

# Report of the Directors

## 董事會報告

The directors of the Company have pleasure in submitting their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2003.

### Principal Activities and Segment Information

The Company is an investment holding company. The Group is principally engaged in the distribution of information technology products, provision of systems integration services, and development and distribution of networking products. The particulars and principal activities of the principal subsidiaries of the Company as at 31 March 2003 are set out in note 18 to the financial statements.

There were no significant changes in the nature of the Group's principal activities during the year.

An analysis of the Group's performance for the year by business and geographical segment is set out in note 5 to the financial statements.

### Results and Dividends

The Group's profit for the year ended 31 March 2003 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 43 to 118.

The directors recommend the payment of a final dividend of 7.38 HK cents per ordinary share in respect of the year ended 31 March 2003 to shareholders on the register of members of the Company on 8 August 2003. This recommendation has been incorporated in the financial statements as an allocation of retained profits within capital and reserves section of the consolidated balance sheet and the balance sheet of the Group and the Company.

本公司董事謹此欣然提呈彼等之報告以及本公司與其附屬公司（「本集團」）截至二零零三年三月三十一日止年度之經審核財務報表。

### 主要業務及分部資料

本公司乃一家投資控股公司。本集團主要從事分銷資訊科技產品、提供系統集成服務及開發和分銷網絡產品。本公司各主要附屬公司於二零零三年三月三十一日之詳情及主要業務載於財務報表附註18。

本集團之主要業務性質於本年度內並無任何重大變動。

按業務及地域分部作分析之本集團本年度表現載於財務報表附註5。

### 業績及股息

本集團截至二零零三年三月三十一日止年度內之溢利，以及本公司及本集團於該日之具體情況，載於財務報表第43頁至第118頁。

董事建議向於二零零三年八月八日名列本公司股東名冊之股東派發截至二零零三年三月三十一日止年度之末期股息每股普通股7.38港仙。此項建議已列帳於財務報表，作為本集團與本公司之綜合資產負債表與資產負債表內資本及儲備下保留溢利之分配。

# Report of the Directors

## 董事會報告

### Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 29 to the financial statements and in the consolidated statement of changes in equity set out on pages 45 and 46, respectively.

### Distributable Reserves

As at 31 March 2003, the Company's reserves available for distribution, calculated in accordance with the laws of Bermuda, amounted to HK\$694,246,000, of which HK\$63,372,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$289,895,000, may be distributed in the form of fully paid bonus shares.

### Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-Laws and there are no restrictions against such rights under the laws of Bermuda.

### Fixed Assets

Details of the movements in the fixed assets of the Group and the Company during the year are set out in note 15 to the financial statements.

### Share Capital

Details of the movements in the Company's share capital during the year, together with the reasons therefor, are set out in note 27 to the financial statements.

### 儲備

本公司及本集團於本年度之儲備變動詳情分別載於財務報表附註29及載於第45及46頁之綜合權益變動表。

### 可分派儲備

於二零零三年三月三十一日，根據百慕達法例計算，本公司之可分派儲備金額為港幣694,246,000元，其中港幣63,372,000元已建議作為派發本年度之末期股息。此外，本公司之股份溢價帳為港幣289,895,000元，可供以繳足紅利股份之方式分派。

### 優先購股權

本公司細則並無優先購股權之條文及百慕達法例並無對該等權利有所限制。

### 固定資產

本集團及本公司於本年度之固定資產變動詳情載於財務報表附註15。

### 股本

本公司於本年度之股本變動詳情連同有關理由載於財務報表附註27。

# Report of the Directors

## 董事會報告

### Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 119.

### Directors

The directors during the year and up to the date of this report were:

#### Executive Directors

Mr. LI Qin

Mr. GUO Wei

Mr. ZENG Maochao

Mr. LIN Yang

Mr. YU Lishan

Mr. HUA Zhinian

#### Non-executive Director

Mr. William O. GRABE

#### Independent Non-executive Directors

Prof. WU Jinglian

Mr. LEUNG Pak To, Francis

In accordance with Bye-Law 99 of the Company's Bye-Laws, Mr. YU Lishan, Mr. HUA Zhinian and Prof. WU Jinglian will retire from office by rotation at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election.

The terms of offices of the non-executive director and the independent non-executive directors of the Company are subject to retirement by rotation as required by the Company's Bye-Laws.

### 五年財務摘要

本集團於過去五個財政年度之業績、資產及負債摘要載於第119頁。

### 董事

本年度內及截至本報告日期止之董事為：

#### 執行董事

李勤先生

郭為先生

曾茂朝先生

林楊先生

于立山先生

華祉年先生

#### 非執行董事

William O. GRABE 先生

#### 獨立非執行董事

吳敬璉教授

梁伯韜先生

根據本公司細則第99條，于立山先生、華祉年先生及吳敬璉教授於即將舉行之股東週年大會上將輪值告退，惟合資格並願意膺選連任。

本公司之非執行董事及獨立非執行董事須按本公司細則之規定輪值告退。

# Report of the Directors

## 董事會報告

### Biographical Details of Directors and Senior Management

#### Executive Directors

Mr. LI Qin, aged 62, is the Chairman of the Group. He is responsible for overseeing the businesses of the Group and the strategic development and management of the Group's operations in China. He graduated from Xian University of Technology in 1965 and has over 36 years of experience in the computer industry. Being a founder of the Legend group, Mr. Li has made outstanding contributions to its development. In 1992, Mr. Li was awarded Outstanding Technology Entrepreneur of Civil Enterprise by the Committee of Science and Technology of China; he was also honoured as China's Outstanding Mid-Youth Scientist in the same year.

