

CHINA UPDATE



Volume 1 Issue 9

December 1998

It's my great pleasure to introduce the last edition of the China Update. It chronicles the milestones we have achieved, highs and lows in building a factory in China and includes some very interesting anecdotes on the lives and times of our intrepid heroes in Guangzhou.

I would like to take this opportunity of thanking everybody that was involved in the project. In particular I must send a special thank you to Kong, Brad and Tony who lived and breathed China Plant II for the last 2 years.

The fact that we completed the Project within budget, on time, and are now casting excellent quality lenses is a marvellous example of how SOLA can pool the many talents available throughout the world to achieve success.

Completion of Phase 1 is just the beginning. The China market for plastic lenses continues to grow as does demand for them in the rest of Asia and beyond.

Adrian Walker
VP/Regional
Director - Asia

SGJ's Official Opening

10-24
XFT
[Signature]



John Heine with Madam Zhao & Mr Guo of the Ya Xi Factory, Xian at the official opening of SGJ

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SOLA's Long March in China

Simon Lui



Factory Site before construction

The famous Long March in our Chinese history tells the story of SOLA's achievements in China.

We have been in China for nearly 20 years now, starting from our march from Hong Kong to Shenzhen then expanding to Guangzhou, Xi'an, Shanghai, Beijing, Wuhan, Xiamen, Chengdu and Shengyang.

We now look back out our achievements with pride and great enthusiasm. During the journey we enjoyed ourselves, had fun and success but it was not always plain sailing. We overcame setbacks and learned from this process.

The important lesson is that we continue to forge ahead in our progress into the China market.

The start-up of SGJ is the most significant milestone in our Long March. The market demand for spectacle lenses and rapid conversion of glass to plastic means that SGJ will play a vital role to bring about the change we are experiencing in our optical industry. The day will come when the China market will be full of SGJ products and consumers will consider it an honour to wear SOLA lenses. Our Long March will be sure to end with everyone's satisfaction.

Lets summon up all of our courage and energy to forge ahead and that day will just be round the corner.



SGJ factory in the early days of construction



Hugh Tedmanson inspecting the first batch of lenses from SGJ

SGJ MILE STONES

On 19th November 1995

SGJ signed an agreement for usage of land with the Foreign Economic & Trade Bureau

On 20th August 1996

SGJ held the Foundation Ceremony

In December 1996

Started piling work

In May 1997

Sent SGJ General Manager, HR Manager, Training Manager and Engineering Manager to SOUSA and OSM for training

On 27th June 1997

Started civil and M & E construction

In November 1997

Sent 8 operators, Production Manager and the Training Manager from SGJ to SOUSA, Engineering Manager and Mechanical engineer to SADC, QC Manager, Logistic Manager, Process Engineer to SOA

On 10th January 1998

Transported the imported equipment to Jiu Fo construction site

On 18th January 1998

The first technical group for installation arrived from SOUSA & SADC in Guangzhou

On 20th February 1998

Produced first batch of gaskets

On 11th March 1998

First batch of lenses casted

On 20th April 1998

Formal start of production ramp up

On 30th April 1998

More than one thousand pairs of lenses into the China Central Warehouse

On 6th June 1998

Produced first batch hard coat lenses

On 24th August 1998

Daily production - over 10,000 pieces

In August 1998

Monthly average casting yield over 90% (91.6%) for the first time

On 8th October 1998

SGJ official Opening Ceremony

Wilson Peng

SOLA Corporation Experiences

A reflection of life in China

February 15th, 1997 and it's the day for the move to Guangzhou, China. Having travelled to China with SOLA for the past 2 years I was aware of what I was about to encounter. However, for my wife, Nicole, it was a somewhat different story - a 12 month step into the unknown world called China. Hong Kong was a breeze with Nicole's quotable quote being "I don't feel like I am overseas". These words were not repeated in China!

China is the sort of place that must be experienced in order to understand it.

The Chinese culture is very different to that installed in me by my Australian upbringing. Some of the differences that slapped me in the face were:

The language - there is very little English to help you find your way around.

Lack of personal space - when you have to put 1.2 billion people into a country you can rest assured that personal space will not be a high priority

Staring - For some Chinese the sight of a foreigner is a curious affair.

