

董事長報告

CHAIRMAN'S STATEMENT



吳雲先生，公司董事長兼總經理
Mr. Wu Yun, Chairman and General Manager of the Company

致各位股東：

本人欣然提呈慶鈴汽車股份有限公司(「本公司」)及其附屬公司(「本集團」)截止二零零三年十二月三十一日的年度報告書，敬請各位股東省覽。

二零零三年，本公司沉着應對汽車市場的激烈競爭，克服各種複雜困難條件影響，繼續致力於培育獨有競爭優勢，實現全年預期目標，奠定了堅實的發展基礎。

二零零三年業績：

本公司截至二零零三年十二月三十一日止，年度的產銷量為34,531台，較上年增長5%；營業額為人民幣35.7億元，較上年增長11%；除稅後盈利為人民幣1.58億元，較上年增長7%。

DEAR SHAREHOLDERS,

I AM PLEASED TO present for your review the annual report of Qingling Motors Co., Ltd (the "Company") and its subsidiaries (the "Group") for the year ended 31st December, 2003.

In a calm response to the stiff competition in the automobile market throughout 2003, the Company dedicated itself to overcome the impacts caused by various complexities and difficulties and remained committed to developing its unique edge. Thanks to all these efforts, the Company was successful in achieving its targets for the year which in turn laid a solid foundation for future development.

2003 RESULTS:

For the year ended 31st December, 2003, the Company's production/sales volume amounted to 34,531 vehicles, representing an increase of 5% over last year. Turnover reached RMB3.57 billion, representing an increase of 11% over last year. Profit after tax was RMB158 million, representing an increase of 7% over last year.

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業績回顧

二零零三年，國內商用車市場競爭激烈。本公司堅持技術質量領先方針，順應市場發展潮流，抵禦中、低檔競爭者「模仿」產品的不規範競爭，克服「非典」疫情、長江截流斷航等給生產經營帶來的負面影響，持續培育和提升核心競爭力，經深入、細緻的工作，取得了來之不易的成果。N、T 兩系列輕型商用車實現增長，全年銷售總台數、營業額及經濟效益三項指標同步增長，保持了持續、健康的發展態勢。

一、發揮五十鈴商用車的比較優勢。N 系列車在高效、可靠的中短距離物流運輸車市場中保持了獨有的競爭優勢，銷售 22,510 台，同比增長 10%；T 系列車受相當部分對產品技術性能要求較高的的行業客戶及個體客戶青睞，銷售 10,450 台，同比增長 25%，F 系列車銷售 411 台，但主流客戶群體的基礎穩步擴大，隨國家治理整頓不規範的物流市場環境，我司優質重卡的競爭優勢將得以進一步顯現。

REVIEW OF OPERATIONS

Year 2003 saw a fierce competition in the domestic commercial automobile market. Nevertheless the Company was able to achieve hard-earned results through its strenuous and meticulous efforts, by adhering to the policy of maintaining leading positions in technology and quality and conforming to the market development trend. It also countered the unregulated competition from "imitation" products of medium-to-low end rivals, withstood the negative impact brought about by the outbreak of SARS and the closure of the Yangtze River for voyage on our production and operation, and stayed focused on nurturing and enhancing its core competitiveness. Meanwhile the N and T series of light commercial trucks registered growth for the year. Concurrent increases were recorded in total units sold, turnover and economic benefits, in that the Company maintained its momentum for ongoing and healthy development.

1. The Company fully capitalized the competitive advantage of Isuzu commercial vehicles. As a result, the N series remained as uniquely competitive as ever in the market for efficient and reliable middle to short range logistic transport vehicles, and thus recorded a sale of 22,510 vehicles, representing an increase of 10% over last year. The T series was well received by a substantial number of industry customers and individual customers who were demanding in technical performance, and thus recorded a sale of 10,450 vehicles, representing an increase of 25% over the corresponding period in last year. The F series recorded a sale of 411 vehicles, with its mainstream customer base on a steady growth. As the Government stepped up its efforts to rectify the unregulated logistics market, our competitive edge in the market for high quality pick-up and heavy-duty trucks will be enhanced.

