



董事長 賀端湜先生

**Chairman Mr. He Duanshi**



## 董事長報告 (續) Chairman's Statement (Continued)

致各位股東：

本人欣然提呈山東新華製藥股份有限公司（「本公司」）截至二零零零年十二月三十一日止年度報告書，敬請各位股東省覽。

### 業績與股息

本公司及其附屬公司（統稱為「本集團」）截至二零零零年十二月三十一日止年度按中國會計準則編製的營業額為人民幣1,044,073千元，較一九九九年增長9.8%；淨利潤為人民幣69,119千元，較一九九九年增長8.66%；每股盈利人民幣0.162元。

按香港普遍採納之會計原則編製的營業額為人民幣1,044,073千元，較一九九九年增長9.8%；股東應佔盈利為人民幣67,826千元，較一九九九年增長17.27%；每股盈利人民幣0.159元。

董事會建議派發二零零零年末期現金股利每股人民幣0.08元（約折合港幣0.0754元），A股含稅。此建議派發的股利已列入賬項中，有待週年股東大會審議批准。

Dear Shareholders,

I am pleased to report to you the operating results of Shandong Xinhua Pharmaceutical Company Limited (the "Company") for the year ended 31 December 2000.

### RESULTS AND DIVIDENDS

For the year ended 31 December 2000, in accordance with PRC accounting standards, the total revenue of the Company and its subsidiary (the "Group") from principal operations was RMB1,044,073,000, an increase of 9.8% from 1999. Reported profit after taxation was RMB69,119,000, increased by 8.66%, as compared to 1999 and the reported earnings per share ("EPS") was RMB0.162.

In accordance with HKGAAP, total turnover of 2000 was RMB1,044,073,000, an increase of 9.8% from 1999. Reported profit attributable to shareholders was RMB67,826,000, increased by 17.27%, as compared to 1999 and the reported EPS was RMB0.159.

The Board has proposed a final dividend for 2000 of RMB0.08 per share (approximately HK\$0.0754), including income tax for A Shares, to be paid in cash. Such proposed dividend has been provided for in the accounts of the Company and is subject to its passing at the annual general meeting for 2000 (the "AGM").



## 董事長報告 (續) Chairman's Statement (Continued)

倘於二零零一年六月二十二日舉行本公司週年股東大會上獲得批准，該股利將於二零零一年六月三十日前派發予二零零一年五月二十一日下午四時前名列本公司股東名冊的H股股東。A股股東的股權登記日、股息派發日和方式將會另行公告。

### 業務回顧

二零零零年隨着國內藥品價格政策、醫藥衛生體制改革、城鎮職工基本醫療保險制度等多項配套改革政策的進一步落實，中國藥品市場呈現出穩步增長的態勢。雖然國家以「結構調整、產業升級」為目標的措施得以實施，但多年來重複建設帶來的市場競爭依然非常激烈。本公司堅持以市場為導向，繼續實施積極的產銷  
回平衡經營策略，圍繞企業核心競爭能力提升，強化創新和管理，加強市場網絡建設，公司生產經營工作保持良性發展態勢。



Subject to shareholders' approval at the AGM to be held on 22 June 2001, the dividend will be payable on 30 June 2001 to the holders of H Shares whose names appear on the H Share Register of Members of the Company as at 4:00 p.m. on 21 May 2001. The date of registration as well as the date and method of payment of dividends in respect of the holders of A Shares will be announced later.

### REVIEW OF OPERATIONS

In 2000, the Chinese medical market kept growing steadily as a result of several policies of reform implemented in respect of medicine pricing and the medical insurance system for urban workers. Meanwhile, competition in the domestic market of the pharmaceutical industry remained intense as a result of the oversupply of industry infrastructure, although the State took various measures to restructure and upgrade the pharmaceutical industry. Under these complicated circumstances, the Company continued working to implement a vigorous strategy for balancing production, sales and payments to meet the demands of the market. Focusing on enhancing its ability to face intensifying competition, the Company strengthened its creativeness and management and devoted more effort to marketing. The Company's operations maintained a good trend of development.



