

DECCA EXPLORES NEW MARKETS IN ANTICIPATION OF LOWER DOMESTIC DEMAND

Decca Holdings Limited (Stock code: 997) attended Equip'Hotel 2001, an international showcase for restaurant, hotel, bar and catering sectors, held in Paris earlier this month. Mr. Tsang Chi Hung, Chairman of Decca Holdings Limited, said, "Decca traditionally does well in Hong Kong, in Mainland China and in the US but Europe has never been a major market. Because of the slowing economic conditions, we went to the trade show to meet potential customers representing hotels from Europe, the Middle East and Africa. The trade show was attended by over 100,000 visitors and I am glad to see the very positive feedback from the visitors. In fact, we received over 150 inquiries from these hotel owners and operators and hopefully some of these inquiries will turn into real business later this year."

Mr. Tsang went on, "I am not trying to be pessimistic but no doubt that the coming year or two will be very challenging. The Group will face intense competition. In addition to the necessary measures we have taken to reduce our operating expenses, we take this strategic move to explore new market for custom furniture for hotels in Europe. We believe that our demonstrated product quality and low production costs in China will make our products very competitive. In the longer term, the Group should benefit from China's entry into the WTO and the 2008 Beijing Olympic Games"

The Group is expected to announce its interim results next month.



Decca Holdings Limited



For further information, please contact: **Mr. Roy**

Tel: 852-2896-2699 **Fax:** 852-2558-3177

Email: Roy@decca.com.hk