

## Management Analysis

### Principal Activities

Interior building works overtook custom made furniture and fixtures as the Group's most major line of business in 2000/2001. Custom made furniture and fixtures came second, followed by showroom sales and design and build contracts. Such change was primarily due to the significant contract sum of the two current projects that consisted of mainly fitting-out works, namely, the Beijing Oriental Plaza and the Stubbs Road residential development project.

### Markets

The Group's major markets remained to be the Mainland China and Hong Kong which accounted for 72.5% (2000: 78.9%) of the Group's total turnover for the year under review. Continuous sluggish economic conditions in Japan have led to a 32.7% decrease in sales to the Asian markets (other than the Mainland China and Hong Kong). However, aggregate sales to markets other than the Mainland China and Hong Kong increased slightly to HK\$76.6 million as sales to the non-Asian countries (principally the US and Europe) increased by HK\$10.9 million to HK\$57.4 million.

### Operations

During the year ended 31 March 2001, the Group acquired additional fixed assets of HK\$49.1 million, of which HK\$37.3 million was represented by plant and machinery. Economic benefits of these newly installed machines, including the tow-cart finishing line, the metalwork powder-coating line, the woodwork short-cycle press line and the metalwork punching machine, have not been fully reflected in 2000/2001 profit and loss account as most of them only completed their test runs earlier this year.

As at the balance sheet date, the Group employed 135, 823 and 8 staff in Hong Kong, the Mainland China and Singapore respectively (2000: 116, 771 and 7 respectively).

### Financial Resources

The Group continued a cautious policy towards its financial structure. As at the balance sheet date, total bank borrowings amounted to HK\$21.5 million (2000: HK\$7.4 million). Having taken into account of the Group's total net worth of HK\$248 million, such borrowing level is considered to be prudent with the net worth to bank borrowings ratio stood high at 11.5 times. In fact, finance costs of the Group have been decreased for three consecutive years from HK\$3.8 million in 1999 to HK\$2.1 million in 2000 and further down to HK\$1.7 million in 2001.

High cash and cash equivalents of HK\$79 million was recorded as at 31 March 2000. Such high level of cash balance was primarily attributable to the HK\$67 million net proceeds raised from the listing of the Company on Hong Kong Stock Exchange ("HKEX") in March last year. During the year under review, the Group made additional investment of HK\$49.1 million in fixed assets. Thus, cash and cash equivalents as at the balance sheet date was lowered to HK\$30.1 million. This cash balance, together with the Group's available banking facilities in excess of HK\$100 million, should provide the Group with sufficient financial resources for its operations and development.

### 主要業務

室內裝飾工程於年內超越了訂製傢俬及裝置，成為本集團最主要的業務，第二位為訂製傢俬及裝置，其他依序為陳列室銷售及室內建造合約。有關變更，主要是因為集團手上兩個較大型的項目－北京東方廣場及司徒拔道住宅－所涉及的大多數是室內裝飾工程。

### 市場

中國內地及香港仍為本集團的主要市場，合共約佔集團營業額約72.5% (2000：78.9%)。日本市場持續的不景氣，使本集團於亞洲區 (不包括中國內地及香港) 的銷售下降了32.7%，尤幸非亞洲市場 (主要為美國及歐洲) 營業額增加了1,090萬港元至5,740萬港元，使整體海外 (即中國內地及香港以外地區) 銷售錄得輕微增長至7,660萬港元。

### 營運

截至二零零一年三月三十一日止年度內，本集團添置了共值4,910萬港元的固定資產，其中廠房及機器約佔3,730萬港元，因這些新裝置機器，包括拖車式油漆生產綫、鐵工噴粉綫、木工熱壓床及鐵工電腦沖床等都是剛於今年年初才完成調試，其經濟效益尚未在二零零零／二零零一年度之損益表全面反映。

於會計年度終結日，本集團在香港、中國內地及新加坡所聘用的員工數目分別為135人、823人及8人 (2000：分別為116人、771人及7人)。

### 財務資源

本集團繼續秉承審慎理財的哲學。於年度終結時，銀行貸款結餘總額為2,150萬港元 (2000：740萬港元)，以本集團2.48億港元的資產淨值來計算，本集團之資產淨值為銀行貸款的11.5倍，事實上，本集團已連續三年減低了財務成本，分別自1999年的380萬港元及2000年的210萬港元，進一步下降至2001年的170萬港元。

於二零零零年三月三十一日錄得高達7,900萬港元的現金持用量，主要源自為本集團於去年三月在香港聯合交易所上市 (「聯交所」) 集資淨額的6,700萬港元，於回顧期內，本集團動用了4,910萬港元投資於固定資產上，使得於本會計年度末之現金水平下降至3,010萬港元。本集團手上現金及逾一億港元之銀行備用額度，將可為集團的營運及發展提供足夠的財政資源。

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### Corporate Governance

During the year, the Company has complied with the Code of Best Practice. The Audit Committee has met twice since the last Annual General Meeting to review and discuss the Group's interim and financial results, internal control issues and recommendations made by the external auditors.

