



## IBM CHINA/HONG KONG LIMITED

### Fact Sheet

#### IBM CORPORATION

- International Business Machines Corporation, headquartered in Armonk, N.Y., is a globally integrated innovation company, serving the needs of enterprises and institutions worldwide.
  - The company has 386,000 employees worldwide, and serves clients in 170 countries. (2007 year-end)
  - Revenue: \$98.8B, Net Income \$10.4B. (2007 year-end from continuing operations)
  
- IBM is aligned around a single, focused business model: innovation. IBM takes its breadth and depth of insight on issues, processes and operations across a variety of industries, and invents and applies technology to help solve its clients' most intractable business and competitive problems. IBM is:
  - The world leader in business and technology services - IBM Global Services, US\$54.1B revenue in 2007.
  - The world leader in server sales – IBM Hardware, US\$21.3B revenue in 2007.
  - The world leader in middleware and the second largest software company overall – IBM Software Group, US\$20B revenue in 2007.
  
- IBM has the largest industrial research organization in the world, with more than 3,000 scientists and engineers working at eight labs in six countries.
  - IBM invested US\$6.2 billion in R&D in 2007.
  
- IBM produces more breakthroughs than any other company:
  - In January 2008, the United States Patent and Trademark Office reported that IBM earned more patents than any other company for the fifteenth consecutive year. With 3,125, IBM remains the only company to have earned 3,000 patents in a single year and this is the sixth time it has achieved this.

## **A COMPANY BASED ON VALUES**

A set of values shared by all IBM employees:

- Dedication to every client's success
- Innovation that matters – for our company and for the world
- Trust and personal responsibility in all relationships

## **IBM CHINA/HONG KONG LIMITED MILESTONES**

- In 1957, IBM started its odyssey in Hong Kong by setting up a four-person office in Wing On Life Building, Central, to market office products including electric typewriters, time systems and electric typing calculators. Since then, IBM has been providing technology and solutions to improve efficiency and productivity for government and business, whilst transforming the quality of life for individuals and the community at large.
- In 1960, IBM expanded its business to data processing (DP) by carrying DP equipment in its product line and setting up a Service Bureau to provide DP service to customers. With the size of employee increased from six to over twenty, IBM moved its office to Shell House (now Central Tower).
- In 1961, the first IBM data processing equipment, a tabulating machine using punch cards, was installed in Pan American World Airways.
- In 1964, an IBM 1620 data processing system was installed in the Department of Civil Engineering of The University of Hong Kong.
- In 1965, The Hongkong and Shanghai Banking Corporation ordered an IBM System/360 Model 30 for its online banking operations. The system went live in March 1968, contributing to the transformation of banking in Hong Kong.
- In 1968, IBM Selectric Typewriter, or the IBM Golfball Typewriter, was introduced to Hong Kong. This correctable, inter-changeable typewriter set a new standard in office efficiency and productivity, and dominated the Hong Kong market throughout the 1970s.
- In 1970, The Standard installed IBM's Magnetic Tape Selectric Composer (MTSC). It was the territory's first fully automatic English typesetting machine for the publishing industry.

- In 1978, IBM launched System/34 in Hong Kong, drastically lowering the cost of owning a computing system from USD millions to HKD one million. The S/34 was soon embraced by manufacturers, import/export firms and other mid-sized companies.
- In 1980, IBM signed a contract with the Hong Kong Government on the installation of a System/370 Model 138 at the Inland Revenue Department. The project marked the beginning of IBM's close and continuous partnership with various government departments.
- In 1982, IBM introduced Personal Computer to Hong Kong, empowering a new generation of individual users and transforming life and business forever.
- In 1983, IBM established an International Procurement Office to manage procurement of parts and components locally, and supply shipment to IBM plants worldwide. The move not only brought business opportunities to Hong Kong and China manufacturers, but also helped them raise their quality standards.
- In 1984, IBM launched the IBM 5550 Multistation, the first personal and small business computer specifically designed to process information in Chinese.
- In 1986, IBM established the Macau branch at Nan Yue Commercial Center, Rua da Praia Grande.
- In 1992, IBM set up its first consulting group, addressing management and functional consulting opportunities. This signifies IBM's official entry into the non-IT / maintenance services business.
- In 1994, IBM Hong Kong became member of the IBM Greater China Group after IBM had consolidated management of Hong Kong, China and Taiwan to better serve IBM clients in the region. IBM was among the first MNCs that integrated the Taiwan, Hong Kong and mainland China operations into one unit.
- In 1995, IBM entered into a data center strategic outsourcing partnership with Hongkong Telecom (currently PCCW), introducing the strategic outsourcing concept to Hong Kong.
- In 1995, IBM Software Group was formed, indicating IBM's emphasis on software as the driver for the e-business transformation. The Group has grown rapidly through the decade, with the additions of employees from Lotus, Tivoli, Informix, Rational, Ascential and so on to the Hong Kong workforce.

