

RESULTS

The business environment in which the Group operates improved steadily during the year as global economy picked up, coupled with the Group's strategy adopted previously to diversify its markets and products had continued to help the Group to return to profitability. With a broader customer base from the overseas markets, orders have marginally increased as well.

During the year under review, consolidated turnover increased by 30.4% to HK\$268.2 million (2003: HK\$205.8 million) while net profit after tax was HK\$2.4 million (2003: net loss of HK\$68.4 million). The increase in turnover is a result of the Group's continuous effort in securing various sizable contracts from our Atlanta office.

The Directors have declared no final dividend (2003: Nil) per share for the year ended 31 March 2004.

BUSINESS REVIEW

As the Group remained cautiously selective in the Hong Kong and Mainland China interior fit out markets, United States and Europe became the principal markets of the Group, accounted for approximately 52% (2003: 29%) of the Group's turnover. Hong Kong and Mainland China markets remained rather stagnant during the year under review representing 43% (2003: 63%) of the Group's turnover.



The Swatch "Jelly Fish" series
為Swatch製造的 "Jelly Fish" 系列

During the year under review, the Group completed interior fitting out projects and/or supply of furniture for various mock-up rooms in connection with a new hotel project at the International Finance Centre II, Hong Kong, Hyatt Hotel – San Antonio, Orrington Hotel – Illinois and Four Seasons Hotel – Whistler. Shop fixtures were supplied to a new customer of another world-class brand, Salvatore Ferragamo at the Pacific Place in Hong Kong and Shanghai. The Group also undertook to supply architectural woodwork for the Bellagio Tower – Las Vegas, the Hyatt Centre in Chicago and Boston Convention Centre, USA, through its partner, Imperial Woodworking Company.

Projects currently in progress include a large residential project in Repulse Bay, Hong Kong and a flagship store for Hermes in Central, Hong Kong, furniture supply contracts for the Hilton San Francisco & Towers, the Ritz Carlton Hotel – Cayman Islands, Fountainbleau Hilton Resort – Florida, architectural woodwork supply for the University of Chicago Business School, the Lurie Cancer Research Center – Illinois, USA and shop fixtures project for a Louis Vuitton store in Xian, PRC.

In April 2004, the Group opened an office in Dallas, Texas, USA in order to increase its activities in the contract furniture industry in the USA. The Group believes that with the introduction of the contract furniture range in the US market would attract business based on better quality and lower prices than that is currently available in the US market.

業績

隨著環球經濟逐步復甦，本集團繼續遵循往年既定的策略，致力拓展以多元化市場及產品為主要目標。實際上，此策略確實為集團帶來可觀的利潤，轉虧為盈。此外，由於集團擁有廣泛的海外顧客，項目訂單亦相繼出現輕微的增長。

本年度之綜合營業額較去年同期增加30.4%至2.682億港元(二零零三年：2.058億港元)，稅後純利則為240萬港元(二零零三年：淨虧損6,840萬港元)。綜合營業額較去年同期上升，主要由於本集團繼續經由美國喬治亞州亞特蘭大辦事處取得多個大型項目工程。

董事會宣佈不派發截至二零零四年三月三十一日止末期股息(二零零三年：無)。

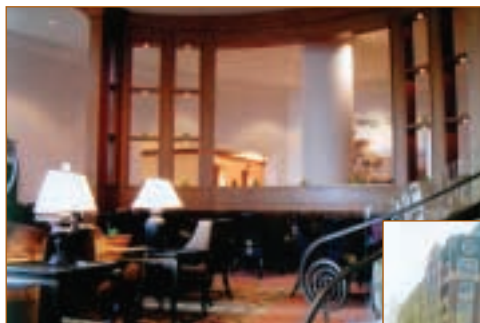
業務回顧

由於本集團對香港及中國內地的室內裝修工程項目保持審慎及選擇性參與的態度，故美國及歐洲市場已成為集團的主要市場，合共佔集團總營業額約52%(二零零三年：29%)。至於香港及中國內地市場則停滯不前，合共佔集團總營業額約43%(二零零三年：63%)。

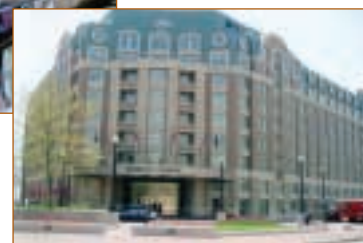
於回顧年度內，本集團參與並完成的室內裝飾工程項目及酒店樣辦房之傢俬供應包括：香港國際金融中心(第二期)、聖安東尼奧的凱悅酒店、伊利諾州的奧尼頓酒店，以及加拿大Whistler四季酒店。本集團現為一國際級名店—Salvatore Ferragamo位於香港太古廣場及中國上海分店提供店舖傢俬裝置供應。此外，集團亦夥拍其美國合夥人—Imperial Woodworking Company為拉斯維加斯的Bellagio酒店新翼、芝加哥凱悅中心及美國波士頓會議中心提供建築用之木工裝飾製品。