### Dividend Policy

The Company has maintained a dividend pay-out ratio of approximately 30% since its listing on HKEX.

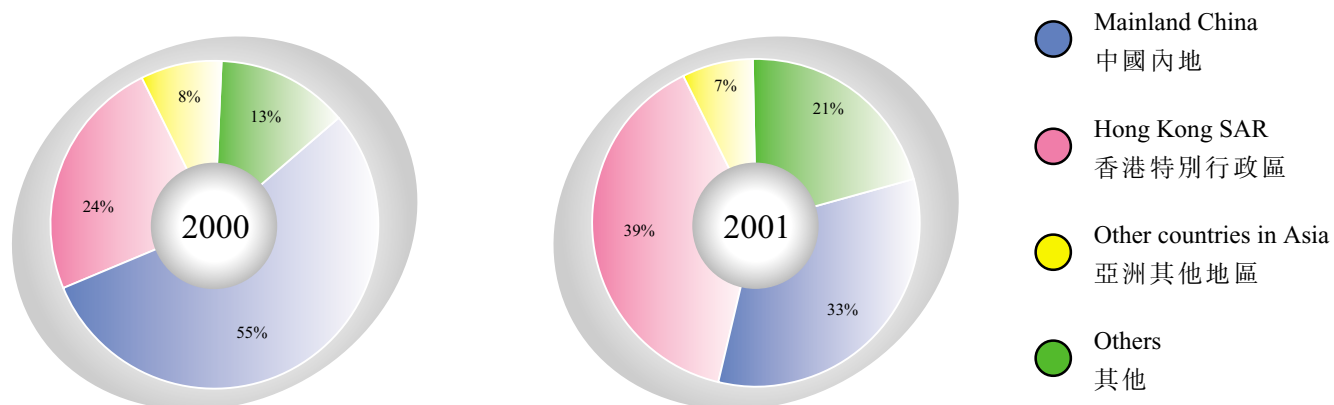
### 公司管治

期內，本公司一直遵守《最佳應用守則》。審核委員會亦自上一股東週年大會以來舉行了兩次會議，討論及審議中期及年度業績，內部監管課題及核數師的各項建議。

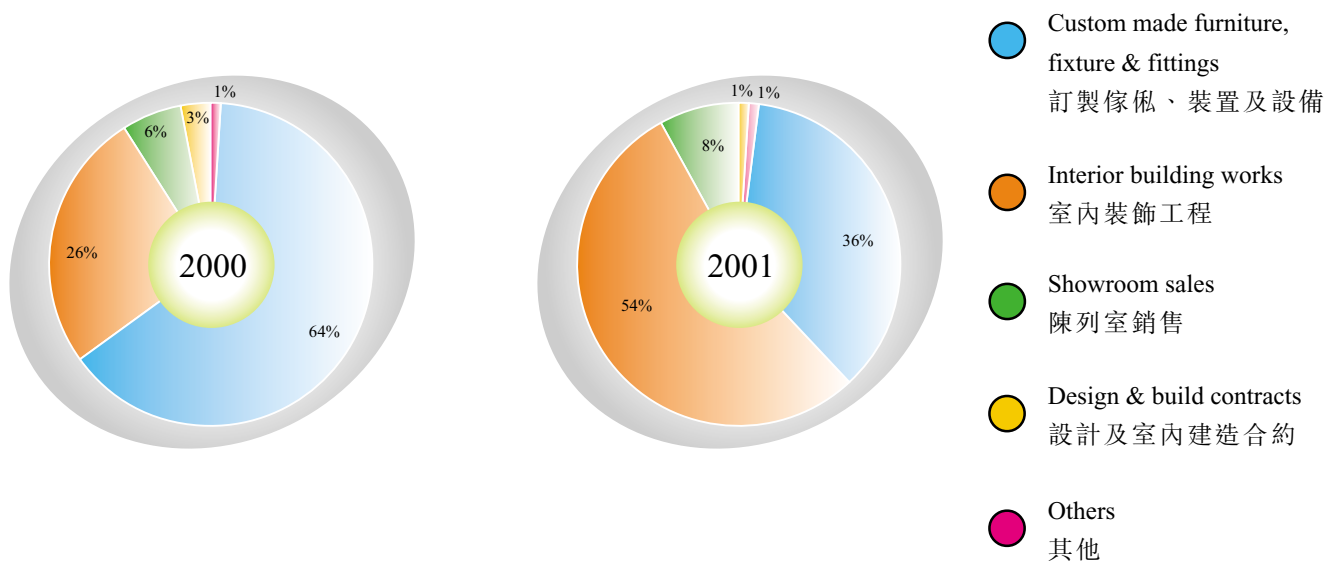
### 股息政策

本公司自於聯交所上市以來，一直維持股息為稅後利潤的30%左右的政策。

### TURNOVER BY GEOGRAPHICAL LOCATIONS 按地區劃分的營業額



## TURNOVER BY PRINCIPAL ACTIVITIES 按主要業務劃分的營業額



## CONTRIBUTION BY PRINCIPAL ACTIVITIES 按主要業務劃分的毛利貢獻