- In 1999, IBM signed an agreement with the University of Hong Kong to establish the E-Business Technology Institute (ETI) to foster the development of e-business in Hong Kong.
- As a pioneer of e-business, IBM unveiled its e-business Roadmap for Hong Kong in 1999 and then its second chapter “Breathe New Life into Hong Kong: A Technologically Empowered Society” in 2002. These Roadmaps outlined IBM’s vision for Hong Kong and the actions Hong Kong needs to realize the vision.
- In 2002, IBM Business Consulting Services was created following the acquisition of PriceWaterhouseCoopers Consulting, merging the new organization with IBM's Business Innovation Services group.
- In 2002, IBM was recognized as a Caring Company by the Hong Kong Council of Social Service for the first time, and has since then been recognized for five consecutive years. This acknowledges IBM’s efforts in fostering a digital inclusion society, nurturing young talents, and caring for the needy in the new millennium.
- In 2005, IBM unveiled the findings of the “Hong Kong Enterprises – Grow with and into China” Study, and published the “Change. Vitality. Growth” point-of-view (PoV) paper. The PoV paper outlined the company’s vision of the transformation journey Hong Kong enterprises need to take to reap the growth opportunities in and with China, and to raise their competitiveness in the global marketplace.

#### **CLIENT SUPPORT NETWORK IN GREATER CHINA**

- In China, we have
  - 13,167 employees (2007 year-end)
  - 26 offices, with head office in Beijing and branches in Shanghai, Guangzhou, Harbin, Shenyang, Shenzhen, Nanjing, Hangzhou, Chengdu, Xian, Wuhan, Fuzhou, Chongqing, Changsha, Kunming, Urumchi, Jinan, Tianjin, Zhengzhou, Hefei, Nanchang, Nanning, Ningbo, Shijiazhuang, Taiyuan, and Suzhou
  - 4 joint ventures and 6 wholly-owned subsidiaries
  - Research & development facilities to support clients:
    - China Research Laboratory
    - China Development Laboratory
    - China Systems Center
    - China Business Innovation Center
    - SOA Solution Center
  - 4 global delivery centers in Dalian, Shanghai, Shenzhen, and Chengdu

- In Hong Kong, we have:
  - 1,131 employees (2007 year-end)
  - IBM Solution Center
  - Virtualized data centers: Quarry Bay, Shatin and Shenzhen
  - Over 40 business partners, 100 independent software vendors and 1,000 value partners
  
- In Taiwan, we have:
  - 1,733 employees (2007 year-end)
  - 6 offices, with head office in Taipei and branches in Hsinchu, Taichung, Tainan, Kaohsiung, Nankang
  - China Development Laboratory
  - Taiwan System and Technology Laboratory
  - Life Science Center of Excellence
  - SOA Innovation Center
  - An e-Center at Lingko, Taoyuan County

### **MARKETSHARE LEADERSHIP**

- Number 1 overall HK Server vendor in revenue terms in 2007, IDC
- Number 1 Non x86 UNIX Server vendor in revenue terms in 2007, IDC
- Number 1 External Storage vendor in revenue terms in 2007, IDC
- Number 1 Application Deployment and Development Software vendor in 2006\*, IDC
- Number 1 IT Services vendor in revenue terms in 2006, Gartner

\* *Markets include application deployment software, information database management software, application development software, and quality and life-cycle tools.*

### **EXTERNAL AWARDS**

- In 2006:
  - Hong Kong Council of Social Service: Caring Company
  - Inaugural award of SME's Best Partner (IT sector) by The Hong Kong Chamber of Small and Medium Business
  - e-Inclusion Campaign - Web Care Award 2006 by the Internet Professional Association
    - Excellence Award: Global Midmarket Business, Software, System Storage and System x
  - Computerworld Hong Kong Awards 2006

