COMPANY SPEECH

FOR

JIM YANG

Hello everyone and welcome to Newport's 14th Holiday party! While I am very happy to see so many familiar faces each year, I'm also very excited to welcome all of the **new** faces that represent a bright future for both the current and next generation of Newport ingenuity and innovation. As I look around the room, it is gratifying to note that we probably have the most employees in attendance than we have ever had since our inception in 2003. I'm also proud to say that we have been around long enough to witness one milestone in particular… This year we retired our second employee…Kai Mak (**If this person is present say “has.” if not I would use “had.”)** has/had been with us for over 8 years. It is a testimony to the relationships and the dedication of our staff that we were able to celebrate that moment. It is another measure of just how we value our employees and hopefully, in return, the company proves worthy of such dedication. An additional barometer of our ability to sustain momentum can only be demonstrated at a moment like this… and it may not occur to some of you but I know this is the **biggest** local restaurant we have booked so far for our annual party. In past years we have taken the celebration on the road and had some holiday parties in Las Vegas… let’s hope and work towards a great 2017… we are working on a plan to set a target goal for us to reach so we can have a company party in Vegas again. (**You can add**) I know we have all heard “What happens in Vegas stays in Vegas, but “**what happens at Newport”** will get us there so… let’s go!! (**And wait for the laugh**).

On **THAT** note… I am cautiously optimistic as I say that Newport is at an advantageous point as we build further momentum while working to explore and expand new ventures. Our company is at a size that still promotes relationships and a team spirit, one in which we can make quick and efficient decisions. In the coming months our mission and goals will remain consistent and that is to innovate, implement, and grow as a leader in our field and as an entity that respects and encourages the best from its dedicated team…. all of you.

A wise man once said, “Adapt or die.” Since I have a feeling none of us want to face the alternative, we at Newport have become “adept at adapting.” Even in the fourteen years that we have been in business, the industry has evolved dramatically and it is our mandate to pay attention to the harbingers of future market trends. Overall, Newport CH has diversified from being primarily a waste paper company into exploring and participating in various other industries. While we recognize good opportunities, we are also willing to let go when things are not good anymore. We have had the foresight to exit industries (like our scrap metal business) while switching to industries that we think have promising future potential.

Some of the people who support that vision of the future are with us tonight and I would like to recognize some of them. (**Talk about those people here**) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ . (**Are the people you are naming part of the management team? If so, I think it will work to place this sentence here**) We, as the management team, have the responsibility of making sure there is sufficient capital to sustain and support each of our different business divisions, to search for and hire good talent/people, and to invest the time and effort needed to identify and explore the next project or opportunity. Our teams of bright and intuitive employees inspire us and we know that the work we are doing is becoming increasingly worthwhile throughout the contemporary global industrial network. (**I left this part in red so you would notice where I placed it. We can change to black once you’ve read this version).**

Because we continually assess and refresh our positions in the industry, I would like to take some time to say a few words about the various divisions at our company.

**Wastepaper business:**

Wastepaper is still the base and foundation of our core business. We shipped 120,000 MT of wastepaper this year. We met some challenges during the second/ third quarter of this year and a lot of it was my responsibility. I read the market wrong and gambled a little too much. I apologize because when I get it wrong it affects everybody. (**Are you sure you want to phrase this like this? Would you prefer to say something like “Although we met some challenges in the second and third quarter, I have learned that over-speculation can lead to less than optimal results. The good news is that as I have taken responsibility and learned a valuable lesson, we can all, in turn, realize the importance of accountability at every level of business” I think we should place a positive on this… what do you think?)** The experience was valuable on many levels and I’m very happy/ proud to say that we rebounded and finished the year with solid results. Through the process I think we also learned some valuable lessons. I know my China colleagues and I have learned not to gamble too big, which brings me to mention that I'm extremely happy that our China colleagues made it to the US this year. Pan Bo and Zheng Wen Bo have been with us since the beginning and they will retire with all of us. 1 1/2 years ago Borrow **(?? Do you mean BO? If so, which one?)** was diagnosed with Stage 3 cancer and now 1 1/2 years later he is back to normal and the cancer is in remission. Everyone give **Borrow** a big hand… and let us all remember and appreciate that no matter how hard we work to make this company a success, our health is our greatest gift.

**Plastics business**

I love this division. It’s a very unique group of people that are just a bunch of great traders. There's no babysitting. (**Do you want to say this? Does it imply that the other divisions need babysitting? Let me know).** This division is currently shipping 12,000 MT per month and it contributes close to 25% of our bottom line. Oil and plastic prices markets (**Should this be market prices?**) both have been extremely volatile for the past year and with all the questionable economic news in China, that our plastics division can still flourish is pretty amazing. It says a lot about our ability during tough times. Just imagine when things turn and we hit a good market!! I believe there is tremendous potential for this industry and the team we have will be there to optimize our participation and effectiveness.

**Hay Business**

This is our newest department and it has been about 2 years since we started looking into this industry. This year has been exciting because we finally got our China license from AQSIQ as a registered exporter and we started up our hay press operation. Our facility has already started to make money after operating for just two months. Agriculture is a vital sector in the global business outlook and will have tremendous future business potential. Newport will be focused on two major markets and that is China and the Middle East. I am proud to say we are currently shipping 350 containers of hay per month to the Middle East and we are shipping around 250 containers to China per month. That number is projected to grow.

For all of the “veterans” among us, you know that every year I come up here and give a speech and every year I emphasize why we are successful. Our success lies in the dedication of the good people in this company and the teamwork that is built into every individual that works here at Newport. (**If you want to make a joke you can say**) Pardon the pun but there is **NOTHING** that any of you do that is a **WASTE OF TIME**… Actually it’s **ALL** a waste… but that’s the **GOOD** news! The world is and always has been in a delicate balance but the measure of a person’s success and the test of a company’s success has been universal: if there is a sense of community and partnership, a feeling of ownership, and a dedication from all involved for the health and growth of the company, the criteria have been met. I want to thank each one of you for the work you do, for the teamwork you promote, and for your attention to detail and commitment to excellence. Newport is a reflection of our best efforts and practices. Here’s to a successful and solid year filled with growth and accomplishment. Thank you all!