Traffic - controlled chaos is the best description I can come up with. Somehow the traffic usually moves in the desired direction

Spitting - a habit that the Chinese authorities are trying to eliminate in the developed areas

Constant use of car horns - a habit the Chinese government did successfully eliminate while we were there.

All in a days work!

There was no such thing as a typical day at work! Some of the more interesting situations encountered included:

The day the contractor's off duty workers decided to drain the local lake dry in order to catch the fish! Initially they cut a "V" in the lip of the lake which resulted in water pouring into the corner of our property. It was all hands on shovels to divert the flow of water - lets see that one in a job description.

Due to the lack of attention to detail the finishes (tiles, paint, ceiling tiles) in the office area required continual rectification work. Some of the floor tiles were particularly bad and during the rectification work, the contractor had unfortunately, scrubbed off the glaze that gives the gloss finish. On suggestion that the contractor get a specialist to repolish the tiles the contractor disappeared only to return with a candle. He then proceeded to rub the candle wax into the tiles to see if this returned the gloss!

One night I stayed back late to watch the contractors finish one of their major concrete pours. This involved the use of a bug concrete pump and many metres of 12 inch pipe from the pump to the final point where the concrete had to be poured. Towards the end of the pour the workers hid behind solid columns. Not being able to ask what was happening I decided it was best that I joined the workers behind the columns. Suddenly the pipe work lifted a metre off the ground and let off a big bang. The contractor had cleared the remaining unwanted concrete out of the pipe by forcing air through the pump and the pipe!!



Brad Adrian - still smiling despite being buried under a load of paper work!!

SOLA Corporation Experiences

After Hours Fun!!

Brad Adrian

Fortunately for Nicole and I, our SOLA expat guinea pigs, Tony Linkson and his wife Kathy, had already been living in China for some months before we arrived. They had formed a good social network which made life a whole lot easier for us. The expat community in Guangzhou is relatively small but very open and friendly.

Western style pubs and eating places continue to pop up in Guangzhou. A couple of places were lucky enough to be open ready for the SOLA expats who arrived in force for the installation and commissioning period in February 98 - their intake lifted during this period!

Sport was no problem. On the weekends I had the choice of soccer, touch football, rugby union, floorball, occasionally basketball and even cricket (once!). The South China Rams Rugby

Union Club formed while we were there. Rugby Union is popular in Australia but I had never played the game.

My introduction was rapid as I went to what I thought was going to be a training session only to find myself in the starting line up for a game! Rugby is a physical game and involves plenty of contact with the opposition and the grass pitch. Having said this, the grass is an optional extra in China and the pitch that day was better described as low grit sandpaper - knee and elbow pads were a must. Never assume!

How would I summarise my experience in China in one word - "excellent".

On a professional level the work was at times very frustrating but always rewarding. The project itself was complex and interesting.

The project also involved many excellent people from within SOLA.

I have also had the pleasure of working with the very competent new SOLA China Plant II staff to successfully get the new facility up and running. On the personal front we had the opportunity to experience a very different way of life.

We have made many good friends in Guangzhou, and with thanks to the internet and my continuing travel back, we are able to keep in touch.

Finally, a big thank you to everyone who was and continues to be involved in China Plant II. The conditions under which we asked people to work were at times very difficult and we appreciate the extra effort that was required to make the project a success.

A few words from the Aussie Crew

Alan O'Leary, Tony Brooks, David Brooks, Hugh Tedmanson, Raelene Kuijpers, Peter Castle, Lindsay Harding, Jamie McClelland

SIHRC/SOA people have been involved with the China Plant II project since its inception, from the first planning meetings in 1996, to specifying, building and testing various pieces of equipment for the factory through to installation, commissioning and production ramp-up.

What were some of the highlights? Travelling to another country and experiencing a new culture, working with Wilson and his great SGJ team. Meeting people from other SOLA sites that we would normally not have the opportunity to meet and realising how much we have in common. Pulling together and overcoming problems with rain, mud and slush and plumbing lines that became overhead sprinkler systems.

Travelling to and from the factory with "Ayrton" the bus driver was also an adventure.

Experiencing the night life in Guangzhou, eating in the restaurants - chicken is easy to order by sign language. Being the centre of attention with the locals when walking the backstreets - one local Chinese fell off his bike while staring at one of the taller expats. Helping Penny from SARO cross busy roads. Sightseeing in the region on weekends at places like Hong Kong and Macau - Hugh can't remember what happened at the Hong Kong Sevens Rugby.

