COMPANY SPEECH

FOR

JIM YANG

Welcome everyone to Newport's 14th Holiday party. I am very happy to see so many familiar faces at these celebrations and I'm also very excited to welcome so many new faces along with the younger generation. In addition, I'm proud to say we retired our second employee this year. Kai Mak has been with us for over 8 years and we wish him all the best. It's a great sign that we probably have the most employees we have ever had since we started our business in 2003. I know this is the biggest local restaurant we have ever needed to book for our annual party. We have also had some memorable holiday parties in Las Vegas in the past and we are going to try and set a target goal for us to reach so we can have another company party in Vegas again. I'll bet that's one goal we can all support!!

I think Newport is at a very sweet spot right now, growing with our new ventures. Our company is currently at a size that's still kind of family and team oriented, a size in which we can make quick and efficient decisions. Overall, Newport CH has diversified and grown from a waste paper company into various industries where we all share similar core competencies. We do our best to recognize and explore different opportunities but at the same time we are willing to let go when things are not good anymore... that's why we exit industries when we do (like our scrap metal business and our recycling yard operations), and we switch to industries that we think have potential and a great future. Everyone should be encouraged that we keep exploring new ways to keep the company adaptable, healthy and strong. I believe our job as the management team is to ensure there is plenty of cash for our different business divisions and our goal is to search for and hire the best talent in each of the industries we enter and serve. We carefully invest time and attention in looking for the next project or opportunity, all with our mutual success in mind.

Since we are all together, now is a great time to recap and share a bit 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 that generates $200 million in this division. We met some challenges during the second/ third quarter and a lot of it was my responsibility. I read the market wrong and gambled a little too much and I felt really bad during that time because when I get it wrong it affects everybody. On the other hand, I’m very happy/proud to say that despite what happened I still had all of you supporting me, which allowed us to rebound back, and we finished the year with a very solid ending. Through the process I think we also learned some lessons. I know my China colleagues and I have learned a valuable lesson and that is 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 (Borrow) and Zheng Wen Bo (Rambo) have been with us since the beginning and we intend that they will retire with all of us. Borrow and Rambo... Great writers have asked "What is in a name?" We found out!! And we're proud to have them both on our team! Who would have thought that people with names like Rambo and Borrow would be so successful in business? 1 1/2 years ago **Borrow** was diagnosed with Stage 3 cancer (**Would you rather say “Borrow discovered that he was about to face serious health issues?”)**. I remember very specifically that moment I found out. It was like one of those times that you never forget where you were. I was sitting in a restaurant in Dallas at a dinner function with our plastics customers. Now 1 1/2 years later I am happy and relieved to say he is back to normal and stronger than ever. It is strength of character, determination, and a positive attitude like Borrow’s that make this a valuable company. Everyone give Borrow a big hand. (Helene, do you think its appropriate to mention Pan Bo experience at a holiday party?- **HS 11/19- See how I handled it… I didn’t mention cancer and I showed the power and strength of your trusted employees – went for a motivational message)**

**Plastics business**

I love this division. It’s a very unique group of people that are just a bunch of great traders. This group is currently shipping 12,000 MT per month 150,000 MT per year and it contributes close to 25% of our bottom line. Oil and plastic prices and markets both have been extremely volatile for the past year and with all the economic bad news in China, the fact that our plastics division can still flourish is pretty amazing. It says a lot about our ability during tough times. This division has so much potential because we are well diversified into all areas of the plastics business. We have post-consumer plastics, post-industrial plastics, and we have partners that are invested in grinding and processing of the recycled plastics. We had a great year while the markets were tough so just imagine when things turn and we hit a good market!! I believe there is tremendous potential for this industry.

**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 only two months. There's something very important to keep in mind and that is there are 1.4 billion people in China that all need to eat, so agriculture is an important segment 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 200 containers to China per month. That number is projected to grow.

Every year I come up here and give a speech and every year I emphasize why we are successful. Our success lies in the good people that help to make this a strong and promising company and the teamwork and cooperation that are built into every individual are some of the reasons I know that Newport has an exciting future for all of us. It's an honor to celebrate with you! Thank you all!!