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二、 培育提升銷售競爭能力。主要措施為：順應物流運輸業的發展，提升物流功能突出的商用車供給比重；對應主要區域經濟發展，拓展廣東、江浙、山東等東部市場，加大西部地區市場開發力度；深化分銷商的培育和直接客戶開發，拓寬企業與市場連接通道；開展大規模售後服務活動，分赴10多個省市100餘家重點用戶，上門維護、保養，開展使用技術培訓等，推動了優質商用車的銷售。

三、 持續提升商品競爭力。主要措施為：進一步提高產品技術含量和質量檔次，從商用車的可靠性、環保、節能等核心技術上，拉開與模仿產品的差別；對應市場需求，實施以己為主的產品開發，豐滿系列車型的品種、規格；從制造、採購、財務等各環節著手，控制影響成本的主要因素，努力降低產品成本。

2. The Company enhanced its sales capability. The major measures included: increasing the proportion of commercial vehicles with enhanced logistic functions in the product mix in line with the development of the logistics industry; expanding the markets in Guangdong, Jiangsu, Zhejiang, Shandong and other provinces in eastern China, and intensifying the development in the western markets in the light of the economic development in the major areas; making painstaking efforts to cultivate distributors and forge relationship with new customers directly; widening the link between the enterprise and the market; launching large-scale after sale services by offering on-site repair, maintenance and technical training to over 100 key users in more than 10 provinces and cities, thus enhancing the sale of commercial vehicles.

3. The Company raised its competitive edge of its products. The major measures were: further elevating the technology level and quality grading of the products; widening the difference between our products and the imitation products in terms of reliability, environmental protection and energy conservation; developing new products to meet market demand with full consideration given to our own conditions and thereby adding varieties and raising the specifications of vehicle series; controlling the cost factors and making strenuous efforts to reduce product costs by handling manufacturing, procurement and financial matters carefully.

四、按照五十鈴新的產品質量及管理標準，在全公司範圍內的主要制造、管理部門開展「品質向上」活動，系統、全面提升制造、品質、設備等方面的管理，深化訓練各類員工的技術、技能，以此推動制造系統的質量管理水上台階，增強企業的市場競爭能力。

4. The Company launched a company-wide campaign for “Quality Enhancement” in its major manufacturing and administrative departments in accordance with the new standards of Isuzu for product quality assurance and management. This was achieved by enhancing the management of manufacturing, quality assurance and equipment, and strengthening the training of staff members on skills and expertise. As such the quality management of the manufacturing system is elevated to an upper level, and hence the market competitiveness of the Company was enhanced.



用於全國郵政物流省陳干線營運的F系列重型車

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前景展望

在激烈市場競爭中，本公司著眼於長遠發展，從二零零一年採取各項有效措施以來，僅兩年時間，在培育自身獨有競爭優勢上已取得了明顯成效。二零零四年及未來一個時期，本公司將按既定發展方針，繼續深化各項措施，奮發努力，加速發展。

OUTLOOK

In the face of keen competition, the Company will lay its stress on long-term development. Since the adoption of various effective measures in 2001, the Company has achieved substantial results in developing its unique edge in just two years' time. Looking forward to 2004 and the foreseeable years ahead, the Company will develop itself along its established line by strengthening established measures and channeling greater efforts to speed up the pace of development.



變速箱生產線

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1、 加速培育提升營銷競爭能力，順應國家區域經濟及物流運輸業的發展，抓好直接客戶開發及分銷商培育，不斷擴展新的市場空間。

2、 進一步提升商品競爭力。對應用戶使用特徵及商品性要求，持續提高產品技術含量和商品性能；採取有效的綜合措施，努力降低產品成本。

1. Efforts will be made to accelerate our sales capability and competitive edge. The Company will cope with the economic development of different regions in the country and strive for better cultivation of distributors and stronger relationship with direct customers, for the purpose of enlarging its room for market development.

2. Efforts will be made to further enhance product competitiveness. The Company will put extra efforts to improve its technology performance and product features in line with user characteristics and business requirements. It will also adopt a wide range of effective measures to reduce the costs of production.



F系列駕駛室焊接生產線

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- 3、深入並全面開展「品質向上」活動，提升制造系統質量管理水平，推動內部各方面管理上新台階，員工隊伍素質達到新標準，增強企業綜合競爭能力。

面對未來的激烈競爭，本公司有信心把握發展機遇，聚集並釋放競爭能量，擴大市場份額，努力創造理想的經營業績。

承董事會命
吳雲
董事長

重慶，二零零四年四月二十七日

3. Efforts will be made to bring its "Quality Enhancement" campaign into full play. The Company aims at improving its quality assurance in the manufacturing system and elevating the internal management and staff quality to a new level, so as to strengthen the integrated competitiveness of the enterprise.

Despite the vigorous competition ahead, the Company is confident that it can capture its development opportunity and enlarge its market share to accomplish satisfactory operating results.

By Order of the Board
Wu Yun
Chairman

Chongqing, 27th April, 2004