

**DECCA ANNOUNCES 44% INCREASE IN INTERIM  
PROFIT,  
PROSPECTS REMAIN CHALLENGING**

HONG KONG, 10 December 2001 High quality custom made furniture and top-notch fitting-out contractor for luxurious hotels, Decca Holdings Limited (Stock Code:997) (the "Company"), reported a 103% increase in turnover and 44% increase in net profit for the six months ended 30 September 2001. Turnover and net profit for the period were HK\$246.0M and HK\$10.6M respectively. The Company declared an interim dividend of 1.5 cents per share, representing a pay-out ratio of approximately 30% that the Group has adopted since its listing on HKEx.

Mr. Tsang Chi Hung, Chairman of Decca Holdings Limited, said, "During the period, we have completed a number of significant projects, including the Oriental Plaza in Beijing ("BOP"), the Agile Hotel in Zhongshan, the Philadelphia Concert Hall in the USA, the Kintetsu's USJ Hotel in Japan and the Nortel Networks Project in Hong Kong. The completion of these significant projects, in particular, the BOP, leads to the 103% increase in our turnover. However, net profit only increased moderately as the result of fiercer competition and poorer market conditions. In view of the sluggish economic conditions, we have been cautious in opening additional showrooms and launching new lines of products and has accordingly adjusted such plans mentioned in our last annual report."

Mr. Tsang went on, "World economic rate has slowed rapidly. We believe that the forthcoming year or two will be very challenging and the Group will be facing intense competition both domestically and overseas. We have already taken necessary measures on one hand to reduce our operating expenses and on the other hand to explore expanding the market for custom furniture for hotels in Europe. We recently exhibited at the EquipHotel trade show in Paris and received more than 150 inquiries from European, Middle Eastern and African hotels which will be renovating or opening within the next twelve months."

When asked about the opportunities in the Mainland, the principal market of the Group, Mr. Tsang replied, "I think we have positioned to benefit from the expected increase in demand for quality fitting-out works and furniture following the China's entry into WTO. With the Group's demonstrated strengths in carrying out fitting-out projects for luxurious hotel in Beijing, we are well placed to take the advantage of the opportunities arising from the 2008 Olympic Games."

Note:

Summary of the Group's 2001/2002 interim results is attached. Full version of the results

## Decca Holdings Limited

announcement will be published in Hong Kong Economic Times and Hong Kong iMail on 11 December 2001.