Mr. GUO Wei, aged 40, is the Vice Chairman, the President and the Chief Executive Officer of the Group. He is responsible for the strategic development and management of the Group. Mr. Guo obtained a Master's degree from the Graduate School of the Chinese Academy of Sciences in 1988. He joined the Legend group in 1988 and was once an Executive Director and Senior Vice President. In 2002, Mr. Guo was awarded China's Top Ten Outstanding Youth, 求是傑出青年成果轉化獎 (Practical and Outstanding Youth of Achievement) and Top Ten Most Valuable Manager in China. He currently is the Vice President of the Chinese Young Entrepreneurs Association and the Vice President of Chinese Young Technology Professional Association. He has over 15 years of experience in business strategy development and business management.

### 董事及高層管理人員之簡歷

#### 執行董事

李勤先生，六十二歲，本集團主席，負責本集團的整體業務及在中國營運的策略發展與管理。李先生於一九六五年畢業於西安理工大學，在電腦業擁有逾三十六年的經驗。李先生作為聯想集團的創業者之一，在聯想集團的發展歷史上作出了卓越的貢獻。一九九二年李先生獲國家科學技術委員會評為中國優秀民辦科技企業家；同年獲評選為中國有突出貢獻中青年科學家。

郭為先生，四十歲，本集團副主席兼總裁及首席執行官，負責本集團之策略發展及管理。郭先生於一九八八年獲得中國科技大學研究生院之管理碩士學位。彼於一九八八年加入聯想集團，並曾任聯想集團執行董事及高級副總裁。郭先生於二零零二年獲中國十大傑出青年、求是傑出青年成果轉化獎及中國十大最具價值經理人稱號獎，及現任中國青年企業家協會副會長及中國青年科技者協會副會長。彼在業務策略發展及業務管理方面擁有逾十五年的經驗。

# Report of the Directors

## 董事會報告

### Biographical Details of Directors and Senior Management (cont'd)

#### Executive Directors (cont'd)

Mr. ZENG Maochao, aged 70, is an Executive Director of the Company and responsible for the review and supervision of the Group's internal controls. He graduated from the Department of Electrical Engineering of Shanghai Jiao Tong University in 1957. He was the Director and Professor of the Institute of Computing Technology of the Chinese Academy of Sciences. He has over 45 years of experience in the computer industry. Mr. Zeng is also a Non-Executive Director of Legend Group Limited.

Mr. LIN Yang, aged 36, is the Executive Vice President of the Group and responsible for the overall business management of the Group. Mr. Lin graduated in 1988 with a Bachelor's degree in Computing Communications from the Xidian University. He joined the Legend group in 1990 and has over 12 years of management experience in distribution business.

Mr. YU Lishan, aged 38, is a Senior Vice President of the Group and responsible for the systems integration business of the Group. Mr. Yu graduated in 1991 with a Master's degree from the Department of Precision Instruments of Tsinghua University. He joined the Legend group in 1991 and was mainly responsible for the operational and management functions. He has over 12 years of experience in operational management and administration, and over 4 years of experience in software development management and information technology services operation.

Mr. HUA Zhinian, aged 41, is a Senior Vice President of the Group and oversees the treasury and finance functions of the Group. Mr. Hua graduated in 1984 with a Master's degree in Electronics and Physics from the Twelfth Graduate School of Mechanical and Electrical Department. He joined the Legend group in 1992 and has over 11 years of experience in corporate planning and budget management.

### 董事及高層管理人員之簡歷 (續)

#### 執行董事 (續)

曾茂朝先生，七十歲，本公司執行董事，負責本集團內部監控方面的檢討及監督工作。曾先生於一九五七年畢業於上海交通大學電力工程系。彼曾任中國科學院計算技術研究所所長及教授。彼在電腦業擁有逾四十五年的經驗。曾先生亦為聯想集團有限公司之非執行董事。

林楊先生，三十六歲，本集團常務副總裁，負責本集團之整體業務管理。林先生於一九八八年畢業於西安電子科技大學，獲得計算機通訊學士學位。彼於一九九零年加入聯想集團，並於分銷業務管理方面擁有逾十二年之經驗。

于立山先生，三十八歲，本集團高級副總裁，負責本集團的系統集成業務。于先生於一九九一年畢業於清華大學之精密儀器學系，獲碩士學位。彼於一九九一年加入聯想集團，專責營運及管理職能。彼在經營管理和行政方面擁有逾十二年之經驗，並在軟件開發管理及經營資訊科技服務方面擁有逾四年之經驗。

華祉年先生，四十一歲，本集團高級副總裁，負責監管本集團之財務及融資職能。華先生於一九八四年畢業於機電十二研究所之電子物理系，獲碩士學位。彼於一九九二年加入聯想集團，在企業策劃及預算管理方面擁有逾十一年之經驗。

# Report of the Directors

## 董事會報告

### Biographical Details of Directors and Senior Management (cont'd)

#### Non-Executive Director

Mr. William O. GRABE, aged 65, is a Non-Executive Director of the Company. Mr. Grabe is a General Partner with General Atlantic Partners, LLC ("General Atlantic"), a worldwide private equity firm, where he has worked since 1992. Mr. Grabe holds a Bachelor's degree in Engineering from New York University and a Master's degree in Business Administration from University of California at Los Angeles, United States of America. With a 30-year career at IBM prior to joining General Atlantic, Mr. Grabe has broad international experience and an extensive sales and marketing background. As a General Partner at General Atlantic, Mr. Grabe is also a director of several public software companies including Bottomline Technologies, Exact Holding N.V., and FirePond Inc., and several other privately held software and services companies. His outside affiliations include being a member of the UCLA Foundation Board of Councillors and the UCLA Anderson School Board of Visitors, a member of the Cancer Research Institute Board of Trustees, a Member of the Executive Committee of Outward Bound USA, and a director of Compuware Corporation and Gartner, Inc..

