

### 二零零一年業績

本人謹此向各位股東呈報洛陽玻璃股份有限公司(「本公司」)及其附屬公司(「本集團」)於二零零一年十二月三十一日止年度之經營業績：按照中國會計準則編製的會計報表，本集團報告年度共實現主營業務收入為人民幣817,277千元，較上年同期減少9.34%；淨利潤為人民幣9,868千元，較上年同期減少85.05%，每股盈利為人民幣0.014元。

### 業績回顧

#### 本公司在行業中的地位

本公司是世界三大浮法之一「洛陽浮法」的誕生地，擁有六條浮法玻璃生產線，是中國玻璃行業最大的浮法玻璃生產商和經銷商，在行業內具有導向作用的上市公司，二零零一年共生產1-25mm多品種、多色彩、多規格優質浮法玻璃1,161.57萬重箱，實現銷售收入817,277千元，產量、銷售額均居行業前位。

#### 主營業務的範圍及其經營狀況

本集團主要生產浮法平板玻璃及加工玻璃，其中浮法平板玻璃佔主營業務收入的95.77%，佔主營業務總利潤的98.89%，加工玻璃佔主營業務收入的4.23%，佔主營業務總利潤的1.11%。

本集團產品主要銷售地區及所佔銷售額比例為：華東地區約為11.08%，華北地區約為10.21%，華中地區約為45.60%，西北地區約為8.00%，西南地區約為16.71%，華南地區約為8.40%。

#### 主要產品

佔本公司主營業務收入及主營業務利潤10%以上的業務為浮法平板玻璃。二零零一年，本集團浮法平板玻璃的銷售收入為人民幣817,277千元，銷售成本為人民幣666,979千元，毛利率為18.39%

#### 主要供應商及客戶

報告期內，五個主要供應商佔採購額29.6%；五個主要客戶之購貨額佔本集團營業額15.89%。

### Results in 2001

I am pleased to submit the operating results of Luoyang Glass Company Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2001 to all shareholders. Under the PRC Accounting Standards, the Group recorded income from principal operations of RMB817,277,000 for the reporting year, representing a decrease of 9.34% from last year; net profit of RMB9,868,000, representing an increase of 85.05% over last year, earnings per share of RMB0.014.

### Business review

#### The Company's position in the industry

The Company is the place of origin for one of three great float glass production methods "Luoyang Float Glass". The Company has six production lines of float glass and is the largest producer and distributor of float glass in the PRC. The Company is in a leading position as a listed company within the industry. During 2001, the Company produced 11,615,700 weighted cases of 1-25 mm high quality float glass in different brands, colours and specifications. The Company achieved sales income of RMB817,277,000. The Company was in a leading position in the industry in terms of production volume and sales income.

#### Major business and operating results

The Group mainly engages in production and sale of float flat glass and reprocessed glass, of which the floating flat glass accounted for 95.77% of income from principal operations and 98.89% of principal operating profit; reprocessed glass accounted for 4.23% of income from principal operations and 1.11% of the total profit from principal operations.

The geographic area and its ratio of sale volume are as follows: Eastern China: approximately 11.08%, Northern China: approximately 10.21%, Central China approximately 45.60%, Northwestern China approximately 8.00%, Southwestern China: approximately 16.7%, Southern China: approximately 8.40%.

#### Main products

Over 10% of the income and profit from principal operations is float sheet glass. During 2001, the Group's sale income from float sheet glass was RMB817,277,000 cost of sales was RMB666,979,000 and gross profit ratio was 18.39%.

#### Major supplier and customer

During the reporting period, five largest suppliers accounted to 29.6% of the total purchases and five largest customers accounted to 15.89% of the group turnover.

