

CHAIRMAN'S STATEMENT



"A journey of a thousand miles begins with a single step."

- Lao-tze

Success is the end result of dedication, experience, knowledge, consistency, quality and quest for excellence put together, just as United Metals Holdings Limited ("United Metals" or the "Group") is the accomplishment of its visionary management, efficient operations, dedicated staff and relentless efforts to pursue the best.

As Chairman of United Metals, I have the pleasure to present our first annual report. For the year ended December 31, 2002, turnover amounted to HK\$134,163,000, an increase of 16% over HK\$115,845,000 in 2001. Profit for the year also reached HK\$28,539,000, representing an increase of 26% over last year and an increase of 5% over the estimated profit of HK\$27,300,000 as stated in the Company's prospectus dated December 19, 2002. Basic earnings per share was HK17.3 cents.

As there was a dividend payout on October 30, 2002 prior to the Group's Reorganisation, the Board of Directors does not recommend the payment of a dividend for the year.

2002 was a memorable year. After a year of hard work, our goal of listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") was successfully completed in January 2003. In line with the plans as set out during listing, the Group has, and will continue to, increase its production capacity, expand customer base, extend geographical coverage as well as research and develop applications of die casting methods especially for magnesium alloys.

Today, China has become a global manufacturing base with a booming domestic consumption market. Die casting, which is the most widely used production process for casting parts, has become increasingly applicable to various industries, including automotives, automation, power hand tools, communications as well as consumer electronics. At present, the global die casting industry has already exceeded US\$15 billion. In view of the increasing number of foreign companies setting up their factories in China, the

future outlook of both the China die casting market and United Metals is immensely promising.

As a die casting specialist that offers full vertically integrated operations for global manufacturers in the US, Europe, Japan and China, United Metals takes pride of its stringent quality and cost control, state-of-art technology and the enviable management team that possesses sharp market insights and professional expertise.



On behalf of the Board, I would like to thank our shareholders, customers, suppliers and staff for their non-faltering support and confidence. Their support is the fuel for our growth and future success. Look forward to the accomplishments and witness our journey of success.

Thomas Lau, Luen-hung

Chairman

Hong Kong, April 9, 2003