#### Independent Non-Executive Directors

Mr. LEUNG Pak To, Francis, aged 48, is an Independent Non-Executive Director of the Company. Mr. Leung is the Chairman of Asia of Citigroup Global Markets Asia Limited. He has over 22 years of experience in corporate finance involving securities origination, underwriting and placing of equities, mergers and acquisitions, corporate restructuring and reorganisation, development capital investments and other general corporate advisory activities in Hong Kong and China. He is a director of Shanghai Industrial Holdings Limited and QPL International Holdings Limited. In 1980, Mr. Leung graduated with a Master's degree in Business Administration from University of Toronto, Canada.

### 董事及高層管理人員之簡歷 (續)

#### 非執行董事

William O. GRABE ("Mr. Grabe"), 六十五歲，為本公司非執行董事。Mr. Grabe從一九九二年開始擔任General Atlantic Partners, LLC ("General Atlantic") 的合夥人，General Atlantic為一家全球性的私人投資公司。Mr. Grabe擁有紐約大學的工程學學士學位與加州大學洛杉磯分校的工商管理碩士學位。彼於加入General Atlantic之前，曾於IBM工作三十年，擁有相當豐富的全球市場銷售及推廣經驗。除作為General Atlantic的合夥人外，Mr. Grabe亦有擔任董事的公司包括Bottomline Technologies, Exact Holding N.V., FirePond Inc.等數家公眾持有的軟件公司，及其他數家私人持有的軟件及資訊科技服務公司。彼其他對外之職務包括出任為美國加州大學洛杉磯分校基金董事會及該校商學院董事會成員、全美癌症研究學院董事會成員、Outward Bound USA的理事，以及Compuware Corporation和Gartner, Inc.的董事。

#### 獨立非執行董事

梁伯韜先生，四十八歲，為本公司之獨立非執行董事。梁先生現為花旗環球金融亞洲有限公司亞洲區主席。彼在香港及中國市場之企業融資方面（包括設立證券、股份包銷及配售、收購合併、企業架構重整及重組、資金投資發展及其他一般企業顧問活動）擁有逾二十二年之經驗。彼現為上海實業控股有限公司及品質國際集團有限公司之董事。梁先生於一九八零年畢業於加拿大多倫多大學，並獲得工商管理碩士學位。

# Report of the Directors

## 董事會報告

### Biographical Details of Directors and Senior Management (cont'd)

#### Independent Non-Executive Directors (cont'd)

Prof. WU Jinglian, aged 73, is an Independent Non-Executive Director of the Company. Professor Wu is a senior research fellow at the Development Research Center of the State Council, a professor at the Graduate School of the Chinese Academy of Social Sciences and China Europe International Business School. Professor Wu graduated from Fudan University. He was previously an executive director at the Development Research Center of the State Council and a Deputy Director of the Programming Office for Economic Reform of the State Council. Professor Wu was also a visiting fellow at Yale University, a fellow at St. Antony's College of Oxford University, a chair professor at the Stanford University, and a visiting fellow at the Massachusetts Institute of Technology.

#### Senior Management

Mr. Mao Xiangqian, aged 38, is a Senior Vice President of the Group and responsible for the operation management of the general information technology products distribution business of the Group. Mr. Mao graduated in 1988 with a Master's degree in Mechanical Manufacturing Engineering from Tianjin University. He joined the Legend group in 1989 and was mainly responsible for the management of regional headquarters and distribution agent business. He has over 15 years of operation management experience in distribution agent business.

### 董事及高層管理人員之簡歷 (續)

#### 獨立非執行董事 (續)

吳敬璉教授，七十三歲，為本公司之獨立非執行董事。吳教授乃國務院發展研究中心高級研究員，並為中國社會科學院研究生院教授與中歐國際工商學院教授。吳教授畢業於復旦大學，曾任國務院發展研究中心常務幹事及國務院經濟改革方案設計辦公室副主任。吳教授曾任耶魯大學客座研究員、牛津大學聖安東尼學院評議會成員、史丹福大學講席教授以及麻省理工學院客座研究員。

#### 高層管理人員

毛向前先生，三十八歲，本集團高級副總裁，負責本集團之通用信息產品分銷業務之經營管理工作。毛先生於一九八八年畢業於天津大學之機械製造工程學系，獲碩士學位。彼於一九八九年加入聯想集團，專責各區域總部及分銷代理業務之管理工作。彼在分銷代理業務之經營管理方面擁有逾十五年之經驗。

# Report of the Directors

## 董事會報告

### Biographical Details of Directors and Senior Management (cont'd)

#### Senior Management (cont'd)

Mr. LIU Shengrui, aged 38, is a Vice President of the Group and responsible for the sales management of networking products business of the Group. Mr. Liu graduated in 1990 with a Master's degree from the Department of Mechanical and Electrical Engineering of Northern Jiaotong University. He joined the Legend group in 1990 and was mainly responsible for the management of commercial operation and sales management system. He has over 12 years of experience in the sales management and business administration of the information technology industry.