# 董事長報告（續）

## Chairman's Statement (Continued)

### 業績回顧（續）

#### 存在的困難及採取的措施

二零零一年，面對玻璃行業擴張過猛，市場無序競爭，價格下跌，效益下滑的嚴峻形勢，在董事會的正確領導下，全體幹部員工以深入開展「質量年」活動為主線，認真貫徹落實「全面提高質量、創造競爭優勢；依靠科技進步、增強發展後勁；實施管理創新、提高整體實力」的工作方針，從狠抓內部管理入手，積極採取應對策略，主動克服原材料漲價、鐵路運力緊張、庫存量等諸多不利因素，在提高產品質量、優化品種規格結構、深挖內潛、降低成本、從嚴治企、增強競爭優勢等方面做了大量的工作。全年完成浮法玻璃產量1,161.57萬重箱，實現淨利潤9,868千元，一年來，主要抓了以下工作：

1、以深入開展「質量年」活動為契機，全面推進質量管理工作上臺階，增強產品市場競爭力

- (1) 強化質量意識宣傳教育，增強員工質量責任感。一是以舉辦產品實物質量展覽、組織學習質量宣講材料，使廣大員工充分認識到提高質量的重要性、緊迫性；二是先後組織生產系統的幹部多次到重點市場走訪客戶，徵求客戶意見，親身感受市場競爭壓力，了解產品質量方面的差距，為改進、提高質量提供了動力。
- (2) 以嚴格工序質量管理為重點，強化生產程序控制，不斷提高產品質量。
- (3) 以滿足市場需求為目標，精心組織生產，提高營銷服務質量。一是浮法一線經過技術攻關，開發生產了25mm超厚超大規格玻璃，在產品質量方面實現了較長期優質穩定，品種、規格上最大限度滿足了客戶需要，其中8mm以上厚板玻璃產量佔其總產量53.62%；浮法三線生產線在產品品種、規格上取得了突破性的進步；二是組織員工開展了技術比武活動，提高了員工的業務技能；三是強化銷售服務，制訂實施了《浮法玻璃銷售服務實施規範》，從售前、售中、售後全過程提出了服務標準。

### Business review (continued)

#### Existing difficulties and measures to take

During 2001, the glass industry experienced excessive expansion, orderless competition, price decline and the efficiency decrease. Confronted with such situation, the Company's staff and management, under correct leadership of the Board of Directors, carried out activities of the "year of quality", duly implemented the working guideline of "improve quality, create competitive advantage, rely on technological progress, strengthen development, carry out innovation and improve capacity", strengthened internal management, took active measures to overcome such negative factors as increasing price of raw material, intensity of rail transportation and over inventory, devoted great efforts in improving product quality, optimizing variety, sizes and specification, exploring potential, reducing cost, disciplining the enterprise and improving competitive advantage and produced 11,615,700 weighted cases of float glass during the year and recorded a net profit of RMB9,868,000. During the year, the Company mainly focused on the following:

1. Initiated by the activities of "year of quality", promote the quality management to the next level and strengthen product competitiveness

- (1) Strengthened quality awareness and education, improved staff's responsibility of quality control: Firstly, organized product exhibition, studied quality promotion material, ensured that staff are fully aware of the urgency and importance of improving quality; Secondly, organized staff in charge of production to visit major customers and asked for their opinion to experience the market pressure and learn the existing shortcomings thus motivated to improve and enhance product quality.
- (2) Focused on management of production procedure, strengthen control of production process and improve product quality
- (3) Targeted on satisfying market demand, tentatively organized production, improved marketing service: First, float glass production line No.1 of the Company ("Float Glass Line No.1") has developed 25 mm extra-thick and extra-large glass after technological renovation which resulted in long-term stability of product quality and has maximized customer's demand; thick glass of over 8 mm accounted for 53.62% of the total production volume. Float glass production line No.3 has made breakthrough in terms of product variety and specification. Secondly, the Company initiated technology competition among staff, which has enhanced business capacity of staff. Thirdly, the Company strengthened sale service, formulated "Implementation Standard of After-sale Service of float glass", which has set out standard for service before, during and after sale.