Thanks to everyone involved.

SOLA Corporation Experiences

January 98 in Guangzhou

- Tony Linkson

This was one of the most significant months in the whole construction process. This was when we finally started to move things into the factory and transforming it from a big concrete warehouse into a SOLA CR39 factory.

I started the month by creating a document which was responsible for the thing that I may be most remembered for:- the laboratory benches.

I am not sure what I was thinking about when I decided on the height of the benches, perhaps I spend too much time resting on bars as the benches would be about right if you were using a bar stool. Anyway the manufacturers must have just thought that these 'gweilos' are all tall so they must want really high workbenches so, unfortunately, they just made them without asking any questions!

Next on my list was getting customs clearance for equipment and things from Ireland. As it turned out, we paid the duty for everything only to discover that half the shipment was sent to Venezuela instead! No-one has yet been able to explain how this one happened but maybe the shipping person in Ireland also spends too much time resting on bars.

Moving these containers from the 'Shi pai' storage to the site before Chinese New Year was an experience. We had 15 containers to move and unpack hopefully before Chinese New Year.

The chosen location was either side of the road between the dorms and the factory. It was a

little damp and the corners were a bit tight for a fully laden 40ft truck but we were reasonably confident.

During the period, it rained a lot and the whole site became a mud pile. To unload 3 containers, it took 6 hours! Most of the time was spent using the crane to lift the trucks out of the mud. With some ingenuity, we built a half decent road with lots of stones from the quarry and finally managed to deliver the rest of the containers.

It was now New Year and our next problem at hand was moving these containers full of



equipment into the factory. Barry Dolan, Hart Ezell, and a bunch of contractors willingly worked over New Year, with a little fork lift which was continually getting stuck in the gravel/mud and the big fork lift which GPM&E were able to lend to us.

Hart was a great forklift operator and Barry came up with a great solution to get the fork lift unstuck when we had almost given up hope of moving it after only unloading 1 container.

We spent nearly 2 weeks either freezing out in the rain and mud or frying whenever the sun decided to come out.

For those involved I would like to remind you of a few things. I think our least favourite was those container loads of trolleys from Mexico. Somehow, they were fitted into boxes which were about 10mm smaller than the container openings. This meant that once you got them on a pallet trolley, they

would jam in the opening. There must have been about 50 of these boxes that we had to push and drag and shove until we could finally get them out at an angle so that the fork lift could pick them up.

The Ciat chillers were awkward and heavy.

We had to use the little fork lift as a pivot for the wire rope to allow the big fork lift to drag them out of the containers. Then because the forks were not long enough, we had to carry them with one fork lift on each side. (Sorry, I dented one of them).

After emptying all the containers, we had some more terrible jobs. The injection moulders had to go through a hole in the wall. (I couldn't bear to watch that one!). The compressors sat on the wrong side of the factory for about 3 weeks until we finally got a road built. Then once we finally got everything inside the building we had to get all of the equipment into their respective rooms. We finally did it.

We had a huge amount of help from our little band of spare contractors, as well as GPM&E coming to the rescue a number of times.

I guess most of all, thanks should go to Hart. If it wasn't for his great skills as a fork lift operator (which of course was not the job he came to do), I think that the equipment might still be sitting in those containers!!!

SOLA Corporation Experiences

My Education Plant II Start Up

Vicky Villanaeva

I enjoyed my six week stint in China. It was an educational experience that many people would never have the opportunity to enjoy. I would like to share some of my experiences with the readers.

Factory - I learned that the Chinese people work very hard at not making the same mistake twice. All new hires at SGJ go through military training that will teach them discipline and respect for others. The training includes 2 days of marching, hygiene, house-keeping, and plant regulations. This type of training could be used in the US but somehow I don't think it would go over so well.

Food - I thought I would lose some weight while in China but that was not the case. I was fed very good food in all the restaurants as well as the dorm lunches. The strangest food I ate was donkey and even that was good. Wilson was right when he said the

Chinese eat everything with four legs except chairs. Wilson didn't have to tell me twice about eating spare parts. One night I went to a Japanese restaurant that had the biggest lobster and scallops I had ever seen in my whole life. I still wonder today where they got them!