至於目前仍在進行的工程項目包括：香港淺水灣道住宅項目、名牌Hermes於香港中環開設的旗艦店。傢俱合約工程主要包括：三藩市希爾頓酒店、克曼群島的麗嘉酒店、佛羅里達州的梵登堡希爾頓酒店。另外，本集團現為芝加哥大學商學院、美國伊利諾州的魯爾癌症研究中心提供建築用之木工裝飾製品；並為Louis Vuitton位於中國西安的店舖提供店舖傢俬裝置供應。

於二零零四年四月，集團於美國德克薩斯州達拉斯開設辦事處，以增加美國市場之合約傢俱業務。集團深信於美國境內所推廣一系列的合約傢俱會吸引顧客，因美國市場並無高質量、低價格的傢俱。



The Mandarin Hotel Washington D.C., one of the furniture supply contracts undertaken by the Group
本集團承接與華盛頓文華酒店之傢俱供應合約



PROSPECTS

On 18 June 2004, the International Trade Commission of the United States Department of Commerce handed down a preliminary finding which ruled that Chinese manufacturers were dumping bedroom furniture into the US at below fair market value. They immediately imposed provisional tariffs of 198% on all bedroom furniture produced in China. Certain companies which proved that they were not controlled by the PRC government received preferential treatment and will only pay an average rate of 10.9%. The Group was not included on this list despite having filed with the Department of Commerce proof indicating its status as an independent, publicly-listed Hong Kong company. The Group has retained legal council in Washington and has filed a petition stating that, by law, the US recognizes Hong Kong as a separate entity from the PRC and that, by law, it must recognize the independent status of the Group from PRC companies. We expect to receive a preliminary finding by the end of August 2004.



The new Decca Contract Showroom in Dallas, Texas
位於德克薩斯州達拉斯的新Decca Contract陳列室

In the meantime, the Group has taken the following steps:

1. Broaden its base of retail brand customers in Europe and Asia.
2. Aggressively expand its hospitality clients in Europe.
3. Accelerate the development of its new office furniture range in the US.

Based on the above actions, the Group will continue to diversify into new markets and take advantage of its lower cost structure to attract new business. Expenses will continue to be tightly controlled and reduced where possible. For these reasons, the Board believes the Group's results will continue to improve, although at a slower rate, over the coming year.

APPRECIATION

The Board would like to extend its gratitude to all the Group's customers and bankers for their trust and support and would like to thank to all of the staff of the Group for their tireless efforts and contribution to the Group.

By Order of the Board
Tsang Chi Hung
Chairman

Hong Kong, 19 July 2004



The New Kata series of the Group's Bolier & Co. furniture line
本集團之Bolier & Co.傢私產品中之Kata新系列

展望

美國商務部之國際貿易處於二零零四年六月十八日就中國製造的臥室傢俱征收關稅作出初步審決，由於中國進口的木製臥室傢俱價值低於美國同類的合理市價，故對中國製造的臥室傢俱征收198%的懲罰性關稅。某些公司因能證明並非受中華人民共和國政府控制之公司，故只需繳付平均10.9%的優惠稅率。雖然本集團已向美國商務部作出聲明證明本集團乃屬於一獨立香港上市公司，但本集團未被美國商務部列入受優惠名單之內。集團已於美國華盛頓聘請法律顧問，並向美國提交上訴書，說明從法律角度而言，美國因確認香港應從中國中分開為一獨立個體，按法律之言，本集團的獨立地位應有別於中國的公司及應被確認。本集團期望於二零零四年八月底能獲得初步的審決。

與此同時，本集團作出以下的策略：

1. 擴大歐洲及亞洲的顧客銷售網絡。
2. 積極擴充歐洲的酒店傢俱市場。
3. 促進發展美國的辦公室傢俱系列。

根據上述策略述，本集團將繼續從事多元化的市場發展，以低成本價以吸引更多業務，並嚴格監控一切生產開支，將成本降至最低。基於以上因素，董事會深信集團之業績於明年將以較慢的速度繼續提升。

致謝

藉此機會，董事會謹向各客戶及往來銀行給予的信賴和支持、本集團全體員工的不懈努力和摯誠投入致深切謝意。

承董事會命
主席
曾志雄

香港，二零零四年七月十九日