

Chairman's Statement

BUSINESS REVIEW

Results

During the year under review, consolidated turnover decreased by 22% to HK\$279 million while consolidated profit attributable to shareholders decreased by 76% to HK\$14 million. As mentioned in its 2000/2001 interim report, the decline was primarily due to delays in the delivery schedule of several large projects, particularly the Beijing Oriental Plaza project and the residential development project at 41C Stubbs Road, Hong Kong. Such delays have significantly limited the amount of revenue and contributions recognizable from these projects during the year under review.

OPERATIONS

Projects undertaken by the Group and completed during the year included fitting-out works and/or supply of loose furniture for the JW Marriott Hotel, Tung Chung UA Cinema and Ocean Pointe in Hong Kong; the Majestic Garden in Zhongshan; the Okinawa Zampamiski Royal Hotel in Japan, the Minnesota University Library in the US and various retail outlets for SWATCH. Hong Kong and the Mainland China continued to be the principal markets of the Group, accounting for approximately 72.5% (2000: 78.9%) of the Group's turnover. With its continuous efforts put in developing new markets, the Group was able to enter into the Middle East/African market and won a furniture supply contract for the Marriott Hotel in Cairo, Egypt. Sales to frequent customers such as SWATCH and Imperial Woodworking also grew encouragingly.

It was mentioned in our last annual report about the plan to open a showroom in Beijing to further promote the sales of higher quality office furniture in the Mainland China. The Board is pleased to report that our Beijing showroom has received substantial orders since its opening in November 2000.

The Directors believe that continuous upgrading of its production facilities and loyal skilled labor are two of the key factors to remain competitive in the high-end furniture and fitting-out market that the Group has always been focusing on. During the year, the Group has installed Eisenmann tow-cart finishing line at the painting workshop, Eisenmann powder coating line and Finn-Power punching machine at the metalwork workshop and the short-cycle press line at the woodwork workshop. Our efforts put into promoting a pleasant working environment for our workers have led to the Group's production facilities in Dongguan, Guangdong be granted the Garden Factory Award by the Dongguan People's Government.



**Grand opening of our Beijing Showroom attended by
Commercial Counsellor of the Austrian Embassy in Beijing
Mr. Wolfgang Lanz (right) and the Company's Chairman,
Mr. Tsang Chi Hung (left)**

奧地利駐華大使館商務處商務參贊龍偉先生(右)及本公司主席曾志雄先生(左)出席集團北京銷售陳列室開幕禮

業務回顧

業績

本年度綜合營業額及綜合股東應佔溢利分別下降22%及76%至2.79億港元及1,400萬港元，主要原因，於二零零零／二零零一年之中期報告中已有提及，是由於本集團手上之大型項目延期交付，尤以北京東方廣場及司徒拔道之住宅項目影響最為顯著。此等延期，嚴重減少了有關項目於年內可進帳的銷售額及貢獻。

運作

本年度本集團參與並完成了的項目包括為香港萬豪酒店、東涌UA戲院和深井縉皇居、中山雍景園、日本沖繩殘波岬口酒店、美國明尼蘇達大學圖書館及多間SWATCH門市等進行裝飾工程及／或提供傢俬裝置。香港和內地市場仍為本集團的主要市場，年內銷售為集團銷售總額的72.5%(二零零零年：78.9%)。本集團亦致力開拓新市場，並成功開發了中東／非洲新市場，承接了埃及開羅萬豪酒店的傢俬供應合約。此外，長期客戶如SWATCH及帝國木業等的銷售也有令人鼓舞的增長。

董事欣然宣報，在去年的年報內提及關於在北京開立陳列室的計劃，已於二零零零年十一月實現了，而且接獲了不少訂單。

董事會相信，要繼續保持本集團在高級傢俬及裝飾市場的競爭能力，不斷的更新提昇生產能力以及擁有忠誠熟練的技工是兩個關鍵的因素。年內，集團裝置了Eisenmann的拖車式油漆生產綫及金屬噴粉綫、Finn Power的鐵工電腦沖床及木工熱壓床。集團致力為員工提供一個良好舒適的工作環境，為此我們在東莞的廠房獲得了東莞市政府授予「東莞市園林式單位」的稱號。

Chairman's Statement

PROSPECT

Market competition is foreseen to be keen, yet the Board remains cautiously optimistic on the market prospects. We believe that the competitive advantages of the Group will be further enhanced when the production facilities installed last year are put into use this year. The Group's order book has also been filled with on-hand contracts of HK\$335 million with majority of which to be completed by the end of the financial year 2001/2002.

Sales of and contributions from office furniture and branded products have shown significant growth in the past few years. As part of its long-term strategy to further develop this market, the Group plans to open additional sales showrooms in the region once strategic locations have been identified. The Group is also developing a new series of branded products and expects to launch this new series later this year.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out by the Stock Exchange in Appendix 14 to the Listing Rules at any time during the year ended 31 March 2001.

APPRECIATION

The Board would like to extend its gratitude to all customers for their trust and support, as well as to all staff of the Group for the endless efforts and contributions to the achievements of the Group.

By Order of the Board
Tsang Chi Hung
Chairman

Hong Kong, 24 July 2001



未來展望

董事會預期市場競爭仍會相當激烈，對前景抱審慎樂觀的態度。我們相信，隨着去年添置的機械設備於今年內全面使用，集團的競爭能力將會大大提高。至目前為止，集團手上未完成合約合共約值3.35億港元，其中大部份預計會在二零零一／二零零二財政年度完成。

過去數年間，辦公室傢俬及品牌傢俬銷售及貢獻都有理想的增長，配合集團深化發展該市場的長遠策略，集團計劃在覓得合適地點後將繼續開設銷售陳列室，集團亦正在開發一系列新的品牌傢俬，預計可於今年稍後時間推出市場。

遵守最佳應用守則

董事會認為，於截至二零零一年三月三十一日止年度內，本公司一直遵守聯交所上市規則附錄十四所載之最佳應用守則。

致謝

藉此機會，董事會謹向所有客戶給予的信賴和支持，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，二零零一年七月二十四日