

# Chairman's Statement

## 主席報告書

On behalf of the Board of Directors of United Metals Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, "United Metals" or the "Group") for the year ended 31st December, 2006.

In 2006, demand worldwide for top quality metal die casting components grew at a steady rate. With globalization leading to a general shift towards the People's Republic of China (the "PRC") as the manufacturing base for the world and production of the automotive industry increasing, the PRC metal die casting industry is expected to see continued robust growth. The market potential for this industry is further heightened when the increasingly important weight-reducing characteristics of die casting automotive parts is coupled with the expected growth of automobile production worldwide. By continuing to implement stringent cost-control measures, reducing raw material wastage and increasing orders from existing clientele, as well as shifting part of the increase in raw material cost to clients, the Group, a globally renowned, PRC-based die caster, leveraged on its immense industry experience and expertise to increase turnover by an impressive 30.1% to HK\$242,831,000 from HK\$186,621,000 in 2005.

During the year under review, the Group endeavored greatly to increase manufacturing efficiency through a two-pronged approach of exploring new business opportunities and implementing a variety of cost-control measures. The increase in customer orders and further streamlined operations that resulted led net profit to jump to HK\$13,416,000, representing a year-on-year increase of 29.9%, and earnings per share to improve from HK4.7 cents in 2005 to HK6.1 cents in 2006.

To further enhance competitiveness, the Group's underlying aim is to strengthen its vertically integrated servicing capability, especially with regard to its spraying automation, vacuum and pressurized die casting technologies. As such, it has and will continue to devote extensive resources towards upgrading its production capacities and making technological breakthroughs. United Metals also has plans in place to satisfy the growing demand for automotive, IT, telecommunication and electronics devices. Besides, the Group is currently constructing new production facilities in Shanghai for the provision of automotive parts die casting services. The new facility was expected to be completed in the first half of 2006, however, the schedule will be postponed as a result of the dispute with the contractor. The Group is in the view that the dispute will be solved through legal action and the facilities will expect to commence operations in 2007. The new facilities will not only further boost the

本人謹代表科鑄技術集團有限公司(「本公司」)董事會欣然提呈本公司及其附屬公司(統稱「科鑄」或「本集團」)截至二零零六年十二月三十一日止年度之年度業績。

於二零零六年，全球對高質素壓鑄部件之需求穩定增長。全球化令中華人民共和國(「中國」)逐步成為全球生產基地，加上汽車業產量上升，預期中國壓鑄業將高速增長。壓鑄汽車部件之輕量化特點日益重要，且全球汽車產量預期增長，進一步加強此行業之市場潛力。集團透過繼續實施嚴格成本控制措施、減少原料損耗、增加現有客戶訂單以及將原材料成本部分之加幅轉嫁予客戶，身為世界知名中國壓鑄公司之本集團將憑藉其豐富行業經驗及專業知識，將營業額自二零零五年之港幣186,621,000元增加30.1%至港幣242,831,000元。

於回顧年內，本集團雙管齊下，致力透過開拓新商機及實施多項成本控制措施增加生產效率。客戶訂單增加以及進一步精簡業務，使溢利淨額躍升至港幣13,416,000元，較去年增加29.9%，而每股盈利亦由二零零五年之港幣4.7仙增至二零零六年之港幣6.1仙。

為進一步加強競爭力，本集團已訂下目標，強化縱向整合服務之能力，特別是自動化噴油、真空及加壓壓鑄技術。因此，本集團已經及將會繼續投放豐富資源加強其產能及作出科技突破。科鑄亦正計劃應付汽車、資訊科技、電訊及電子工具行業日漸殷切之需求。此外，本集團現正於上海興建新生產設施，以提供汽車部件壓鑄服務。新設施預期將於二零零六年上半年落成，然而，由於與承包商發生糾紛，本集團將推遲有關計劃。本集團認為，糾紛將透過法律行動解決，該等設施預期將於二零零七年投入運作。新設施將會進一步提升本集團作為首屈一指大規模壓鑄公司

Group's recognition worldwide as a large-scale, quality die caster but enable United Metals to better cater to the needs of customers in the automotive industry, a key industry in the PRC and for the Group over the coming years.

Thanks to the Group's healthy financial position, United Metals is fully prepared for the bright future in the PRC metal die casting industry despite continued high raw material prices expected in the coming years. By diversifying into new product lines, the Group will continue to explore business opportunities with new customers. In addition, United Metals is dedicated to utilizing the newest die-casting technology so as to further reduce cost, enhance production capacity and achieve optimization. By leveraging on its solid foundation and long-standing reputation in the industry, as well as its customer base which showcases a host of long-term business relationships, the Group is confident of overcoming the challenges ahead through providing diversified services and products with superior quality to its valued customers.

The Group's impressive success to date has been undoubtedly down to its supportive shareholders, dedicated staff, loyal customers and trusted suppliers. On behalf of United Metals, I would like to express my deepest gratitude to all stakeholders in particular for their invaluable contribution to the continued advancement of the business.

**Tsang Chiu Wai**

*Chairman*

Hong Kong, 13th April, 2007

於全球之認受性，同時使科鑄更切合汽車業客戶之需求。汽車業於未來數年將仍屬中國及本集團之核心行業。

儘管原材料價格預料於未來數年持續高企，憑藉本集團穩健財政狀況，科鑄已為中國壓鑄業之光明前景作好準備。透過分工至新生產線，本集團將繼續開拓與新客戶有關之商機。此外，科鑄致力充份利用最新壓鑄技術以進一步減低成本、提高產能及完善運作模式。憑著其堅實基礎、業內悠久聲譽及擁有長遠合作關係之客戶基礎，本集團深信，透過向重要客戶提供多元化業務及高質素產品，本集團定能克服各項挑戰。

本集團至今之成就，全賴一直鼎力支持之股東、努力不懈之員工、忠誠之客戶及可靠之供應商。本人謹代表科鑄向全體股東對業務持續成功所作之寶貴貢獻致以衷心謝意。

**曾昭偉**

*主席*

香港，二零零七年四月十三日

**“United Metals — Solidify its position  
as a World Class Company  
科鑄 — 鞏固其世界級公司之地位”**