Shopping - I didn't learn anything about shopping but I did teach John Piper from SOA how to shop. He bought things he never would have shopped for.

Language - By the time I left China I had learned to count to 10 and say a few words that could get me by. I learned "bus", "do you have any questions?", "mould" and "good morning". Everyone tried to teach me more but I continued to use sign language. I found it to be a little more personable.

Weather - This was the most humid climate I have ever lived in. My clothes were stuck to me

throughout the day. Thunder and lightning was a daily show for us all. There were days that the air was so still and I prayed to have the winds of California, that when home, I would not ordinarily enjoy.

Transportation - I would meet the SOLA bus daily for our journey to the plant. The factory was an hour away. The trips were terrifying until you got used to it. Every day I would see at least 3 accidents, but we only had one.

Airport - Leaving China was the most memorable moment and educational part of my trip. As I tried to check out my visa had run out by over 2 weeks. They said I may not be able to leave the country which made me very upset. They ended up holding the plane for me, I had to pay a small fine that took an hour to process. If not for my friends from Taiwan, I would probably still be in China!!

TEAM WORK

Now that we can look back at the China Project and ask ourselves, "did we meet the challenges of such a major task?" And of course the answer has to be 'Yes'. The result of Team-work from all around the SOLA Group, SOA, SARO, ADC, SOT, SGJ, etc.

It seemed that as we progressed through the installation there were challenges that needed to be overcome and with everyone's expertise and professionalism these challenges fell to the wayside and the project proceeded to meet the common goal.

On a personal note and I think I can speak for all the fellows here at SOUSA, thank you all for your efforts. It was not only a pleasure but an honour to work with such a fine group of professionals and look forward to seeing you all again.

From the Boys at SOUSA:
Hart Ezell and the guys,
Hong Lam,
Larry Wicke,
Milton Geronimo,
Andy Tam

SOLA Corporation Experiences

SADC's China Experience

The start up of the new factory in Guangzhou was a significant milestone for SOLA for a great many reasons many of which will be highlighted by other contributors to this document. From our perspective, the involvement of so many people from all the other SOLA sites during the project was one of the most noteworthy events. Good friendships have developed between all of us.

SADC's role was to manufacture and install the curing ovens, the monomer mixing line and the stock lens packaging equipment in Plant II.

The people in SADC took a great interest in the China project. One of the first things we did was to put a notice up on the board asking for volunteers to travel to China to support the project. We were amazed with the response! Up to sixty people from the various departments had offered their services.

The most memorable part of the project for us was the installation work on site in China and the training programs provided in China and Ireland. This was no ordinary project, it was an adventure. It was a great challenge. The cultural diversity was enlightening and through this project we were more adept at cross cultural communication and interaction. A wise man once said that we do not negate or reject our own culture by learning about someone else's.

As things turned out, the biggest challenge we faced was getting the equipment unloaded from fifteen forty foot containers and moving it into the factory as Tony has so vividly described earlier.

It wasn't all hard work, we enjoyed many good Chinese

restaurants and the excellent hospitality of our Chinese hosts. After sampling the Chinese hotpot, Irish stew will never be the same again for the Irish contingent!! The favourite pastime of the Irish lads after eating, drinking and watching football on satellite TV was walking the length and breadth of Guangzhou at weekends taking in the sights and looking for bargains.

Pat Dooley, one of the more experienced, hardworking and well travelled Irish lads was also determined to teach the ancient Gaelic game of hurling to some of the local Chinese workmen. He even managed to persuade a local carpenter to manufacture the traditional wooden hurling stick, however, I think that it's fair to say that the Chinese lads were not terribly impressed and that hurling will never really match the popularity of table tennis in China! Pat then threatened to inflict the game on the Australian contingent, however he changed his mind fairly quickly when he remembered what they did to the Gaelic football.

All the Irish contingent, namely Pat Dooley, Tom Hayes, Brian Flaherty, Noel Kelly and Sean Myler really enjoyed the experience of working in China with such a multicultural team and Pat and Brian did not take too much persuasion to pay a return visit in June of this year.

We at SADC would like to extend our very best wishes for the future to our many friends in SOLA China. We were very happy to be involved with the development and initial start up of SOLA China and will always maintain a very close interest in the future development of the company.

From: Barry Dolan and team of SADC



John Heine with Adrian Walker & other SOLA members awaiting the official opening

A JOB WELL DONE, TEAM MEMBERS!

