

## CHAIRMAN'S STATEMENT

### RESULTS

The year under review was a challenging year for the Group. For the year ended 31 March 2005, the Group recorded a turnover of HK\$357.4M, up 33.2% as compared with the previous financial year of HK\$268.2M. The satisfactory improvement was mainly attributable to the increase in sales demand for furniture and fixtures products after the improvement of the global economy. The net profit for the year increased by 525% to approximately HK\$14.8M compared with the previous financial year of HK\$2.4M.

The Directors have recommended a final dividend of HK 1.4 cents per share for the year ended 31 March 2005 (2004: nil), which is subject to approval by shareholders at the Annual General Meeting to be held on 22 August 2005. This together with the interim dividend of HK 0.8 cent (2004: nil) per share giving a total dividend of HK 2.2 cents per share for the year (2004: nil). The final dividend payment will be made on 8 September 2005 to shareholders whose names appear on the Register of Members of the Company on 22 August 2005.

### BUSINESS REVIEW

United States and Europe continued to be the principal markets of the Group. HK\$240M of the Group's products were sold to USA and Europe, accounting for 67% of the Group's total turnover. During the previous financial year, HK\$140M were sold to USA and Europe. The Group had continued to have the opportunity to participate in a number of sizeable projects during the year in various sectors of the business which had helped increasing the Group's turnover as a whole. Hong Kong and Mainland China markets continued to slow down during the year under review representing only 29% the Group's turnover compared with that of 43% of the previous financial year.



*The new Decca Contract showroom in Chicago  
位於芝加哥的新Decca Contract 陳列室*

During the year under review, the Group completed interior fitting out projects and/or supply of furniture for a large residence at Repulse Bay Road, Hong Kong, Hilton Hotel, San Francisco, Four Seasons Hotel, Palo Alto, USA and the Langham Hotel, London. Shop fixtures were supplied to several Ermenegildo Zegna stores in Shenzhen, Changchun and Hangzhou. The Group also undertook to supply architectural woodwork for the branch offices of an international law firm in Los Angeles, San Francisco and New York through its partner, Imperial Woodworking Company.

Projects currently in progress include interior fitting-out project for a French Restaurant at the Four Seasons Hotel, Hong Kong, furniture supply contracts for MGM Turnberry, Las Vegas, the Ritz-Carlton Hotel, Moscow, the Grosvenor House Hotel, London, and shop fixtures projects for Hermes Boutique in Hangzhou and Manolo Blahnik Boutique in Central, Hong Kong.

In June 2005, the Group opened a contract furniture showroom at the Merchandise Mart in Chicago, the showroom was well received by architects and designers. The showroom had also won the "2005 Showroom and Booth Competition Award", organized by the International Design Association. This showroom is in addition to the showroom in Dallas, Texas which had been operating since April 2004. Chicago is the centre of the office furniture industry. The Group believes that by establishing this showroom, the Group's presence in the contract furniture market in USA is more visible and elevates Decca Contract Furniture ("DCF") to being a "National" supplier.

## 業績

本年度是集團極具挑戰的一年。截至二零零五年三月三十一日止，集團錄得之綜合營業額由去年同期之2.682億港元增長33.2%至3.574億港元。此項令人滿意的增長，主要由於全球經濟全面復甦，帶動市場對傢俱、裝置供應的需求殷切。純利由去年同期之240萬港元增長525%至1,480萬港元。

董事會建議派發截至二零零五年三月三十一日止末期股息每股1.4港仙（二零零四年：無），該建議須獲股東於二零零五年八月二十二日召開的股東週年大會上批准。連同中期股息每股0.8港仙（二零零四年：無），本公司全年股息每股合共為2.2港仙（二零零四年：無）。末期股息將於二零零五年九月八日派付予二零零五年八月二十二日名列股東名冊之股東。

## 業務回顧

美國及歐洲仍為本集團的主要市場。美國及歐洲市場的產品銷售約為2.4億港元，合共佔集團總營業額67%；回顧去年同期，美國及歐洲市場的產品銷售約為1.4億港元。於期內，本集團有機會參與多個大型工程項目，令集團整體營業額有所增加。香港及中國內地市場持續放緩，回顧去年同期，合共佔集團總營業額43%，於本年度只佔總營業額29%。

回顧期內，集團參與並完成的室內裝飾工程項目及／或傢俱供應包括：香港淺水灣道的大型住宅項目、美國三藩市Hilton Hotel、美國帕羅奧多市Four Seasons Hotel及英國倫敦Langham Hotel。集團亦為Ermenegildo Zegna位於中國深圳、長春及杭州的店舖，提供店舖傢俱及裝飾供應。此外，集團與其合作夥伴Imperial Woodworking Company為一國際性律師樓位於美國洛杉磯、三藩市及紐約的分公司，提供建築裝飾木制品。

至於目前仍在進行的主要工程項目包括：香港四季酒店—法國餐廳的室內裝飾工程項目；拉斯維加斯MGMTurnberry、莫斯科Ritz-Carlton Hotel、倫敦Grosvenor House Hotel的傢俱供應項目；Hermes Boutique位於杭州，及香港中環Manolo Blahnik Boutique提供店舖傢俱及裝飾供應。