## 董事長報告 (續) Chairman's Statement (Continued)

### 1. 以市場為導向，繼續實施積極的產銷回 平衡的經營策略

堅持「以銷定產，以產促銷」的經營思想，緊緊圍繞公司全年經營目標，針對不同產品採用靈活多樣的經營策略，強化生產和銷售環節的協調，加大回款清理力度，有效地控制了公司經營風險，公司銷售呈現出穩定增長的良好態勢，銷售收入

較上年增長9.8%，全年銷售額首次突破十億元人民幣。產銷率和回款率分別達到100.51%、100.13%，其中產銷率高出全國醫藥工業平均產銷率近7個百分點。年底產品庫存結構較為合理。公司經營活動產生的現金流量淨值保持了較高水平，達到人民幣167,535千元。公司生產經營工作保持了良性循環。



### 1. Vigorous strategies for balancing production, sales and payments

By implementing the operational strategies and the business goals set at the beginning of the year, by coordinating production and sales and by paying more attention to payments in order to control operational risks, the Company achieved sound sales which increased by 9.8%. In 2000, the sales of the Company reached RMB1,000

million. The rate of production to sales of the Company was 100.51%, 7% higher than the average rate of the pharmaceutical industry in the PRC, and the rate of payments to sales was 100.13%. The Company had a reasonable level of stock at the end of the year and the net increase in cash and cash equivalents from operating activities remained at a high level of RMB167,535,000. The Company continued to keep a steady cycle of production and operations.



## 董事長報告 (續) Chairman's Statement (Continued)

### 2. 增強企業核心競爭能力，強化創新和管理

加大科研開發資金投入，加快新產品研製開發，二零零零年公司共取得克拉霉素膠囊、克拉霉素顆粒劑、扑熱息痛分散片等四個新藥證書；堅持「一品一策」技術攻關，推行量化考核辦法、倒逼成本管理辦法、倒逼質量管理辦法，二零零零年吡哌酸、咖啡因、甲氧苄啶和氫化可的松等主要原料藥的技術指標均較上年度有不同程度提高，產品市場競爭能力進一步提高。

以財務管理為中心，強化成本管理、資金管理，推廣比質比價招標採購管理辦法，有效地控制了成本，節約了費用，降低了資金風險。

### 2. Enhancing core competitiveness in intensifying competition and strengthening innovation and management

In 2000, the Company obtained four certifications of new drugs, including clarithromycin in capsule and granular form and paracetamol in scattered tablet form, by means of increasing investment in scientific research and speeding up the development of new drugs. Through measures such as the technical improvement of individual methods for different products, together with the appraisal of indicators, and backward cost and quality management, the technical indicators of main bulk pharmaceuticals, such as Pipemidic Acid, Caffeine, Trimethoprim and Hydrocortisone, and the competitiveness of the Company improved.

In respect of its financial management, the Company continued to improve its management of costs and funds by inviting public tenders in respect of procurement and by comparing the prices and qualities of the tenders received. Through the abovementioned measures, the Company realised greater effective control over costs, cut expenses and reduced funding risks.