- Mid-level server: IBM System i
    - High-end server: IBM System z
    - Storage Management Software: IBM Tivoli Storage Manager
    - Application Server: IBM Websphere
    - Consulting and Systems Integration: IBM Business Consulting Services
  - Sing Tao IT Square Editors' Choice Award 2006
    - Collaboration and Communications Solutions Award: IBM Sametime 7.5
  - PC Market Best of I.T. Award 2006:
    - Best Enterprise Storage Solution (Software): Tivoli Storage Manager
    - Best Server System: System x
  - Hi-Tech Weekly 2006
    - The Best Business Solution Award: IBM System Storage DS Series
    - The Best Enterprise Server Award: IBM System x
  - LinuxPilot Editors' Choice 2006
    - 64-bit Server (POWER Architecture): IBM Linux on Power
    - Enterprise Collaboration Software: IBM Lotus Domino 7
  - PC 3 Platinum Brand Award 2006: System x
- In 2007:
    - Hong Kong Council of Social Service: Caring Company
    - The Best SME Partner (IT Sector) 2007 by The Hong Kong Chamber of Small and Medium Business
    - Hong Kong Leader's Choice Brand Award by MetroFinance: the Best Brand of Enterprise Solutions
    - 2007 Enterprise Project Management Professional Benchmarking Award by the Project Management Institute
    - Computerworld Hong Kong Awards 2007:
      - Large Corporate Server: System z
      - Application Server: WebSphere
      - Storage Management Software: Tivoli
      - Consulting & SI: GBS
    - Sing Tao Daily I.T. Square Editors' Choice Award 2007:
      - Collaboration and Communication Solution Award: Domino 8
    - PC Market Best of I.T. Award 2007:
      - Best Enterprise Storage Solutions (Hardware): System Storage DS
      - Best Enterprise Server System: System x
    - Hi-Tech Weekly The Best of the Best Award: System x
    - PC 3 Platinum Brand Award 2007:
      - Thin Client Solution: System x
      - Server: BladeCenter
      - Backup Solution: Tivoli

- Linux & OSS Best Solution Award 2007 by Linuxpilot:
  - 64-bit server POWER architecture: System p (Linux on POWER)
  - SME Solution Partner: Global Midmarket Business
  - Enterprise Collaboration and Communications Solution: Lotus Notes and Domino 7, Sametime 7.5
- In 2008:
  - Hong Kong Council of Social Service: Caring Company
  - Hong Kong Leader's Choice Brand Award by MetroFinance: Best Brand of IT and Business Solutions for Enterprise
  - Linux & OSS Best Solution Award 2008 by Linuxpilot:
    - 64-bit server POWER architecture: System p (Linux on POWER)
    - SME Solution Partner: General Business
    - Enterprise Collaboration and Communications Solution: Lotus Notes and Domino 8, Sametime 8.0

### **IBM AS A COMMUNITY ASSET**

- In 2007, IBM joined forces with the Hong Kong Council of Social Services (HKCSS), a non-governmental organization, to officially launch the "Innovation for the Future" stamp set which aims to raise funds for the Digital Solidarity Fund, a scheme to support the digital inclusive programs in Hong Kong.
- In 2005, the first EXITE (Exploring Interests in Technology and Engineering) Camp was hosted by IBM volunteers and supported by three leading tertiary education institutions in Hong Kong. The five-day camp aimed to inspire thirty middle school girls aged 14 to 15 to broaden their horizons in the fields of technology and engineering.
- In 2004, IBM launched World Community Grid, a global humanitarian effort that used unused computing power to create the largest public computing grid to help address the world's most difficult health and societal problems. In 2005, the University of Hong Kong became the first Asia Pacific academic institution to join World Community Grid.
- In 2004, we organized the "Christmas Food Tree" program, an expressive food donation drive to support the "People's Food Bank", a charitable service offered by St. James' Settlement to help the destitute of Hong Kong. In order to maximize the joint efforts, IBM has called on the tenants in TaiKoo Place as well as business partners, to support and contribute to this most worthy cause. IBM is honored to be the first commercial organization in Hong Kong to take the lead in urging the local community to support the "People's Food Bank".

- In 2004, we joined forces with The Hong Kong Council of Social Services and other companies in founding the Digital Solidarity Fund, with a view of building a digital inclusive society in Hong Kong.
- From 2001 onwards, we implemented the IBM KidSmart Program to provide sets of specially designed computers, KidSmart Young Explorer, bundled with related education software to nurseries or childcare centers operated by non-profit making organizations.
- In 2001, we rolled out the [egeneration@University](#) initiative and donated HK\$14 million worth of software products to the Department of Computer Science at the City University of Hong Kong for teaching and research purpose.
- In 2001, we introduced the IBM Visitorship (China) Program jointly with the University of Hong Kong, with an aim to pull together the IT expertise from the local and Mainland for technology exchange. A fund was set up under IBM's name to sponsor the living expense in Hong Kong of the successful applicants
- In 2000 and 2001, we held the “Gen-I” Program, an e-business plan design competition for university students with a view to nurturing youngsters to become e-business leaders of tomorrow.
- In 1999, IBM signed an agreement with the University of Hong Kong to establish the E-Business Technology Institute (ETI).
  - ETI aims to foster an environment where people across disciplines can work together for the community through research in e-business applications and development.
  - Focusing on Hong Kong and China, ETI develops practical e-business application solutions for specific market requirements, and conducts basic research in e-business technologies and policies
- From 1977 onwards, IBM has been supporting the Hong Kong Arts Festival, initially sponsoring the programs, and later empowering the Arts Festival's Internet site. Our objective is to promote arts and cultural activities in Hong Kong.

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