

Chairman's Statement

RESULTS

The year under review was one of the most satisfying in the history of the Group. The business plan formulated and implemented by the management team in 2003 is producing the results that were projected and have positioned the Group to grow geographically across all major product categories.

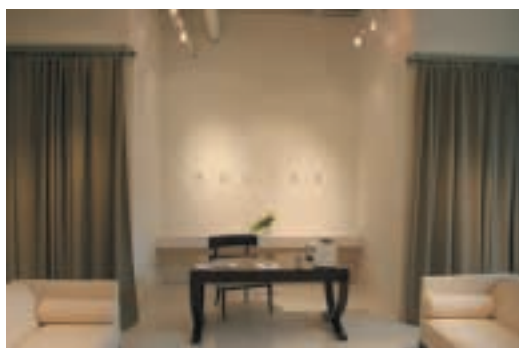
Revenue for the year ending 31 March 2006 was at a record level of HK\$484.7M, up 35.6% from the previous year's HK\$357.4M. Net profit increased 162.2% from HK\$14.8M to HK\$38.8M. The record revenue was the result of solid growth, particularly in the US hospitality division, the architectural fixtures & projects division and the Asia custom furniture division. The geographical dispersion remained relatively constant with the previous year.

BUSINESS REVIEW

The United States continued to be the Group's largest market accounting for 60% of the total revenue. The increase in US revenue was the result of the continuing development of major relationships with the Hilton Hotel Group, Four Seasons Hotels and Resorts and the completion of a large supply contract to the prestigious "Cloisters Resort" in Sea Island of Georgia, USA. Architectural fixtures and fitting out work increased due to the completion of a French Restaurant in Four Seasons Hotel, Hong Kong. While Asia custom furniture grew due to contracts for Four Seasons Hotel, Hong Kong and more than doubling of the Group's business in Japan.

During the year under review, the Group purchased a permanent showroom in High Point, North Carolina. This is the location of the High Point International Home Furnishing Market, where exhibition occurs twice each year. The Group's subsidiary,

Bolier & Company, LLC ("Bolier"), will use this space to show its expanding line of distinctive furniture in a setting befitting to the up-market reputation the company has developed. Bolier utilizes the talents of well-known designers such as Michael Vanderbyl and John Black to reinforce its commitment for making available exceptional design at very attractive price points.



*The Group's new Bolier showroom at High Point, North Carolina
位於美國北卡羅萊納州 High Point 的新 Bolier 陳列室*

The Group reported in its last interim report that it had won its case against the United States Department of Commerce but was waiting on the judgment to be implemented. This was finalized on 1 May 2006. The Group now enjoys a provisional duty rate of 6.65% on all bedroom items shipped from China to the United States. This rate will be effective until the final rate is announced in the summer of 2007.

主席報告

業績

本年度是集團歷年來其中最滿意的一年。管理層於二零零三年所製定及執行的業務計劃，已取得預期成果，令集團各主要產品類別於地區業務中獲得增長。

截至二零零六年三月三十一日止年度，集團錄得之收入由去年同期之3.574億港元增加35.6%至4.847億港元。純利由去年同期之1,480萬港元增加162.2%至3,880萬港元。集團紀錄性的收入有實質增長，尤其顯著包括美國的酒店傢俱部，建築裝飾裝置及工程部，和亞洲區訂造傢私部。地區性的分佈與去年相約。

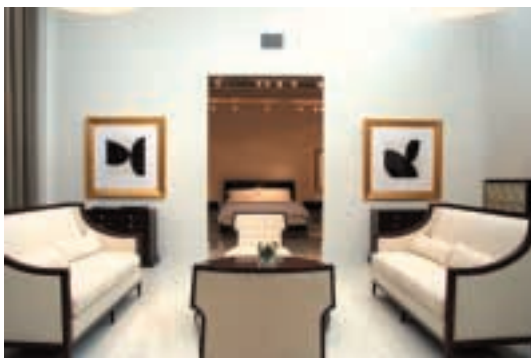
業務回顧

美國仍為本集團最大的市場，佔總收入60%。美國市場的收入增長，主要是由於集團一直與希爾頓酒店集團、Four Seasons Hotels and Resorts保持良好的業務關係及完成與位於美國喬治亞州Sea Island的著名“Cloisters Resort”的大型供應合約。建築裝飾裝置的業務增長，主要是集團於期內參與並完成香港四季酒店內之法國餐廳的工程項目。至於亞洲區訂造傢私的業務增長，則由於香港四季酒店的傢俱合約，及集團於日本市場超過雙倍的業務增長。

回顧年內，集團購入位於美國北卡羅萊納州High Point之固定陳列室。當地有High Point International Home Furnishing Market的展覽場，並每年舉行兩次展覽會。本集團之附屬公司－Bolier & Company, LLC（「Bolier」）將利用該陳列室展示獨特的傢俱品牌系列，拓展其高檔傢俱的市場業務。Bolier亦利用著名設計師如Michael Vanderbyl及John Black的才華，務求製作出既具獨特設計又具合理價格的傢俱。



The French Restaurant in Four Seasons Hotel Hong Kong, one of the fitting out works undertaken by the Group
本集團承接香港四季酒店內法國餐廳之室內裝飾工程



The new Bolier Atelier series of the Group's Bolier & Co., LLC
本集團之 Bolier & Co., LLC 傢私產品中之 Atelier 新系列

於本年度之中期業績報告中，就美國商務部的徵收懲罰性關稅，本集團提及已在此訴訟中獲勝，但仍等待法庭執行其判決。有關之訴訟已於二零零六年五月一日完成判決。本集團由中國運往美國的所有臥室傢俱，現可享有臨時關稅利率6.65%的資格。此利率有效期至二零零七年夏季，屆時將公佈確實的關稅利率。

Chairman's Statement

PROSPECTS

The Group enters 2006/2007 with its largest backlog of confirmed orders in its history. Based on this backlog and the increase in activity we continue to see in the first quarter of 2006/2007, the Group expects to continue with double-digit growth in both revenue and profits.

The Group's expansion at its DongGuan production facility was topped out in June 2006. Full production should be achieved by the end of the second quarter 2006/2007. This added capacity plus the added efficiency achieved by the production management team will enable the Group to achieve a higher turnover level.

In summary, the Company is positioned to continue positive sales growth in diversified markets, which diminishes the Group's overall risk. The "Decca" brand continues to grow and has become a recognized name for quality products. And, the manufacturing facility continues to improve its efficiency thereby ensuring that the Group will maintain its competitiveness in all of the markets where it participates.

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, 17 July 2006

主席報告

展望

踏入二零零六年／二零零七年，集團積壓歷來最大的已確認訂單。有鑑於已積壓的訂單及二零零六年／二零零七年首季活躍的業務，集團期望收入及溢利持續有雙位數的增長。

集團位於東莞的新興建廠房，已於二零零六年六月完成平頂儀式。新建的廠房將於二零零六年／二零零七年第二季末全面投產。新增的廠房配合生產管理人員效率的提升，將可令集團有更高的營業額。

總括而言，本公司乃處於優越位置，於多個市場持續其正面的業務增長，以降低整體業務風險。「達藝」品牌持續發展，已被確認為優質品牌。此外，集團會不斷提升生產製造設備的效率，以維持集團於各市場的競爭能力。

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投入致深切謝意。

承董事會命
主席
曾志雄

香港，二零零六年七月十七日