

Chairman's Report

RESULTS

During the year under review, consolidated turnover decreased to HK\$205.8 million (2002: HK\$396.2 million) while net loss after tax was amounted to HK\$69.1 million (2002: net profit after tax HK\$6.0 million). The decrease in turnover is a result of the Group's decision made previously to be cautiously selective in the Hong Kong and Mainland China interior fitting-out market and to focus on overseas markets.

The loss incurred by the Group for the year ended 31 March 2003 has arisen in part from this switch in emphasis by the Group from the Hong Kong and Mainland China interior fitting-out markets into overseas markets, which the Board believes will require a further year or so to build up to satisfactory levels and in part from prudent provisions against amounts owed for work done in the Mainland China market in previous years. Notwithstanding the provisions made, the Group will continue to seek to recover the money in question.

The Directors have declared no dividend (2002: HK1.5 cents) per share for the year ended 31 March 2003.

BUSINESS REVIEW

Hong Kong and Mainland China continued to be the principal markets of the Group, accounted for approximately 63% (2002: 86%) of the Group's turnover. Other markets into which the Group has expanded in particular, the USA grew 121%. Since the opening of our office in Atlanta, Georgia, USA in April 2002, the Group has successfully secured various sizable contracts which have contributed to this promising gain in turnover from this particular geographical segment.

During the year under review, the Group undertook and completed projects for fitting-out works and/or supply of furniture for the Kowloon Shangri-la Hotel (Phase I), The Venetian Hotel – Las Vegas, The Marriott Marquis – New York and The Sun Hotel, Tokyo, Japan.

Projects currently in progress include a large residential project in Hong Lok Yuen in Hong Kong, various mock-up rooms in connection with a new hotel project at the International Finance Centre II, Hong Kong, and furniture supply contracts for the Mandarin Oriental Hotel, Washington D.C, USA, the Hard Rock Hotel, Chicago and the Renaissance Hotel, Aruba, Mexico.

業績

本年度之綜合營業額較去年同期減少至2.058億港元(二零零二年：3.962億港元)，稅後淨虧損則為6,910萬港元(二零零二年：稅後純利 600萬港元)。綜合營業額較去年同期下降，主要由於本集團對香港及中國內地的室內裝修工程項目保持一貫審慎及選擇性參與的態度。與此同時，亦致力拓展海外市場業務。

截至二零零三年三月三十一日止年度，本集團所錄得之虧損，部份原因來自其室內裝修工程的業務轉移，市場業務逐步由香港及中國內地轉移至其他海外市場，董事會深信仍需一年或以上的時間來達致滿意之水平，並已審慎地為年前已完成工程之欠款作出適當撥備。儘管已作出撥備，本集團仍將努力追討所有應收貨款。

董事會宣佈不派發截至二零零三年三月三十一日止年度之全年股息(二零零二年：港幣每股1.5仙)。

業務回顧

香港及中國內地仍為本集團的主要市場，合共佔集團總營業額約63%(二零零二年：86%)。本集團亦專注拓展多個海外市場，美國市場更增長121%。自二零零二年四月於美國喬治亞州亞特蘭大開設辦事處以來，本集團成功承接若干大規模工程合約訂單，亦為集團於此地域帶來可觀的利潤回報。

於回顧年度內，本集團參與並完成的工程項目包括：九龍香格里拉酒店(第一期)的翻新項目、美國拉斯維加斯的Venetian Hotel、紐約市的Marriott Marquis以及日本東京神田太陽酒店項目。

至於目前仍在進行之主要工程項目包括：香港康樂園的大型住宅項目、與香港國際金融中心(第二期)聯繫的多個酒店辦房、美國華盛頓的Mandarin Oriental Hotel、美國芝加哥的Hard Rock Hotel及墨西哥的Renaissance Hotel等的傢俬供應合約。

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PROSPECTS

The Board believes that the Hong Kong economy will recover slowly. Therefore, the Group believes that its strategy of diversifying the number of markets which it serves should be the principal priority of the Group in the next few years. More resources will be allocated to expand in overseas markets. The Group will also cautiously consider collaboration with overseas business partners on strategic alliance that will add value to the Group's operations and assist it in achieving its business objectives.

The Group shall continue to expand its distribution network overseas through our operations at our various offices, and strive to increase its market share in each of our markets, continue to promote our brands aggressively and intensify its product development to boost growth in our business.

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, 14 July 2003



The new Hannah series of the Group's *Bolier & Co.* furniture line
本集團之 *Bolier & Co.* 傢俬產品中之 Hannah 新系列

展望

董事會深信，香港經濟將緩慢地復甦，所以集團的策略將以拓展多元化的市場為未來幾年之主要目標。並會投放更多資源拓展海外市場。本集團將謹慎地考慮與海外業務夥伴合作策略性之活動，為集團營運作出貢獻，及幫助實現既定業務目標。

本集團將會透過數個辦事處繼續擴展海外分銷網路、提升市場佔有率、繼續推廣本身品牌以及加強商品發展，以推動業務的增長。

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，二零零三年七月十四日