## 董事長報告（續）

### Chairman's Statement (Continued)

#### 業績回顧（續）

##### 存在的困難及採取的措施（續）

- 2、以實施一線攻關、本公司—子公司洛玻集團龍門玻璃公司（「龍玻」）超薄玻璃生產線技改工程為契機，大力推進技術進步，實現「洛陽浮法」技術新的突破創新

(1) 浮法一線三期攻關在品種、質量上取得重大突破。一是成功研製開發了25mm超厚、超大規格(4.2×12m)浮法玻璃，填補了國內空白，實現「洛陽浮法」工藝技術新的突破；二是完成了在線缺陷檢測儀的安裝調試，投入運行後收到較好效果，產品質量檢驗精度和等級符合率明顯提高；三是重視對影響產品質量穩定的基礎課題進行研究，如玻璃微缺陷研究、玻璃原料質量研究等，同時，加強崗位操作人員對「洛陽浮法」技術軟體的學習運用，逐步實現由「經驗型」操作向系統化、程序化、制度化管理轉變。截止目前，浮法一線工藝技術和產品質量已基本達到採用國外先進浮法技術的國內生產線水平。

(2) 圓滿完成龍玻超薄玻璃生產線技改工程，並已成功生產出2mm以下系列優質超薄玻璃。龍玻技改工程建設中實現多項突破，該線技術裝備水平在公司生產線中最高，工藝技術最為先進，並且是技術中心首次主要依靠自身技術力量完成的最高水平生產線設計任務，同時，工程施工組織、項目管理方面也更加規範。龍玻超薄線於九月二十三日順利點火，十月二十五日引頭子一次成功，目前已相繼生產出3mm、2mm、1.8mm、1.5mm、1.3mm、1.1mm等優質玻璃，尤其是1.5mm、1.3mm、1.1mm超薄玻璃的優質穩定生產，不僅產品填補了國內空白，而且使「洛陽浮法玻璃工藝」技術達到了一個嶄新的階段，該線的建成投產，對調整公司產品結構，提高產品技術含量和附加值，增強企業競爭能力將發揮積極作用。

#### Business review (continued)

##### Existing difficulties and measures to take (continued)

2. Prompted by the technological renovation project of super-thin glass production line of Luobo Group Longmen Glass Company, a subsidiary of the Company ("Longmen"), the Company has boosted technology progress and realized breakthrough and innovation of "Luoyang Float Sheet Glass Technology"

(1) Float Glass Line No. 1 Phase III has made significant breakthrough in terms of variety and quality. Firstly, 25 mm extra-thick and extra-large (4.2x12m) float glass was successfully developed which was the first in the country representing new breakthrough of "Luoyang Float Glass Technology"; Secondly, the monitoring equipment for existing line's shortcoming was installed and satisfactory results was achieved upon trial operation. As results, the accuracy of quality inspection and passing rate was improved significantly; Thirdly, the Company paid attention to research on those factors affecting stability of product quality, such as micro-shortcoming of glass and quality requirements on glass raw material. The Company also strengthened study and application of "Luoyang Float Sheet Glass Technology" software and gradually changed from operation based on "experience" to operation based on system, procedures and regulations. As at present, technology and quality of Float Sheet Glass Line 1 product has reached the level of the production line adopting overseas advanced floating technology.

(2) Technology renovation project of Longmen was successfully completed and super-thin glass of less than 2mm was produced. A couple of breakthrough has been made during the process. This production line was the most advanced among the Group's production lines and it was the first time for the Technology Center to complete the most advanced design task mainly on its own efforts and resources. Furthermore, project organization and management was much standard. Longmen's super-thin production line commenced production on 23 September the commencement of production of Yintouzi on 25 October was successful and concurrently produced high quality glass of 3 mm, 2 mm, 1.8 mm, 1.5 mm, 1.3 mm and 1.1mm, especially, the 1.5 mm 1.3 mm and 1.1 mm products have reached a stable production level, which not only the first in the country but also led "Luoyang Float Sheet Glass Technology" to a new stage. This production line will contribute greatly to the adjustment of product mix, improvement of technological component and added-value of product and increase of enterprise competitiveness.

