

DECCA ANNOUNCES 2001/2002 FINAL RESULTS

HONG KONG, 15 July 2002 -- Quality custom made wooden furniture and architectural fixtures and fittings manufacturer Decca Holdings Limited (Stock Code: 997) (the "Company") announced its final results today. Group's turnover increased by 42% to HK\$396 million, whilst profit attributable to shareholders decreased by 58% to HK\$5.97 million. No final dividend has been recommended. The interim dividend of 1.5 HK Cent already paid represents the total dividend for the year and a dividend pay-out ratio of 51% (p.y: 31%).

During the period under review, sales to the Mainland China grew modestly by 104%, while sales to Hong Kong and Other Countries in Asia also grew encouragingly by 38% and 23.6% respectively. Sales to Europe and USA remained stable.

Mr. Tsang Chi Hung, Chairman of Decca Holdings Limited, said, "The increase in turnover was primarily due to the completion of certain large-scaled contracts, in particular the fitting-out works at the Oriental Plaza in Beijing, whilst profit margins decreased as a result of fiercer competition and poorer market conditions."

Mr. Tsang continued, "Last year, the Group completed a number of projects for fitting-out works and/or supply of furniture for Metro Park Hotel in Causeway Bay in Hong Kong, the Oriental Plaza in Beijing, the Four Seasons Hotel in Shanghai, the Agile Hotel in Zhongshan, the Kimmel Center for Performing Arts in Philadelphia and the Kintetsu's USJ Hotel in Japan."

Mr. Tsang said, "We remain cautious about the outlook for the year ahead. The reason for this is that the Hong Kong economy was slower and more troubled than at any time in recent years, partly due to domestic adjustments and partly due to the terrible events of 11 September 2001, which had global adverse economic repercussions, In addition to that, with the year to year Composite Consumer Price Index having declined for more than 24 months, we foresee the buying power to be weak.

When asked about recent developments, Mr. Tsang commented that the business environment in which the Group operates deteriorated during the year and the economy slowed markedly. 2001 was indeed a challenging year for a wide range of industries and the furniture and fitting-out industry was no exception. In response to the development, the Group has taken necessary measures to reduce operating expenses and has decided to explore markets in the USA and Europe. Whilst the Group has suspended opening new showrooms, it will launch a new series of high-end furniture under the brand name of Bolier & Co. in the USA. It is believed that these new markets and new product lines, together with Decca's solid foundation laid over 30 years in the industry and fully integrated production facilities, will assist the Group in weathering the remainder of the downturn and place it in a sound position to benefit from the economy.

Mr. Tsang concluded, "As to the medium term prospect, we expect the 2008 Beijing Olympic Games will bring huge business opportunities to Hong Kong and Mainland companies. New hotels will be built and existing hotels will have to be refurbished. As an experienced high-end fitting-out contractor and furniture supplier for luxurious hotels in Hong

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Kong and Mainland, we are optimistic and confident that the Group will be able to secure contracts of substantial value for this memorable occasion."

Note:

[Summary of the Group's 2001/2002 annual results](#) is attached. Full version of the results announcement will be published in Hong Kong Economic Times, The Standard on 16/07/2002.

Corporate Information:

Decca, listed on the Stock Exchange of Hong Kong in March 2000, is a top-notch manufacturer of high quality custom made furniture and fitting-out contractor for luxurious hotels, serviced apartments and residences. The Group also manufactures and distributes under license from HBF of the United States and Svoboda of Austria, as well as its own brand name, Overtures, a range of office furniture in South East Asia. Decca is one of the largest specialized woodworking facilities in the world. The Group's manufacturing facilities in Dongguan cover 580,000 square feet and employs over 800 staff.