於二零零五年六月，集團於芝加哥Merchandise Mart開設合約傢俱陳列室，並深受建築師及設計師歡迎，更榮獲International Design Association所頒予「2005 Showroom and Booth Competition Award」之獎狀。此陳列室是繼美國德州達拉斯的陳列室自二零零四年四月開始營運之後而設。芝加哥乃辦公室傢俱的工業中心，管理層團深信憑藉其設立的陳列室，定能奠定集團於美國合約傢俱市場的地位，並提升Decca Contract Furniture（「DCF」）為一「全國性」的供應商。



The 2005 Showroom and Booth Competition Award  
「2005 Showroom and Booth Competition Award」之獎狀

## CHAIRMAN'S STATEMENT

### PROSPECTS

During the coming year, the Group will focus on expanding its manufacturing base and improving its production efficiency. Currently, a new 360,000ft<sup>2</sup> addition to the present factory premises in Dongguan is under construction. The new facility will include a 60,000ft<sup>2</sup> finishing line that will fully mechanise the finishing operation from green sanding to final assembly and packing. The Group expects this facility to be operational by the fourth quarter of this year. This will then allow the production facilities to be divided into specialist areas so the attention can be paid to improving the profitability of each main business area; hospitality, contract, architectural & retail fixtures and residential furniture.

During the previous year, over HK\$15M, primarily bedroom furniture, was shipped from Thailand. The Group has set up a company called "Decca Furniture (Thailand) Limited" in February 2005 which will continue to expand. The Group expects business to increase over the coming year as a result of the Group targeting hospitality programs in the middle market segment. This business was never actively pursued in the past because of limited production capacity.

The Group has continued its fight against the imposition of duties now in effect for Chinese produced bedroom furniture. A decision is expected on the Group's court case in Washington by mid-August 2005.



*A luxury brand store recently completed by the Group's retail fixtures team*  
本集團之裝置分銷組最近完成之豪華品牌店舖

The "Decca" brand name continues to develop. In particular, the Group is becoming well known in the European hospitality market and the U.S. contract furniture market. During the coming year:-

1. The Group will utilise its three marketing offices in Europe – London, Paris and Copenhagen to further develop Decca's brand name with hotel operators and designers. The Group is now active in eight European countries and expects its business to increase significantly over the coming year.
2. DCF's new Chicago showroom has pushed the Decca brand to the forefront of executive case goods suppliers. During the recent NeoCon World's Trade Fair, over 200 architects and designers visited the showroom for the first time and have asked for appointments with company sales representatives to discuss potential projects utilising DCF's case goods capabilities. This will lead to a significant increase in business for DCF in the coming year.

Although, there will be challenges in 2005/2006, the Group is well positioned to continue to develop and to improve its overall results in 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 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, 11 July 2005

## 展望

於來年，集團將專注擴充其製造的基礎和提高生產效率。目前，面積約360,000平方呎位於東莞的新興建廠房仍在建造中。新建的廠房將包括60,000平方呎的油漆生產線，並全力經營各項油漆工序，由初步砂光至最後組合及包裝。集團期望新廠房能於本年度第四季正式投入運作。此舉令集團的生產設備得以劃分成專責小組，從而改善各主要營業市場的盈利：酒店傢俱、合約、建築裝飾和店舖裝置及住宅傢俱。

回顧去年，由泰國出口的貨量已超過1500萬港元，主要為寢室傢俱系列。本集團於二零零五年二月已成立「Decca Furniture (Thailand) Limited」並會繼續擴展業務。由於集團將銳意發展中價酒店傢俱的市場，故管理層預期來年的業務持續增長。過往則因有限的生產力，故未有積極擴充有關之業務。

集團現階段仍爭取反對有關徵收內地寢室木製傢俱的高稅率。管理層期待美國華盛頓法院於二零零五年八月中的判決議案。

「達藝」品牌名稱仍不斷發展。集團已分別於歐洲酒店傢俱及美國合約傢俱市場建立一定的知名度。展望將來：

1. 集團將利用其歐洲三個銷售辦事處－倫敦、巴黎及哥本哈根，與酒店業介及設計師保持聯系，以發展「達藝」品牌名稱。集團現正積極於八個歐洲城市拓展業務，並期望來年將有可觀的增長。
2. DCF位於美國芝加哥陳列室進一步推動「達藝」品牌名稱至最前線的傢俱供應商。於最近的NeoCon世界貿易展覽會，超過200名建築師及設計師到場參觀，並要求與集團的銷售代表商談選用DCF傢俱的業務計劃，為DCF來年的業務帶來可觀的增長。

儘管2005/2006年度仍有新挑戰，集團已定下明確的目標繼續發展及改進其整體業績表現。

## 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、集團的全體員工的不懈努力和摯誠設入致深切謝意。

承董事會命  
主席  
曾志雄

香港，二零零五年七月十一日