# 董事長報告 (續)

## Chairman's Statement (Continued)

### 業績回顧 (續)

#### 存在的困難及採取的措施 (續)

- 3、採取多形式、多渠道，深挖內部潛力，堅持不懈地降低成本、費用
- 4、規範完善區域銷售網絡建設，實施靈活有效的營銷策略，力求效益最大化
- 5、加大督察力度，堵塞漏洞，強化管理，從嚴治企
- 6、積極推進機制創新，增強企業適應市場能力，提高整體競爭素質

### 公司財務狀況

本集團二零零一年度按中華人民共和國會計準則編製之會計報表，總資產為人民幣3,121,000千元，股東權益為人民幣1,562,584千元，長期負債為人民幣179,664千元，主營業務利潤為人民幣146,406千元，淨利潤為人民幣9,868千元，分別比上年增長/(降低) 8.029%、0.636%、925.362%、(48.621)%、(85.046)%。

上述增長/(降低)之主要原因是由於報告期內，國內玻璃行業擴張過猛，市場無序競爭，價格大幅下跌，使得本集團總資產、股東權益較去年增幅不大，而主營業務利潤及淨利潤較去年大幅減低；由於報告期內技術改造項目較多，獲得銀行貸款也較多，使得報告年度內長期負債較去年大幅增加。

### 公司投資情況

報告期內本集團投資額為人民幣208,316千元比上年的人民幣186,097千元增加11.94%，

#### (1) 募股資金使用情況

報告期內本公司未募集資金，亦無報告年度之前募集資金的使用延續到報告年度內。

- (a) 於本期內，本集團的聯營公司-中國洛陽浮法玻璃集團財務有限責任公司(「洛玻財務公司」)增加註冊資本，由人民幣100,000,000元增加到人民幣300,000,000元。本公司增加對其投資人民幣71,000,000元。

### Business review (continued)

#### Existing difficulties and measures to take (continued)

3. Adopted variety of forms and tunnels to explore internal potential and continuously reduce cost and expenses.
4. Standardized regional sale network, implement flexible and effective marketing strategy to maximize profit.
5. Strengthened supervision and management to govern the Company in a disciplined manner;
6. Tentatively promoted system innovation, strengthened capacity to cope with market change and improved competitiveness on the whole.

### The Company's financial status

Based on the Group's financial statements for the year 2001 prepared under PRC Accounting Regulations, the Group's total asset was RMB3,121,000,000, shareholders' fund was RMB1,562,584,000, total long term liabilities was RMB179,664,000, profit from principal operations was RMB146,406,000, net profit was RMB9,868,000, representing an increase/(decrease) of 8.029%, 0.636%, 925.362%, (48.621)% and (85.046)% over the previous year.

The above increase/(decrease) was mainly due to the speedy expansion of the glass industry in the PRC and the disorder market competition causing a significant decrease in prices. As a result, the total assets and shareholders' fund edged up slightly over last year and profit from principal operations and net profit plunged dramatically when compared with the previous year. As the Company has undertaken a number of technological renovation projects during the reporting period, bank borrowings had increased. Consequently, long term liabilities for the reporting period had increased when compared over last year.

### Investment of the Company

During the reporting period, the Company's total investment was RMB208,316,000, representing an increase of RMB186,097,000 or 11.94% over last year.

#### (1) Use of proceeds

There had been no use of proceeds during the reporting period nor use of the proceeds commenced before the period which has been extended to the period.

- (a) During the period, the registered capital of China Luoyang Float Glass Group Financial Company of Limited liabilities ("CLFC"), an associated company of the Group, had been increased from RMB100,000,000 to RMB300,000,000. The Company correspondingly increased its investment in CLFC by RMB71,000,000.



