developments will bring the innovative and energetic nature of Legend's mobile handset business to the spotlight, complementing its existing standards of high quality and advanced technology.

2003年中國家用電腦市場將繼續保持雙位數增長。此外，經中國政府過去兩年大力推進中、小學電腦教育，預期學生市場對家用電腦的需求會快速增加。近年中國消費者對數碼產品尤其是數碼相機的興趣大增，亦會刺激消費市場對電腦的需求，聯想在數碼領域的成功佈局會有力推動電腦銷量。另外，近期市場上的一些新發展也有利於知名品牌電腦的銷售。例如，中國政府積極打擊逃稅，加強增值稅徵收制度，將進一步減低雜牌機對品牌電腦的衝擊。聯想為了應對下一步競爭，將針對二次購機和「學習型」用戶細分市場，推出產品服務及相應的市場推廣活動。

在數碼產品方面，消費者購買意願強烈，其中以數碼相機為主。市場預期中國數碼相機銷量將以每年100%的速度增長，2005年將達400萬台。聯想會利用本身在消費市場的強大優勢，大力推廣數碼相機的銷售。

2003年中國移動電話用戶將繼續增長，彩屏移動電話及多媒體信息服務(MMS)亦會帶動消費者對移動電話的需求，移動電話銷量將保持雙位數的增長。由於移動電話與聯想現有業務有愈來愈多的協同性，管理層將繼續高度重視移動電話業務。未來一年的重點工作是擴展移動電話產品線及強化渠道建設，加快擴大移動電話業務的規模及培養核心競爭能力，確保集團移動電話業務健康和持久地發展。

聯想在未來一年將以國內移動電話市場四個流行趨勢為指導：(1)時尚應用—以折疊外觀設計及機身輕薄為主；(2)彩色應用—支援多媒體信息服務(MMS)；(3)娛樂應用—備有攝像頭及和弦鈴聲；(4)商務應用—可隨時地處理信息。在高質和高技術的基礎上，突出聯想移動電話創新有活力的特性。



The handheld device market is expected to maintain healthy growth next year, with pocket PCs and wireless terminals being the main market drivers. Legend will further expand existing product lines and aggressively explore wireless applications in 2003.

The IT service market for China's telecom industry has very bright prospects. Data from various research institutions indicate that market value is expected to reach US\$6 billion in 2003 and a CAGR of 20% to 30% over the next five years. Market revenue is expected to reach US\$15 billion in 2007, with telecommunications, finance, government and manufacturing sectors accounting for 70% of the market.

Legend is committed to enhancing its ability to provide quality professional services in future. Building on its "Three-horizontal and Four-vertical" strategic framework, the Group will continue to drive rapid expansion through acquisitions. To meet the strong informatisation demands of the market, Legend has formed partnership with Oracle and Sun Microsystems to jointly launch informatisation management solutions for growing enterprises. Legend has already established a significant competitive edge in the network security business, and is aiming to accelerate its business growth in this area. Its emerging IT service business will focus in the coming year on reinforcing its core competence, improving its project management and building an elite human resources system and corporate culture as required by the nature of service business.

The worldwide motherboard business looks set to encounter further stern challenges in 2003. Large manufacturers will continue to place intense pressure on smaller ones, both in terms of market share and pricing. In the face of such intense market competition, Legend is developing new and diverse business operations to consolidate its position in the motherboard market.

In conclusion, although China's IT industry still faces a number of challenges in the coming year, Legend's management is confident about the Group's prospects, particularly as it proceeds in implementing its strategy of technological innovation and service transformation. The Group's thorough understanding of the China market and its excellent management and execution capabilities will help it capture both new and existing market opportunities, bringing sustainable healthy returns to its shareholders.

在手持設備方面，預計未來一年市場繼續保持健康增長趨勢，其中掌上電腦及無線終端設備將成為市場主流。2003年聯想將進一步豐富現有產品線，積極拓展無線應用。

中國的IT服務市場潛力巨大。綜合各市場研究公司的分析數據，2003年中國的IT服務市場規模在60億美元左右，預計未來五年中國IT服務市場將以20%至30%年複合增長率增長，市場規模於2007將達到150億美元。其中電信、金融、政府和製造仍然是IT服務最大的需求來源，佔市場份額的70%。

未來一年聯想將以提高優質專業服務能力為重點，基於「三橫四縱」的業務佈局積極穩妥地拓展業務，繼續通過購併快速擴張。為配合市場上成長型企業對信息化的旺盛需求，聯想聯合甲骨文和Sun Microsystems公司，三方共推成長型企業管理信息化解決方案。由於聯想的信息安全業務已在行業內確立優勢，未來一年這項業務以實現快速增長為目標。作為集團的一項新興業務，IT服務業務未來還將著重於加強基礎能力建設，提高項目管理能力，建立適合IT服務業務的人力資源和文化管理體系。

預計2003年全球主板市場仍然充滿挑戰，二線廠商在市場份額和價格方面將繼續面臨來自一線廠商的巨大壓力。面對激烈的市場競爭，聯想將發展多元化經營和開發新業務，以穩固主板市場的地位。

總括而言，儘管未來一年中國IT行業仍會面對很多挑戰，管理層基於聯想技術創新及服務轉型策略的進一步實施，憑借對中國市場的深入理解，以及卓越的管理系統和執行能力，對新年度的業務前景充滿信心，並且不時把握市場各種機會，為股東帶來更好的回報。

容易 Easy

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Legend has committed itself to constantly upgrading products for customers through integrating cutting-edge technologies with highly user-friendly systems and designs. Aiming for simplicity, Legend works to provide clear, efficient services that will bring customers a sense of ease and convenience, whether at the level of pre-sales consultation, purchasing, use of the IT equipment, or after-sales services.

聯想多年來一直秉承讓用戶用得更好的產品開發理念，致力將高新科技融合於人性化的產品設計中，化繁為簡，讓客戶從售前諮詢、售中購買、使用過程和售後服務都能享受高效的工作體驗，帶來最便捷及最輕鬆的生活感受。