Mr. QIN Xiangjun, aged 37, is a Vice President of the Group and responsible for the management and operation of the distribution business of the Group. Mr. Qin graduated in 1987 with a Master's degree from the Department of Electronic Facilities CAD of University of Electronic Science and Technology of China. He joined the Legend group in 1990 and was mainly responsible for the management and distribution business of the regional headquarters. He has over 12 years of operation and management experience.

Mr. XIAO Fangchen, aged 57, is a Vice President of the Group and responsible for human resources, audit and platform management of the Group. He graduated in 1970 with a Bachelor's degree from the Department of Automatic Control of Beijing Institute of Technology. Mr. Xiao joined the Legend group in 1996 and was mainly responsible for sales and enterprise management. Prior to joining the Legend group, he worked in 兵器工業部 (Engineering Industry Bureau). He has extensive experience in the management and operation.

### 董事及高層管理人員之簡歷 (續)

#### 高層管理人員 (續)

劉盛荏先生，三十八歲，本集團副總裁，負責本集團之網絡產品營銷管理工作。劉先生於一九九零年畢業於北方交通大學之機械及電氣工程學系，獲碩士學位。彼於一九九零年加入聯想集團，專責管理商務運作營銷管理系統。彼在營銷管理及資訊科技企業管理方面擁有逾十二年之經驗。

秦湘軍先生，三十七歲，本集團副總裁，負責本集團分銷業務之管理及經營。秦先生於一九八七年畢業於中國電子科技大學之電子設備CAD學系，獲碩士學位。彼於一九九零年加入聯想集團，專責各區域總部之管理及分銷業務。秦先生擁有逾十二年之營運及管理經驗。

肖方晨先生，五十七歲，本集團副總裁，負責本集團之人力資源、審計及平台管理等職能。肖先生於一九七零年畢業於北京理工大學之自動控制學系，獲學士學位。彼於一九九六年加入聯想集團，專責銷售及企業管理。於加入聯想集團前，彼曾於兵器工業部工作。彼在管理及經營方面擁有豐富經驗。



# Report of the Directors

## 董事會報告

### Biographical Details of Directors and Senior Management (cont'd)

#### Senior Management (cont'd)

Mr. XIE Yun, aged 39, is a Vice President of the Group and responsible for the product development, technology application and e-commerce research development of the Group. Mr. Xie graduated in 1993 with a Doctoral degree from the Department of Electronic Engineering of Tsinghua University. He joined the Legend group in 1997 and was mainly responsible for the management of product development. Mr. Xie has over 9 years of product development management experience in communication and information technology. Prior to joining the Legend group, he worked in a multinational information technology corporation.

Mr. WANG Pingsheng, aged 52, is a Vice President of the Group and responsible for legal and regulatory matters, public relations and the management of regional headquarters' operations. Mr. Wang graduated in 1975 with a Bachelor's degree in Mechanics from Peking University. He joined the Legend group in 1990 and was mainly responsible for the human resources and training functions together with the management of back office supporting systems. He has over 11 years of experience in business administration.

Mr. WONG Chi Keung, aged 36, is the Company Secretary of the Company. Mr. Wong graduated from the University of Hong Kong with a Bachelor's degree in Social Sciences and is a fellow of the Association of Chartered Certified Accountants and an associate of the Hong Kong Society of Accountants. He has over 13 years of experience in accounting, taxation, financial management and corporate administration in Hong Kong and China. Mr. Wong joined the Legend group in 2000.

### 董事及高層管理人員之簡歷 (續)

#### 高層管理人員 (續)

謝耘先生，三十九歲，本集團副總裁，負責本集團之產品開發、技術應用及電子商務研究管理工作。謝先生於一九九三年畢業於清華大學之電子工程學系，獲博士學位。彼於一九九七年加入聯想集團，專責產品開發管理工作。謝先生在通訊和資訊科技的產品開發管理方面擁有逾九年之經驗。於加入聯想集團前，彼曾任職於一家跨國資訊科技企業。

王平生先生，五十二歲，本集團副總裁，負責本集團之法務及監管事務、公關及各區域總部在運作上的管理。王先生於一九七五年畢業於北京大學之力學系，獲學士學位。彼於一九九零年加入聯想集團，專責人事、培訓職能及後勤辦公室的管理。王先生在企業管理方面擁有逾十一年之經驗。

王自強先生，三十六歲，為本公司之公司秘書。王先生畢業於香港大學，持有社會科學學士學位，並為英國特許公認會計師公會資深會員及香港會計師公會會員。彼於香港及中國之會計、稅務、財務管理及企業行政方面擁有逾十三年之經驗，王先生於二零零零年加入聯想集團。

# Report of the Directors

## 董事會報告

### Directors' Service Agreements

Each of the Executive Directors has entered into a service agreement with the Company for an initial term of two years commencing on 21 February 2001, which shall continue unless and until terminated by either party by serving not less than three months' prior written notice or three months' salary in lieu of such notice provided that the right of termination can only be exercised by either party after the expiry of the first year of service.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming Annual General Meeting has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation (other than the statutory compensation).

### Directors' Interests in Contracts

No contract of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Share Options

Due to the adoption of Statement of Standard Accounting Practice No. 34 "Employee benefits" during the year, information relating to the Company's share option schemes are set out in note 28 to the financial statements.