# 董事長報告 (續)

## Chairman's Statement (Continued)

### 公司投資情況 (續)

#### (2) 其他投資情況 (非募集資金)

- (b) 於本期內本公司與本公司之母公司及另一第三方，共同於中國河南省三門峽市渾池縣設立一條浮法玻璃生產線，名為一洛玻集團仰韶玻璃有限公司 (「仰韶」) 並已在二零零一年四月正式投產。截至二零零一年十二月三十日止，本公司已支付人民幣40,000,000元作為對該公司的註冊資本投資。

該報告期內本公司未募集資金，亦無報告年度之前募集資金的使用延續到報告年度內。

報告期內本公司的經營環境和宏觀政策未發生重大變化。

#### (3) 資本的流動性及其來源

二零零一年底本集團現金及現金等價物為人民幣137,337千元，其中美金存款為2,995千元 (二零零零年：美金3,130千元) 和港幣存款為11,868千元 (二零零零年：港幣5,252千元)，與二零零零年底的人民幣111,777千元比較，共增加了人民幣25,560千元。營業及融資活動所帶來的現金淨現金流入用來支付借款利息及投資活動的融資。

本集團在本年度的主要投資活動是龍門的生產線的冷修改造。另外本集團亦增加對洛玻集團財務公司的投資金額。投資活動現金淨現金流出為人民幣183,419千元 (二零零零年：人民幣63,665千元)。

截至二零零一年十二月三十一日，本集團總借款金額為人民幣1,039,267千元，其中人民幣6,651千元為外幣借款 (原幣為法郎6,617千元)。所有借款利率是根據經濟合作及發展組織及中國法定流動資金貸款利率所浮動。本集團並沒有訂立任何金融工具作對沖用途。截至二零零一年十二月三十一日，本集團的債務比率 (所有借款 ÷ 股東權益) 為66.5%，比二零零零年增加7.9%。

本公司估計於二零零二年將會大概有人民幣2,094千元的資本開支；主要為新建的營運大樓。

計劃中的資本開支將以營業活動所得的去支付。

### Investment of the Company (continued)

#### (2) Other investments (other than proceeds)

- (b) During the period, the Company, its holding company and another third party, had set up the production lines of float glass, namely, CLFG Yang Shao Glass Co., Ltd. ("Yang Shao"), which has commenced operation in April 2001, in Mianchi, San Men Xia, Henan, the PRC. As at 31 December 2001, the Company's total investment in this subsidiary amounted to RMB40,000,000.

During the reporting period, no use of proceeds prior to the reporting year continued to the reporting year.

During the reporting period, there has been no change of material importance of the Company's operating environment and macro policy.

#### (3) Liquidity and capital structure

The cash and cash equivalents at the end of the year amounted to RMB137,337,000, including US\$2,995,000 (2000: US\$3,310,000) and HK\$11,867,000 (2000: HK\$5,252,000), representing an increase of RMB25,660,000 compared to RMB111,777,000 in 2000. The net cash inflow from operating and financing activities are utilised to pay interest expenses of borrowings and finance investing activities.

During the year, the Longmen's production line underwent a renovation project. In addition, the Group increased its investment in CLFC. It led to a net cash outflow from investing activities of RMB183,419,000 (2000: RMB63,665,000).

As at 31 December 2001, the borrowings of the Group totalled RMB1,039,267,000 of which RMB6,651,000 (FFR6,617,000) were borrowings in foreign currency. The interest rate of borrowings were fluctuated in accordance with prevailing interest rate of the Organisation for Economic Co-operation and Development and PRC prevailing interest rate for working capital loans. The Group did not enter any financial instruments for hedging purpose. As at 31 December 2001, the gearing ratio of the Group (total interest bearing loans / shareholders' fund) was 66.5%, representing an increase of 7.9% as compared to 2000.

Capital expenditure of approximately RMB2,094,000 is expected to be incurred in 2002, which was mainly for the construction of new office building of the Company.

The Company believes that budgeted capital expenditures can be funded from cash generated from operations.