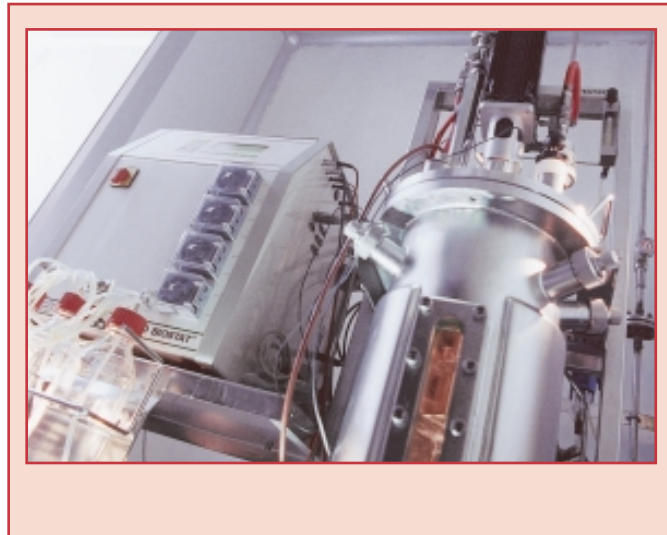




## 董事長報告 (續) Chairman's Statement (Continued)

加快硬件設施改造，嚴格軟件管理，二零零零年公司主要產品順利通過了GMP達標轉認證並獲得了國家藥品監督管理局頒發的GMP認證證書；堅持清潔生產，狠抓環境保護工作，年內順利取得ISO14001國際環保認證證書；進一步完善運行有效的質量保證體系、計量檢測體系，年內分別順利通過了ISO9001國際質量保證體系認證複查、ISO10012國際計量體系認證複查工作。同時完成13家外商對公司11個化學原料藥產品的質量審計工作，茶碱、L-350等產品順利通過美國FDA檢查。茶碱同時獲得歐洲藥典委員會頒發的適用性證書。上述工作順利完成，為公司產品進一步打開國際市場奠定了堅實基礎。

In 2000, the Company passed the examination of, and obtained GMP certificates for, its main products from the State Drug Administration by means of improvement of hardware and strict management of software. During the year, the Company also obtained ISO14001 international environment certification as a result of its effort to clean-up production and protect the environment. The re-examinations of certification of the ISO9001 international quality insurance system and the ISO10012 international measuring system were passed in 2000, whilst the quality audit for 11 kinds of bulk pharmaceuticals were carried out by 13 foreign companies. Products such as Theophylline and L-350 passed examination by the Food and Drug Administration. Theophylline also obtained its Certification of Suitability from the European Pharmacopoeia Committee. All of these occurrences have laid a solid foundation for the promotion of the Company's products on the international market.





## 董事長報告 (續) Chairman's Statement (Continued)

### 3. 加強市場網絡建設，建立起獨具特色的銷售模式

突出重點，狠抓市場網絡建設，國內原料藥銷售客戶以製劑生產企業為主體的直接「工廠對工廠」市場網絡得以發展，原料藥傳統銷售優勢得到進一步鞏固，同時突出原料藥國內銷售市場細分，代理協議戶銷售工作取得新的進展，二零零零年代理協議戶銷售額佔公司國內原料藥銷售比重約27%。

製劑營銷網絡迅速發展，逐步構築了以代理、終端以及批發、零售等多種方式相結合的營銷網絡，山東淄博新華大藥店有限公司已初具連鎖發展態勢，在原有一家藥店的基礎上，二零零零年年底新開辦了四家藥店，全年實現銷售額人民幣8,892千元，較上年增長2.52倍。

### 3. More effort in marketing to establish model of sales with the Company's characteristics

The Company has worked on the expansion of its bulk pharmaceutical factory-to-factory domestic sales network, that network being mainly composed of preparation factories, so that the Company's traditional competitive advantages in respect of bulk pharmaceuticals are further enhanced. In 2000, sales through agent agreements accounted for 27% of the sales of bulk pharmaceuticals in domestic markets due to the elaborate divisions of the markets.

The sales network of preparations of the Company developed rapidly. Wholesalers, drug stores integrated with agents and end users started to become the basis of the sales network of the Company. Shandong Zibo Xinhua Pharmacy Company Limited (the "Xinhua Pharmacy") became a chain drugstore with one existing drugstore and 4 new drugstores opened at the end of the year. The sales of the Xinhua Pharmacy reached RMB8,892,000, a 2.52 times increase as compared to the same period last year.