### 董事之服務協議

每位執行董事均與本公司訂立一份服務協議，該協議自二零零一年二月二十一起計最初年期為兩年，及後則繼續維持有效直至任何一方發出不少於三個月之書面通知或以三個月之薪酬代替該通知予以終止，惟任何一方僅可於協議首年服務年期屆滿後方可行使該終止協議之權利。

除上文所披露者外，擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司訂立不可於一年內終止而毋須支付賠償（法定賠償除外）的服務協議。

### 董事於合約之權益

本公司或其附屬公司於年終或本年度內之任何時間，概無訂立與本集團業務有關之任何重大合約，致令本公司之任何董事獲得重大利益。

### 購股權

由於本年度採納會計實務準則第34號「員工福利」，有關本公司購股權計劃之資料載於財務報表附註28。

# Report of the Directors

## 董事會報告

### Directors' Interests in Securities

As at 31 March 2003, the interests of the directors in the equity securities of the Company as recorded in the register required to be kept by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

		Number of Shares of HK\$0.10 each of the Company 本公司每股面值港幣0.10元之股份數目		
Name	姓名	Personal Interest 個人權益	Family Interest 家族權益	Total Interest 權益總計
LI Qin	李勤	1,016,000	—	1,016,000
GUO Wei	郭為	904,000	—	904,000
ZENG Maochao	曾茂朝	808,000	60,000	868,000
LIN Yang	林楊	220,000	—	220,000
YU Lishan	于立山	48,000	—	48,000
HUA Zhinian	華祉年	80,000	—	80,000

The interests of the directors in the Company's share options are separately disclosed in note 28 to the financial statements.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations (as defined in the SDI Ordinance) and recorded in the register required to be maintained pursuant to Section 29 thereof.

### 董事之證券權益

於二零零三年三月三十一日，按本公司根據證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所記錄，董事在本公司股本證券中擁有之權益如下：

		Number of Shares of HK\$0.10 each of the Company 本公司每股面值港幣0.10元之股份數目		
		Personal Interest 個人權益	Family Interest 家族權益	Total Interest 權益總計
		1,016,000	—	1,016,000
		904,000	—	904,000
		808,000	60,000	868,000
		220,000	—	220,000
		48,000	—	48,000
		80,000	—	80,000

董事在本公司之購股權權益於財務報表附註28內獨立披露。

除上文所披露者外，董事或彼等之聯繫人士在本公司或其任何相聯法團(定義見披露權益條例)之股份或債務證券中概無持有須記錄於按第29條存置之登記冊內的任何個人、家族、公司或其他權益。

# Report of the Directors

## 董事會報告

### Directors' Rights to Acquire Shares or Debentures

Save as disclosed in note 28 to the financial statements, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Substantial Shareholders

As at 31 March 2003, according to the register of substantial shareholders required to be kept by the Company under Section 16(1) of the SDI Ordinance, the Company had been notified by the following persons that they were, directly or indirectly, or were deemed to be, interested in 10% or more in the issued share capital of the Company:

### 董事購買股份或債券之權利

除財務報表附註28所披露者外，本公司或其附屬公司於本年度內之任何時間概無訂立任何安排，致使董事或彼等之配偶或未滿十八歲之子女獲授予任何權利可藉購買本公司或任何其他法人團體之股份或債券而從中獲取利益。

### 主要股東

於二零零三年三月三十一日，按本公司根據披露權益條例第16(1)條存置之主要股東權益登記冊所記錄，本公司已接獲下列人士申報指彼等直接或間接擁有或被視為擁有本公司已發行股本10%或以上之權益：

Name	名稱	Notes 附註	Number of shares held 持有 之股份數目	Percentage of issued share capital 佔已發行股本 之百分比
Legend Holdings Limited	聯想控股有限公司	1	429,140,114	49.9753%
Employees' Shareholding Society of Legend Holdings Limited	聯想控股有限公司職工持股會	1, 2	429,140,114	49.9753%
Right Lane Limited	南明有限公司	3	139,049,042	16.1929%
GAP Coinvestment Partners II, L.P.		4	111,774,000	13.0166%
GAP (Bermuda) Limited		4	111,774,000	13.0166%
General Atlantic Partners (Bermuda), L.P.		4	111,774,000	13.0166%
General Atlantic Partners, LLC		4	111,774,000	13.0166%
GapStar, LLC		4	111,774,000	13.0166%

# Report of the Directors

## 董事會報告

### Substantial Shareholders (cont'd)

Notes:

1. The English names "Legend Holdings Limited" and "Employees' Shareholding Society of Legend Holdings Limited" are direct transliteration of their Chinese registered names.
2. Employees' Shareholding Society of Legend Holdings Limited was deemed to be interested in 429,140,114 shares of the Company under the SDI Ordinance by virtue of its interests in Legend Holdings Limited.
3. Right Lane Limited is a wholly owned subsidiary of Legend Holdings Limited. Therefore, the number of shares in which Right Lane Limited is shown as being interested is part of the shares in which Legend Holdings Limited is deemed to be interested.
4. As GAP Coinvestment Partners II, L.P., GAP (Bermuda) Limited, General Atlantic Partners (Bermuda), L.P., General Atlantic Partners, LLC and GapStar, LLC have entered into an agreement to which Section 9 of the SDI Ordinance applies, each of the aforesaid parties was therefore deemed to be interested in the aggregate 111,774,000 shares of the Company under the SDI Ordinance.

Save as disclosed above, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance disclosed no other person as having an interest of 10% or more in the issued share capital of the Company as at 31 March 2003.

### Connected Transactions

During the year, the Group had entered into the following connected transactions with the following connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")):

- (1) The Group shared certain premises in Hong Kong with its controlling shareholder's subsidiary, Legend Group (China) Limited, as office at an aggregate rental including related expenses of HK\$1,584,000 for the year.