Hye Kong Ng

It has been my privilege to serve with so many good people on this project. As a new comer to SOLA, there were so many things I needed to learn in so short a time in order to be an effective participant. Thankfully, the ease of communication and the readiness to share, a hallmark of SOLA culture, enabled me to find many willing teachers. A detailed acknowledgment will contain a long list of names, so I'll be brief: I am grateful to all you guys who have helped me and the project in one way or another.

At the risk of being immodest, I believe that the project has been successful by most measures. I think many things were responsible for its success. Life is full of adversities, and the well known Murphy's Law (note to my Asian colleagues; Murphy's Law states that "Whatever can go wrong, will go wrong.") is always lurking around ready to strike. Tony Linkson's stories graphically demonstrate that. I believe that the key attributes which helped us overcome adversities at all times were team work and our firm commitment to our goal.

Our goal was to cast the first lens on 2nd March 98. This goal was set nearly one year before that. We gave ourselves some float time, not a lot, but it looked like a workable plan. In real life, we had to keep on adjusting our plan in order to meet our goal. The last six weeks before we cast the first lens were the most intense. Brad and Tony had put together a plan based on everything going right. We were very optimistic before the Chinese New Year, because the building contractors were going great.

Then, just two weeks before Chinese New Year, we saw the building workers packing up their belongings and leaving, to join the rush at the train station, where tens of thousands of people milled around everyday waiting to get a ticket or to get on a home-bound train. Our site which was full of hustle and bustle became almost eerily quiet. A contingency plan was quickly drawn up, because nothing was going to plan by this time. Through sheer guts and determination, and coordinated by a "command post" consisting of Wilson Peng, Brad Adrian and myself, our heroes achieved their daily goals laid down by the ever-changing contingency plan. Still some things could not overcome, the rain and the boggy grounds around the factory building! I finally had to relent and changed the goal post - we ended up casting the first lenses on 10th March 98, opening them the next day.

The team had its ups and downs. The pressure of meeting a tight goal did cause tension to arise from time to time and tough working conditions - cold,

wet, muddy, windy. The team's great spirit, and the common goal, the mutual respect between members helped us hang in there together.

I believe the conditions were toughest on many of the local people. I apologised before and I apologise again, for making you guys suffer. I had made the decision to shift into the nearly finished dormitory, occupying one floor as our temporary office. This was going to last for one month. In the end, the temporary office lasted almost six months. The cooking staff worked with the bare minimum, preparing hundreds of meals each day, in what was designed to be a laundry room!

My friends, you must know magic, to be able to produce such culinary delights in such poor conditions. I certainly looked forward to meal times.

We had our ups and downs with the contractors and the consultants too. But we didn't come to blows, although at times temper ran high with some individuals. Without them and their cooperation we would not have done it. Thanks to Maoming, GPM&E, JRP, Paradigm and the other contractors.

The officials of the Jiufu, Baiyun and Guangzhou governments were very helpful to us throughout the project. Particular thanks must be given to the following persons - Mr He Can Xin, Jiufu Township Government, Mr Ma Zhen Hwa, Jiufu Township Government, Mr He Zhen Mei, Jiufu Township Government, Mr Ma Xin Min, Jiufu Township Government, Mr Zhen Yao Guang, Baiyun District Government, Ms Zhen Yi Lin, Baiyun District Government, Mr Zhen Cong, Baiyun District Government, Mr Zheng Jian Hwa, Baiyun District Government, Mr Wei Guang Xian, Baiyun District Government, Mr Zhang Wei Cheng, Baiyun District Government, Mr Li Jun Qiang, Baiyun District Government, Mr Zeng Jian Wei, Baiyun District Government, Mr Zhen Kai Zhi, Guangzhou Municipal Government.

This final edition of China Update for the Plant II project is an opportunity for all team members to take a "curtain call", like at the end of a show. I thank all the team members who have contributed to this edition, and symbolically, taking the curtain call for themselves and the people they led. I shall take the curtain call on behalf of my colleagues in SOLA Taiwan, notably George Huang, Richard Hung, Sophia Chien, John Jan, May Lin, Lu Mei Lan, as well as Teresa Huang who has since left SOLA.

I wish to take this opportunity to wish all our readers a very Merry Christmas and a Happy New Year.