# 董事長報告（續）

## Chairman's Statement (Continued)

### 主要控股公司及參股公司的經營情況及業績

### Operations and results of major controlling companies and invested companies

#### 1、 控股公司

#### 1. Controlling companies

公司名稱 Direct Name of company	註冊資本 Registered capital	直接應佔 股權百分比 attributable equity interest %	主要業務 Principal activities	報告期內淨利潤 ／（虧損）（人民幣千元） Net profit / (loss) for the period (RMB'000)
洛玻集團龍門玻璃公司 Luobo Group Longmen Glass Company	人民幣20,000,000元 RMB 20,000,000	79.06	製造浮法平板玻璃 Manufacture of float sheet glass	(9,749)
郴州八達玻璃股份有限公司 （「八達」） Chenzhou Bada Glass Co. Ltd （“Bada”）	人民幣120,000,000元 RMB 120,000,000	52.25	製造浮法平板玻璃 Manufacture of float sheet glass	311
洛玻集團仰韶玻璃 有限公司（「仰韶」） Luoyang Glass Group YangShao Glass Co. Ltd（“Yang Shao”）	人民幣74,800,000 RMB 74,800,000	54.00	製造浮法平板玻璃 Manufacture of float sheet glass	247

#### 2、 參股公司

#### 2. Invested companies

公司名稱 Name of company	註冊資本 人民幣千元 Registered capital RMB'000	直接應佔 股權百分比 Direct attributable equity interest	主要業務 Principal activity	報告期內淨利潤 ／（虧損）（人民幣千元） Net profit / (loss) for the period (RMB'000)
洛陽晶鑫陶瓷有限公司 Luoyang Jingxin Ceramic Co. Ltd	41,945	49%	生產內牆磚 Manufacture of ceramic wall tiles	(11,303)
中國洛陽浮法玻璃集團 財務有限責任公司 China Luoyang Float Glass Group Financial Company Limited（“CLFC”）	100,000	40%	提供財務服務 Provision of financial services	8,225

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

### 二零零二年展望及工作安排

#### 1、面臨的挑戰與有利因素

- (1) 玻璃行業新一輪的重復建設，導致玻璃產能擴張過猛，國內玻璃市場將會出現較為嚴重的供過於求。同時，加入WTO後，貿易的自由化和市場的開放，企業不僅要面對國內同行的殘酷競爭，更要迎接國際大玻璃製造商的挑戰。
- (2) 隨著經濟體制的轉軌，國家實施「有進有退」的國有經濟戰略性結構調整，企業面臨著能否適應這些制度變化和結構調整的新挑戰。
- (3) 加入WTO後，世界經濟全球化趨勢進一步增強，企業現行的經營機制、管理方法、產品、技術、國際化經營能力、人員素質和思想觀念等諸多方面都面臨著能否跟上時代發展步伐、適應入世新規則的挑戰。
- (4) 面對現在和未來咄咄逼人的競爭對手，有很多計劃經濟時期形成的思想觀念、機制等深層次矛盾和問題尚未得到妥善解決，這給提高市場競爭能力、創新能力帶來一定負面影響。

但是我們也看到，我國正式加入WTO後，玻璃產品出口將增加，在很大程度上緩解國內玻璃市場無序競爭的壓力，國內城市化進程和小城鎮建設加快，加之西部大開發戰略進入實質性階段，北京申奧成功對投資的巨大拉動，建材產品需求加大，只要我們能夠抓住機遇，應對挑戰，乘勢而上，本集團就有希望在新一輪的競爭中處於有利形勢。

### Prospect for 2002 and work arrangement

#### 1 Challenges and positive factors

- (1) The new cycle of repeated production of glass industry resulted in excessive expansion of the production volume of glass industry. Domestic glass market will confront more serious over supply. Furthermore, upon entry into WTO, liberalization of trade and opening of market will put enterprises in severer competition and challenges from overseas glass manufacturers.
- (2) State government will implement strategic structural adjustment for state-owned enterprises upon transformation of economic systems. Enterprises will face new challenges of coping with these changes and adjustments.
- (3) Upon entry into WTO, globalization of world economy was enhanced. The Company will face the challenge of new rules in terms of operating system, management means, product, technology, internationalized operating capability, personnel ability and value system.
- (4) Confronted with existing and potential strong competitors, some in-depth conflicts and problems of ideas and systems formulated during the central planning era have not been resolved yet, which will bring negative impact on market competitiveness and innovation capability.