## 董事長報告 (續) Chairman's Statement (Continued)

國際貿易工作也取得長足發展，確立了實施多元化、全方位、深層次市場發展戰略，突出了大產品、大客戶的培植，建立了以歐美日為主體，兼有非洲、南美洲的市場網絡，並且二零零零年製劑產品出口取得了新的突破，安乃近、阿司匹林、氫化可的松等產品出口量創歷史最高水平。全年完成出口實收額43,696千美元，較上年增長10.46%。

#### 4. 適應新經濟發展，加強信息網絡建設

適應新經濟新要求，公司K3系統（財務+進銷存系統）的局域網已經建成，並投入試運行。K3系統的順利運行，將有利於公司物流與信息流的同步管理，有利於公司決策層和管理層及時有效地了解信息、及時決策。

充分利用公司INTERNET網站加強與供應商、客戶（用戶）溝通和聯繫，探索通過網上招標、詢價，優選供應商，提高原料供應質量，降低價格。利用互聯網優勢，二零零零年公司網上交易初試成功，通過網上競標獲得史可必成公司122噸咖啡因訂單。

The Company's diversified, comprehensive and multiple strategic planning has promoted the development of its international trading business. The Company focused its sales network on its main products and principal customers, particularly in its traditional markets such as Europe, USA and Japan, together with emerging markets, such as Africa and South America. In 2000, the Company made a breakthrough in the export of preparations and products, such as Analgin, Aspirin and Hydrocortisone, were up to their highest export volume ever. The cash receipts in respect of exports realised by the Company was USD43,696,000, 10.46% higher as compared to the same period last year.

#### 4. Strengthening the information network to take advantage of the development of new economy

The LAN of K3 system, being a finance and procurement-sale-stock system, has been set up and was put into trial operation. This will be beneficial for the management of the distribution of products and information and will ensure that the board and managers to learn information and make decisions in a more timely manner.

By taking advantage of its internet website, the Company enhanced its communication with suppliers and clients (end users) and began to invite bids, price inquiries and select qualified suppliers in order to improve the quality and reduce the price of raw materials. By means of the internet, the Company completed its first Internet transaction – obtaining an order for 122 tons of caffeine from Smith Kline Beecham Company via public bidding on the Internet in 2000.





## 董事長報告 (續) Chairman's Statement (Continued)

### 未來展望

二十一世紀初期，世界經濟可望進入新一輪相對平穩發展時期。今後五年到十年也是我國經濟和社會發展重要時期。「十五」期間，醫藥行業發展機遇與挑戰並存，預計五年間世界藥品市場年均遞增8%左右，國內隨著人民生活步入小康，人們保健意識增強，城市化水平提高，人口老齡化，醫保範圍擴大以及農村醫藥消費水平的提高，國內醫藥市場前景廣闊，預計「十五」期間國內醫藥工業年均增長12%，隨著我國新的醫療保險制度、藥品分類管理制度、《國家基本醫療保險藥品目錄》的進一步貫徹實施，將對藥品需求結構調整產生重大影響，一些療效確切、價格適當的國產普藥及新藥仍有較大發展潛力。但國內長期以來醫藥低水平重複建設十分嚴重，結構性矛盾相當突出，產品競爭將會異常激烈和殘酷；加入世界貿易組織後，大的跨國公司大舉進入中國市場，競爭壓力將非常大。為此，近期内本公司將着重抓好以下幾項工作：

### FUTURE PROSPECTS

At the beginning of the 21st century, the world economy seems to be entering into a relatively steady growth period. The next five to ten years will be an important period for China in respect of the development of its society and economy. There also will be many challenges and opportunities in the pharmaceutical industry in the tenth Five-year period. It is anticipated that the world pharmaceutical market will increase at the average rate of 8% annually. The domestic pharmaceutical market is expected to maintain its growth as a result of the population's greater wealth, greater healthcare awareness, the increased ageing population, the expansion of the medical care system and increased medical consumption in rural areas. It is expected that the pharmaceutical industry in China will increase by 12% annually. Following reforms in respect of the medical insurance system and the classified management of medicines and the further implementation of the state medicine directory for medical insurance, there should be significant increases in the demand for medicines. Generic drugs and some new drugs made in China with exact curative medical effects and appropriate prices will have strong development potential. However, since there has been a long period of reconstruction of the low standard of the pharmaceutical industry and structural contradiction within the industry, the competition will be abnormally intense and harsh. Following China's entry to the World Trade Organization ("WTO"), large multinational companies may rapidly enter into the domestic market and bring heavy competitive pressures. The Company has determined its major aims in the coming year as follows:



## 董事長報告 (續) Chairman's Statement (Continued)

### 1. 積極培植新的效益增長點，提升公司盈利能力

採用科技創新成果不斷改造傳統原料藥產品，加速產品技術升級，提高技術含量，走低成本擴張的路子，充分利用本公司產品的比較優勢，發揮規模競爭優勢；根據市場需求，增加品種規格，發展相關產品，促使它們各自形成系列，充份發揮系列化產品競爭優勢。

製劑普藥以結構調整為主綫，推行「保量增值，提高毛利率」發展戰略，擴大骨幹產品的銷售量，提高整體毛利率；積極探索與醫藥貿易公司合作，為製劑產品銷售開拓新的渠道。製劑新藥是公司今後發展重點，堅持「突出重點，抓好一般」經營戰略，二零零一年公司將加大資金和人力投入，大力宣傳推廣新藥百紅優，使之成為國內知名度高、效益好的名牌產品，並以此為突破口，大力推進公司品牌戰略的實施。

### 1. To improve the Company's profitability through developing new profitable resources



The Company plans to apply its scientific achievements to accelerate the upgrading of its existing bulk pharmaceutical products and to improve the scientific contents of its products. Through low-cost expansion, the Company will bring its advantages in respect of the competitiveness of its existing products and its economies of scale into full play. The Company will develop products with different specifications, new

varieties of pharmaceutical products and interrelated products to form series of products, all of which will play an important role in improving the Company's competitiveness.

Adjusting the product mix shall be the main focus in the production of generic drugs. The Company will increase the sales volume of its main products by improving its gross margin in circumstances of unchanged volume and higher sales. Through co-operation with medical trading corporations, the Company hopes to develop new sales channels for the sale of preparations. The Company will emphasize the development of new preparations. In 2001, the Company will increase the funding and sales staff for promotion and marketing of the new drug Baihongyou (百紅優) in order to make it a very well known brand of drug of high reputation and which is known to provide benefit results. The Company will also implement a strategy to ensure that its products are well-known brands.



## 董事長報告 (續) Chairman's Statement (Continued)

抓住世界性經濟大調整和加入世界貿易組織的機遇，充份利用本公司化學合成方面技術優勢，切實抓好以醫藥化工中間體為主的來料加工工作，積極培植公司新的效益增長點。

By taking advantage of the opportunities arising from changes in the world economy and China's entry into the WTO, as well as its technical advantages in chemical synthesis, the Company will continue carrying out processing on order via particular pharmaceutical intermediates for the purpose of developing new avenues for profits.

### 2. 強化兩個開發，增強企業發展後勁

### 2. To enhance development of products and market

#### (1) 強化科研開發

#### (1) To enhance development of products

加入科研開發投入，爭取到「十五」末期其佔銷售額的比重上升到8%，提高科研設備先進性，促使科研手段上一個新的台階，提高開發質量；強化產學研相結合的科研開發力度，提高新藥開發效率。

By increasing investment in research and development, the Company is aiming to increase the proportion of research and development expenses to 8% of sales by the end of the tenth Five-year period. By means of utilising the best equipment, and collaborating with colleges and institutions, the Company will improve its scientific research measures and increase the effectiveness of the development of its products.

應用現代管理方法和手段，充分調動科研人員積極性，拓寬其專業面，提升科研開發水平，從而實現加快科研創新成果向工業化轉化速度。

By adopting modern management methods and techniques, the staff's enthusiasm for research and development will be stimulated. The Company will encourage the staff to enrich their professional knowledge and improve their abilities in research and development. This will speed up the transferral of achievement in scientific research to industrial production.