### 主要股東 (續)

附註：

1. 英文名稱「Legend Holdings Limited」及「Employees' Shareholding Society of Legend Holdings Limited」乃直譯自註冊登記之中文名稱。
2. 由於聯想控股有限公司職工持股會持有聯想控股有限公司之權益，因此，根據披露權益條例，聯想控股有限公司職工持股會被視為擁有429,140,114股本公司股份之權益。
3. 南明有限公司為聯想控股有限公司之全資附屬公司。因此，上述所示南明有限公司擁有權益之股份數目，屬於聯想控股有限公司被視為擁有權益之股份其中一部份。
4. 由於GAP Coinvestment Partners II, L.P.、GAP (Bermuda) Limited、General Atlantic Partners (Bermuda), L.P.、General Atlantic Partners, LLC及GapStar, LLC訂立了披露權益條例第9條所涵蓋的協議，根據披露權益條例，上述各方均被視為擁有總數111,774,000股本公司股份之權益。

除上文披露者外，根據本公司按披露權益條例第16(1)條而存置之主要股東權益登記冊所披露，於二零零三年三月三十一日，並無其他人士持有本公司已發行股本10%或以上之權益。

### 關連交易

於本年度內，本集團曾與下列關連人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))進行下列關連交易：

- (1) 本集團與控股股東之附屬公司聯想集團(中國)有限公司共用位於香港之若干寫字樓物業，本年度之租金總額(包括相關費用)為港幣1,584,000元。

# Report of the Directors

## 董事會報告

### Connected Transactions (cont'd)

- (2) The Group sub-leased certain premises in the People's Republic of China from its controlling shareholder's subsidiary, Legend (Xi An) Limited, as office at an aggregate rental of HK\$740,000 for the year.
- (3) The Group leased certain properties in Hong Kong from its substantial shareholder, Right Lane Limited, as staff quarters at an aggregate rental of HK\$660,000 for the year.
- (4) The Group had from time to time sold (the "Group Sales") and purchased (the "Group Purchases") certain information technology products to and from its controlling shareholder's subsidiaries, Legend Group Limited and its subsidiaries. The Group Sales and the Group Purchases for the year amounted to HK\$4,812,000 and HK\$965,000 respectively.
- (5) The Group had from time to time purchased certain networking products (the "D-Link Purchases") from 友訊科技股份有限公司("D-Link Corporation") and its subsidiaries. D-Link Corporation previously had a 43% indirect equity interest in Digital China Networks, Ltd. ("DC Networks"), an indirect subsidiary of the Company, before it disposed the aforesaid interest during the year. Please refer to (6) below for details of the disposal. D-Link Corporation was a connected person of the Company and, therefore, the D-Link Purchases amounting to HK\$36,000 for the year constituted connected transactions of the Company.
- (6) Pursuant to an agreement dated 24 July 2002 made between D-Link Holdings Co., Ltd. ("D-Link"), a wholly-owned subsidiary of D-Link Corporation, and Digital China (BVI) Limited ("DC BVI"), a wholly-owned subsidiary of the Company, D-Link sold to DC BVI a 43% equity interest (the "Sale of Shares") in DC Networks at a consideration of US\$4,263,456.68 (equivalent to HK\$33,254,962). Before the Sale of Shares, DC Networks was 43% owned by D-Link and 56.1% owned by DC BVI. Therefore, both D-Link Corporation and D-Link were connected persons of the Company by virtue of the equity interests in DC Networks and the Sale of Shares constituted a connected transaction of the Company.

### 關連交易 (續)

- (2) 本集團向控股股東之附屬公司聯想(西安)有限公司分租位於中華人民共和國之若干寫字樓物業，本年度之租金總額為港幣740,000元。
- (3) 本集團向主要股東南明有限公司租用位於香港之若干物業作為員工宿舍，本年度之租金總額為港幣660,000元。
- (4) 本集團不時向控股股東之附屬公司聯想集團有限公司及其附屬公司銷售(「集團銷售」)及採購(「集團採購」)若干資訊科技產品，本年度之集團銷售及集團採購額分別為港幣4,812,000元及港幣965,000元。
- (5) 本集團不時向友訊科技股份有限公司(「友訊科技」)及其附屬公司採購若干網絡產品(「友訊採購」)。於友訊科技在本年度出售有關權益前，該公司曾擁有Digital China Networks, Ltd.(「DC Networks」)(本公司之間接附屬公司)之43%間接股份權益。出售之詳情請參照下文第(6)項。友訊科技為本公司之關連人士，因此，本年度為數港幣36,000元之友訊採購構成本公司之關連交易。
- (6) 根據D-Link Holdings Co., Ltd.(「D-Link」)(友訊科技之全資附屬公司)與Digital China (BVI) Limited(「DC BVI」)(本公司之全資附屬公司)於二零零二年七月二十四日訂立之協議，D-Link以代價4,263,456.68美元(相當於港幣33,254,962元)出售DC Networks 43%之股份權益予DC BVI(「股份出售」)。股份出售前，DC Networks由D-Link擁有43%權益及由DC BVI擁有56.1%權益。因此，友訊科技及D-Link由於擁有DC Networks之股份權益而屬於本公司之關連人士，而股份出售構成本公司之關連交易。

# Report of the Directors

## 董事會報告

### Connected Transactions (cont'd)

- (7) Pursuant to an agreement dated 24 July 2002 made between 神州數碼(上海)網絡有限公司(Digital China (Shanghai) Networks Limited) ("DC Shanghai") and 友訊電子(吳江)有限公司("D-Link PRC"), DC Shanghai sold to D-Link PRC networking and software products (the "Sale of Networking Products") at a consideration of RMB27,718,952.82 (equivalent to HK\$25,905,563.38). At the time of the Sale of Networking Products, DC Shanghai was an indirect wholly-owned subsidiary of DC Networks which in turn was a 56.1% owned subsidiary of the Company (as explained in (6) above). On the other hand, D-Link PRC was an indirect wholly-owned subsidiary of D-Link Corporation which was the holding company of both D-Link PRC and D-Link (the then 43% owner of DC Networks as explained in (6) above). D-Link PRC was therefore a connected person of the Company and the Sale of Networking Products constituted a connected transaction of the Company.

