

CHAIRMAN'S STATEMENT

主席報告

With the implementation of the supply side structural reform by the PRC government, the large-scale enterprises in the Mainland are encouraged to proactively develop hi-end products, replace and purchase equipment for capacity expansion and optimize the supply chain selection. Such measures improve the operating environment of the industrial sector in the Mainland, and result in demand for good quality and excellent performance industrial products. The Company and its subsidiaries (collectively the "Group") and members of the Group benefit from this opportunity. Overall, the sales revenue of the Group increased approximately 12% as compared to that of last year.

Despite the market upturn, the operation of the Group needs to come across several unfavorable factors, for example the increase in price of raw materials, fluctuations in currencies, difficulties in operation for the small-to-medium enterprises customers as well as the challenges of destructive impact caused by Typhoon "Hato" on the Zhuhai production plant. However, the Group's performance improved and resumed on the track of profit-making through the hard work and contribution of our staff, together with the benefits from the reform and implementation of optimization measures in organization structure, supply chain, inventory and accounts receivable management in last year. The Group's result also includes certain non-recurring income from the reversal in view of the progress of restructuring exercise.

Looking ahead to the new year, under the "strong manufacturing nation" strategy from the "Made in China 2025" policy put forward by the PRC government, it is expected that the industrial operating environment in the Mainland will continue to improve. The support to the development of strategic emerging industries and the promotion of transformation and upgrade of traditional competitive industries by the "Thirteenth Five-Year" plan on technological innovations across the country, together with the plan on Guangdong-Hong Kong-Macao Greater Bay Area, are expected to further improve the business and investment environment in Guangdong and Hong Kong and also create new

隨著國家對供給側結構性改革的實施，促使內地規模企業積極把產品向高端化發展，更新和添置設備以擴充產能，及對供應鏈進行擇優篩選，這些舉措令內地工業經營環境得到改善，且為品質優良、性能卓越的工業產品與服務帶來需求。本公司及其附屬公司（統稱「本集團」）及成員公司受惠於此機遇，總體銷售金額有所增長，與去年同比上升約12%。

儘管市場轉好，然而集團營運層面仍需面對原材料價格上漲、貨幣匯率波動、內地中小企業客戶經營仍然相當困難等不利因素和颱風「天鴿」對珠海生產基地造成破壞帶來的挑戰。感謝集團全人不懈的努力和付出，亦受惠於集團於上年度在組織架構、供應鏈、庫存、應收賬等方面所推行的改革和優化措施，以及有若干因應重組業務進度而回撥之非經常性收入，集團業績因此而有所改善，重踏盈利之軌道。

展望新的一年，在國家提出《中國製造2025》實施「製造強國」戰略下，內地工業經營環境預期將會持續改善。各省市的科技創新「十三·五」規劃對戰略性新興產業發展的支持和對傳統優勢產業轉型升級的推動，加上粵港澳大灣區的規劃將進一步利好粵港營商和投資環境，料會為市場帶來機遇。綜合各種宏觀情況，估計嶄新科技將陸續湧現，導致傳統營運模式、產品和服務不斷推陳出新，市場充滿各種商機和挑戰。對此，集團將繼續投資包括資訊科技的研發和創新工



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business opportunities for the market. Considering the overall macro situation, it is expected that innovative technologies will continue to emerge, resulting in advancements in the traditional operating models, products and services. The market will be filled with various business opportunities and challenges. The Group will continue to invest in research and development and innovation works of which include information technology, and strive to launch quality products with excellent performance to meet the demand of new markets. The Group will also apply new information and manufacturing technologies to optimize the automation, intelligence and information management of the internal production processes, with an aim to improve product and service quality and at the same time effectively control production and management costs. This will enhance the returns to our investors.

It is anticipated that the global economy will continue to recover with a slow pace. Nevertheless, there are several uncertainties in the business environment including the trade conflicts as a result of the unpredictable US-Sino relationship, the fluctuations of currencies and exchange rates and the upward trend of corporates' borrowing costs. Moreover, the Mainland is implementing new environmental policies which are more stringent than those of the developed industrial countries in recent years. This has impact on the traditional industries, especially the small-to-medium enterprises, which require close observation of its respective effect. Overall speaking, while the Group is prudently optimistic to the business performance in the coming years, it remains highly alert to changes in the markets and is ready to respond as appropriate. The Group will continue to manage and react to possible risks with the principle of prudent financial management.

I would like to take this opportunity to thank all of our shareholders, business partners, bankers, suppliers and customers for their continuous support to the Group. I would also like to express my sincere gratitude to the directors, the management team and all staff for their dedication and commitment in contributing to the Group.

Tang To
Chairman

Hong Kong, 8 March 2018

作，力求不斷推出卓越性能的優異產品，以應對新的市場需求，並會更積極應用新的訊息和生產技術，以優化企業內部生產流程的自動化、智慧和訊息管理，務求提升產品及服務質量的同時，更能有效地控制生產成本和管理費用，為投資者帶來更佳的回報。

預計來年國際經濟仍會繼續緩步復甦，然而，因難料的中美關係而引起的貿易磨擦；國際貨幣匯率頻繁的波動，企業借貸成本處於調升的態勢，令營商環境仍將存在不少的變數。此外，國家近年推行比國際先進工業國還要嚴苛的環保政策，勢對傳統工業尤其是中小企業帶來衝擊，其效應尤需高度關注。總括來說，集團對來年的經營狀況抱持審慎樂觀的同時，對市場變化仍維持高度警惕，以便適時應對。集團會繼續以穩健審慎的理財原則以管理及應對可能出現的風險。

本人藉此機會向全體股東、業務合作夥伴、業務往來銀行、供應商與客戶對本集團的擁戴支持，深表謝意。向董事仝人、管理層及全體同事為本集團所作出之努力及貢獻，致以誠摯的感謝。

主席
鄧燾

香港，二零一八年三月八日