## 董事長報告 (續) Chairman's Statement (Continued)

為積極培植公司新的效益增長點，加快生物、基因工程研究所建設。以亮丙瑞林（天然存在的促性腺釋放激素人工合成九肽類似物，屬生物藥品）、L-門冬酰胺酶（抗腫瘤藥物，屬基因工程藥品）等藥品研究開發為突破口，大力發展生物藥品和基因工程藥品，為公司今後發展增添後勁；加快製劑研究，強化新製劑、新劑型的開發能力，進一步提高製劑產品技術含量和附加值。

### (2) 強化市場開發

雖然本公司二零零零年銷售額首次突破人民幣十億元規模，但隨着公司生產經營工作的發展，產品銷售市場將不斷擴大，因此公司將進一步加強市場網絡建設，擴大連鎖藥店規模，同時要把加強營銷隊伍建設、加強品牌建設和採用現代先進營銷手段做為本公司下一步工作重點。

加強基礎管理，完善市場快速反應機制，不斷提高適應市場的能力，發揮公司競爭優勢，在競爭中求得進一步發展。在狠抓產品成本的降低、以成本優勢參與競爭的同時，充分發揮產品質量和銷售服務優勢，在客戶中倡導「好企業做好藥」的消費理念，樹立良好的公司品牌形象。

For the purpose of creating new avenues for profit, the Company is accelerating its construction of the biological and genetic engineering research institutes. The Company plans to develop bio-drugs and genetic engineering drugs on the basis of Leuprorelin (GnRH, bio-drug) and L-Asparaginase (anti-cancer drug, genetic engineering drug) in order to stimulate the product development of the Company. Meanwhile, the Company will further speed up research on preparations, improve the development of new preparations and existing products with different dosages and improve the technical quality and added-value of preparations.

### (2) To enhance development of market

Although the Company's sales for 2000 reached over RMB1,000 million, the market and demand of the Company's products are still expanding. The Company is putting greater emphasis on the establishment of sales networks, the education of staff in charge of sales, the promotion of brands and the adoption of modern marketing techniques.

Based on the Company's consolidated basic management, the Company's rapid reaction mechanism to meet the demands of the market will be substantially improved. By using its competitive advantages, the Company will develop further its competitiveness. Besides policies of reducing product costs and ensuring superior product and service quality, the Company is improving its sound reputation by promoting ideas of quality drugs from good enterprise.



## 董事長報告 (續) Chairman's Statement (Continued)

### 3. 抓好資本運營，加快企業發展

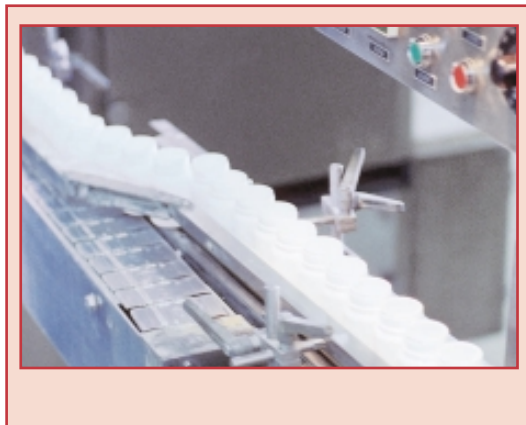
本公司A股增發工作於二零零零年八月份開始正式啓動，有關A股增發的股東大會決議已於二零零零年十二月十三日公開披露，正式申請材料正在審理之中。本次A股增發所募集資金擬投入以下項目：

- (1) 利用新技術、新工藝、新裝備對包括針劑GMP改造在內的四個項目的技術改造。該等項目的順利實施，將有利於公司進一步提高產品質量，擴大出口，從而提升公司在行業中的優勢地位；
- (2) 克拉霉素和美洛昔康等新產品投產項目。該等項目順利投產，將形成公司新的效益增長點；
- (3) 對國家級企業技術中心進行改造，將保證公司中長期技術創新和產品創新戰略的實施，有助於公司核心競爭能力的培育和長期競爭優勢的確立；

### 3. To carry out capital expansion and accelerate the development of the Company

Steps were undertaken for the new A Share Issue in August 2000. The announcement of resolutions regarding the issue of A Shares was published on 13 December 2000, and the formal application of the Company for the issue of the A Shares is currently being dealt with. The capital raised from the A Share Issue will be invested in the following items:

- (1) Technical renovation of four products, including GMP innovation of the preparation workshop utilizing new technologies and new equipment. When the projects are finished, the Company's position in the domestic pharmaceutical industry will be improved due to its improved quality of products and increased export volume.
- (2) Production of two new drugs – Chairchromycin and Meloxicam. When the projects are finished, these two products will become the new income sources for the Company.
- (3) Renovation of the State-level enterprise technical centre which will ensure the implementation of a strategy of long-term development in technology and products and assist the Company in building up core competitiveness and forming long-term competitive advantages.