However, it is expected that upon the formal entry into WTO, export of glass products will increase, which will release the pressure arising from orderless competition in domestic glass market. The urbanization process, acceleration of towns and villages, implementation of grand development strategy of west region and success bidding of Beijing host of Olympic Game will greatly boost investment and demand for construction material. The Group will in good position in the new competition if we could grasp the opportunity.

## 董事長報告（續）

### Chairman's Statement (Continued)

#### 2、總體經營目標

產量指標：計劃1,240萬重箱。銷售收入：計劃人民幣90,000萬元。可比成本：計劃降低2%。

#### 3、擬採取的措施

- (1) 以創新精神深挖內潛，最大限度地增收節支，增強產品市場競爭力；
- (2) 以滿足市場需求、提高用戶滿意度為目標，以強化生產技術研究為重點，加強技術創新，實現優質穩產；
- (3) 加快營銷體制、機制創新，實施靈活有效的營銷策略，積極應對新一輪市場激烈競爭；
- (4) 強化培訓，造就一支適應市場經濟要求的員工隊伍，創造人才優勢；
- (5) 解放思想，更新觀念，以實施用戶滿意工程為契機，推動「崗位達標」活動向縱深發展，推進思想政治工作創新；及
- (6) 加強對控股子公司的管理：
  - 龍玻主要從完善內部基礎管理入手，加大機制創新和技術創新力度，實現長期穩定生產高質量的超薄玻璃，滿足市場需要。
  - 郴州八達股份有限公司（「八達」）做到保峴與正常生產兼顧，並爭取各項內部管理上臺階。一是在做好保峴工作的前提下，努力實現穩定生產，提高產品質量；二是切實做好冷修前的各項準備工作。

#### 2. Operating objective

Production volume target: 12,400,000 weighted cases; sale income: RMB900,000,000; comparable cost: reduced by 2%.

#### 3. Measures to take

- (1) To encourage innovation and explore potential, to maximize income and save cost, to increase market competitiveness;
- (2) To satisfy market demand and increase customers' satisfaction, to focus on technological research, to enhance technological innovation and realize high quality and stable production;
- (3) To accelerate reform of marketing system, to implement flexible and effective marketing strategy, to tentatively cope with new competition;
- (4) To enhance training and cultivate a team of staff complying with market economy, to create human resource advantage;
- (5) To open up mind and change ideas, to promote "duty objective realization" activity on basis of the project of satisfying customers, to seek innovation of political work; and
- (6) To strengthen management of major controlling subsidiaries:
  - Longmen : improve its internal management, accelerate system innovation and technological innovation, to realize long-term and stable production of high-quality extra-thin glass to satisfy market demand.
  - Chenzhou Bada Glass Co., Ltd. ("Bada"): to ensure operation of pit as well as production, to endeavor to realize stable production, to improve product quality and to take care of preparation works prior to cold maintenance.



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

- 韶坡公司以實施管理工作類比貫標為契機，完善、規範內部管理，務實管理基礎，同時，深挖內潛，繼續鞏固擴大產品成本優勢，並注意通過技術攻關解決存在的問題，提高產品質量。
- (7) 加強企業文化建設，增強員工凝聚力、向心力，同心同德，共渡難關。
- Yang Shao: to set up work model of management, to optimize and standardize internal management and management fundamentals, to explore potentials, to strengthen and maintain cost advantage, to resolve existing problems by means of technological innovation, to improve product quality.
- (7) To strengthen corporate culture, to intensify cohesion of the Company and unity of the staff to go through difficult times.

董事長  
郭曉寰

Guo Xiaohuan  
Chairman

二零零二年四月二十六日

26 April 2002