With the exception of (6) and (7), The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has granted, subject to certain conditions, waivers ("Waivers") to the Company from strict compliance with the requirements stipulated in Chapter 14 of the Listing Rules for the normal full disclosure and/or shareholders' approvals in respect of the above transactions. The independent non-executive directors of the Company have reviewed these connected transactions under (1) to (5) and are in the opinion that:

- (i) these connected transactions were entered into in the ordinary and usual course of business of the Group, conducted on normal commercial terms and entered into in accordance with the terms of the agreements governing such transactions or on terms no less favourable than those available to or from independent third parties;

### 關連交易(續)

- (7) 根據神州數碼(上海)網絡有限公司(「神州數碼(上海)」)與友訊電子(吳江)有限公司(「友訊中國」)於二零零二年七月二十四日訂立之協議，神州數碼(上海)以代價人民幣27,718,952.82元(相當於港幣25,905,563.38元)出售網絡及軟件產品予友訊中國(「網絡產品出售」)。於網絡產品出售時，神州數碼(上海)為DC Networks之間接全資附屬公司，而DC Networks則為本公司擁有56.1%權益之附屬公司(如上文第(6)項所解釋)。另一方面，友訊中國為友訊科技之間接全資附屬公司，而友訊科技則為友訊中國及D-Link之控股公司(如上文第(6)項所解釋，當時擁有DC Networks 43%之權益)。因此，友訊中國為本公司之關連人士，而網絡產品出售構成本公司之關連交易。

除第(6)及第(7)項外，香港聯合交易所有限公司(「聯交所」)已就上述交易有條件地豁免(「有關豁免」)本公司嚴格遵守上市規則第十四章有關正常全面披露及／或股東批准的規定。本公司之獨立非執行董事已審閱第(1)至第(5)項下之該等關連交易，並認為：

- (i) 該等關連交易乃於本集團的日常及一般業務過程中訂立，按正常商業條款進行，並根據制約該等交易的協議條款或以不遜於提供予獨立第三者或由其所提供的條款而訂立；

# Report of the Directors

## 董事會報告

### Connected Transactions (cont'd)

- (ii) the aggregate amounts of the Group Sales and the Group Purchases for the year in (4) above did not exceed HK\$46,300,000 and HK\$14,200,000 respectively; and
- (iii) the aggregate amount of the D-Link Purchases for the year in (5) above did not exceed 8% of the audited consolidated turnover of the Group for the year.

The auditors of the Company have also issued a letter to the board of directors of the Company in relation to the compliance of the conditions prescribed by the Stock Exchange in granting the Waivers in respect of the relevant transactions which are more particularly set out in the prospectus of the Company dated 23 May 2001.

For (6) and (7), details were set out in the Company's announcement dated 24 July 2002.

### Donations

Charitable donations made by the Group during the year amounted to HK\$89,007.

### Major Customers and Suppliers

The sales to the Group's five largest customers for the year ended 31 March 2003 accounted for less than 30% (2002: less than 30%) of the Group's total sales.

The purchases from the Group's largest supplier and the five largest suppliers for the year ended 31 March 2003 accounted for approximately 12% (2002: approximately 27%) and approximately 47% (2002: approximately 60%) of the Group's total purchases, respectively.

None of the directors, any of their associates or shareholders (which is to the knowledge of the directors own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's major customers or suppliers noted above.

### 關連交易 (續)

- (ii) 上文第(4)項之本年度集團銷售及集團採購之總金額分別不超過港幣46,300,000元及港幣14,200,000元；及
- (iii) 上文第(5)項之本年度友訊採購之總金額不超過本集團本年度經審核綜合營業額之8%。

本公司之核數師亦已致函本公司之董事會列明該等交易已遵守聯交所給予有關豁免所規定的條件，有關豁免的詳情載於本公司於二零零一年五月二十三日刊發之招股章程內。

就第(6)及第(7)項，有關詳情載於本公司二零零二年七月二十四日之公佈內。

### 捐款

本集團於本年度之慈善捐款合共港幣89,007元。

### 主要客戶及供應商

截至二零零三年三月三十一日止年度，本集團五大客戶之銷售額佔本集團之總銷售額少於30% (二零零二年：少於30%)。

截至二零零三年三月三十一日止年度，本集團對最大供應商及五大供應商之採購額分別佔本集團之總採購額約12% (二零零二年：約27%) 及約47% (二零零二年：約60%)。

董事、彼等各自之聯繫人士或股東 (據董事所知擁有本公司已發行股本超過5%者) 概無在上述本集團主要客戶或供應商中擁有任何實益權益。



# Report of the Directors

## 董事會報告

### Compliance with Practice Note 19 (“Practice Note 19”) of the Listing Rules

On 25 March 2002, the Company entered into a facility agreement (the “2002 Facility Agreement”) with a syndicate of banks for a 3-Year transferable loan facility of up to US\$60 million for the purpose of financing its general working capital. The 2002 Facility Agreement included a condition for Legend Holdings Limited (“LHL”), the controlling shareholder of the Company, to remain as the single largest shareholder of the Company. A breach of the condition would constitute an event of default under the 2002 Facility Agreement. Upon occurrence of an event of default, no further advances would be allowed and all amounts outstanding under the 2002 Facility Agreement would immediately become due and payable.