## 董事長報告 (續) Chairman's Statement (Continued)

- (4) 營銷網絡建設，將有利於公司適應當前醫藥分業管理體制改革，推進重點發展製劑產品戰略和創建名牌戰略的實施。

上述項目建成達產後，可使公司銷售收入和盈利水平獲得較大提升。

#### 4. 強化基礎管理，加快管理創新

緊緊圍繞「品牌、質量、效益年」活動的開展和可持續發展戰略的實施，強化基礎管理和創新：

- (1) 總結經驗，進一步完善各項規章制度，健全包括倒逼質量管理體系、質量保證體系，環境管理體系、計量檢測體系、比質比價招標採購體系、安全管理體系等各種管理體系，加強各項管理工作，從嚴治理企業。
- (2) 繼續以財務管理為中心，突出成本管理、資金管理，強化全面預算管理，降低資金風險；堅持開展「一品一策」技術攻關活動和「雙增雙節」活動，努力降低成本，提高產品質量，積極探索獨具特色的管理模式。

- (4) Construction of sales networks which will readily enable the Company to adapt to the reforms of the department of hospital and drugstores and to implement the strategy of promoting the development of preparations and expanding the impact of the Company.

Once all the projects are finished, the turnover and net profit of the Company are expected to increase significantly.

#### 4. To speed up the development of control measures on the basis of strengthened basic management

Focusing on the activities initiated for the purpose of improving brand-name recognition, improving product quality and increasing profit, and the implementation of the strategy of sustained development in the coming year, the Company will continue to strengthen its basic management and develop new control measures:

- (1) The Company will continue improving its various rules and regulations in respect of different sectors, including its backward quality control system, quality assurance system, environment management system, measuring control system, public bidding procurement system, and safety control system.
- (2) Focusing on financial management, the management of costs, capital, financial budget and financial risk will continue. Through research of technologies of different products, and activities carried out for the purpose of increasing revenue and reducing costs, the Company is seeking to implement a unique style of management.



## 董事長報告 (續) Chairman's Statement (Continued)

- (3) 借鑑、引進先進管理方法、管理技術和管理手段，進一步提高公司對市場的應變能力，優化決策程序和管理機制。
  - (4) 抓住新經濟發展的機遇，完善信息網絡體系，提高管理效率，積極開展電子商務。
  - (5) 深化人事、勞動用工和分配等三項制度改革，實施「人才興企」戰略，完善激勵機制和約束機制，加快機制創新。
- (3) By introducing advanced management methods, techniques and measures, the Company is improving its ability to adapt to market changes and improving its decision-making and management processes and mechanisms.
  - (4) The Company is also planning to improve its information system, to improve its management efficiency and to take a greater part in E-commerce business in order to capitalise on the opportunities arising from the new economy.
  - (5) The Company will, in addition to reforms in labour and remuneration, implement strategies to vigorously recruit talented staff to improve incentive and retention mechanisms and to speed up the creation of such mechanisms.

二零零一年是新世紀開始的第一年，是公司實施「十五」規劃的第一年，董事會相信，我們有能力帶領公司全體員工，經過艱苦奮鬥，取得較好的經營業績，為全體股東創造最大的收益。

In 2001, the first year of the new century and the tenth Five-year plan, the Board has full confidence that, through the mutual effort of the staff and the Board, the Company shall be able to continue to generate sound returns for shareholders.

賀端湜  
董事長

He Duanshi  
Chairman

中國·山東·淄博  
二零零一年三月九日

Zibo, Shandong, PRC  
9 March 2001