On 24 March 2003, the Company entered into another facility agreement (the “2003 Facility Agreement”) with a syndicate of banks (the “Syndicate”) for a 4-Year transferable loan facility of up to US\$70 million for the purpose of refinancing its indebtedness under the 2002 Facility Agreement and thereafter, financing its general working capital. The 2003 Facility Agreement included a condition to the effect that LHL, the controlling shareholder of the Company, is to beneficially hold not less than 40% of the issued share capital of the Company throughout the term of the 2003 Facility Agreement. A breach of such condition, if not remedied within 30 days after the agent of the Syndicate has given written notice to the Company, shall constitute an event of default under the 2003 Facility Agreement and, upon such occurrence, no further advances are allowed and all amounts outstanding under the 2003 Facility Agreement shall immediately become due and payable.

On 8 April 2003, the Company made the first drawdown of US\$40 million pursuant to the 2003 Facility Agreement and all of the funds so drawn were used to repay the outstanding amounts under the 2002 Facility Agreement. Accordingly, all outstanding amounts under the 2002 Facility Agreement have been fully repaid.

### 遵守上市規則第19項應用指引 （「第19項應用指引」）

於二零零二年三月二十五日，本公司與銀團簽訂一份融資協議（「二零零二年融資協議」），獲批金額最多為60,000,000美元之三年可轉讓貸款融資，用作本公司之一般營運資金。二零零二年融資協議附帶一項條件，訂明本公司之控股股東聯想控股有限公司（「聯想控股」）須繼續為本公司之單一最大股東。倘違反該條件，即構成二零零二年融資協議之違約事項。倘出現違約事項，銀團將不會再批出貸款，而二零零二年融資協議所涉及之所有未償還款項將告即時到期並須予以支付。

於二零零三年三月二十四日，本公司與銀團（「銀團」）簽訂另一份融資協議（「二零零三年融資協議」），獲批金額最多為70,000,000美元之四年可轉讓貸款融資，用作償還本公司根據二零零二年融資協議項下之欠款，及餘款撥作一般營運資金。二零零三年融資協議附帶一項條件，訂明本公司之控股股東聯想控股於二零零三年融資協議期間須一直實益擁有不少於本公司已發行股本之40%。倘違反該條件，而於銀團代理向本公司發出書面通知後三十天內未能修正有關事項，即將構成二零零三年融資協議之違約事項。倘出現該違約事項，銀團將不會再批出貸款，而二零零三年融資協議所涉及之所有未償還款項將告即時到期並須予以支付。

於二零零三年四月八日，本公司首次根據二零零三年融資協議提用40,000,000美元，所有提用之資金已用作償還二零零二年融資協議下之欠款。因此，二零零二年融資協議下之所有欠款已完全清還。

# Report of the Directors

## 董事會報告

### Compliance with Practice Note 19 (“Practice Note 19”) of the Listing Rules (cont’d)

Save as disclosed above, the directors consider that there is no general disclosure obligation under paragraphs 3.2.1, 3.3, 3.6 or 3.7.2 of Practice Note 19 as at the date of this report and undertake to comply with the continuing disclosure requirements under paragraph 3.9 of Practice Note 19.

### Purchase, Redemption or Sale of Listed Securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

### Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 March 2003.

### Code of Best Practice

So far as the directors are aware, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year, except that the non-executive and independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

### 遵守上市規則第19項應用指引（「第19項應用指引」）（續）

除上文所披露者外，董事認為，於本報告之日期並無根據第19項應用指引第3.2.1、3.3、3.6或3.7.2段下之一般披露責任，並承諾遵守第19項應用指引第3.9段下之持續披露規定。

### 購買、贖回或出售上市證券

於本年度內本公司及其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

### 審核委員會

審核委員會已與管理層共同審閱本集團所採納之會計原則及慣例，並研討有關審核、內部監控及財務申報程序等事宜，包括審閱本集團截至二零零三年三月三十一日止年度之經審核財務報表。

### 最佳應用守則

據董事所知悉，本公司於本年度內一直遵守上市規則附錄十四所載之最佳應用守則，惟本公司之非執行董事及獨立非執行董事並無指定任期，但須按照本公司之公司細則規定於本公司之股東週年大會上輪值告退及膺選連任。

# Report of the Directors

## 董事會報告

### Auditors

An ordinary resolution was passed at the last annual general meeting of the Company held on 18 July 2002 for approving the appointment of Messrs. Ernst & Young as the auditors of the Company in place of the retired auditors Messrs. PricewaterhouseCoopers.

The financial statements for the year were audited by Messrs. Ernst & Young who shall retire and, being eligible, offer themselves for re-appointment and a resolution to this effect will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

代表董事會



Chairman 主席

**LI Qin** 李勤

Hong Kong, 24 June 2003

香港，二零零三年六月二十四日

### 核數師

本公司於二零零二年七月十八日之上屆股東週年大會上通過一項普通決議案，批准委任安永會計師事務所代替退任的羅兵咸永道會計師事務所為本公司之核數師。

本年度之財務報表由安永會計師事務所審核。安永會計師事務所任期即將屆滿，惟合資格並願意膺選連任。本公司將於即將舉行之股東週年大會上提呈一項決議案，以批准續聘安永會計師事務所。