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## Chairman's Statement

### BUSINESS REVIEW

#### Results

The Group's turnover for the six months ended 30 September 2004 decreased by 8% to HK\$145.0M (2003: HK\$157.0M) whilst net profit after tax amounted to HK\$5.6M (2003: HK\$5.1M). However, the Group's gross profit ratio increased to 37% for the six months ended 30 September 2004 (2003: 25%). The decrease in turnover is a result of the Group's continuous efforts in switching its emphasis from the Hong Kong and Mainland China interior fitting-out markets into overseas markets for sales of furniture and fixtures. As the globally economy continued to recover together with the diversification of markets and products, it helped the Group to expand its customer base from the overseas markets resulting in an increase in profitability and profit margin.

#### Operations

United States became the principal market for the Group over the first six months of the year and accounted for approximately 62% (2003: 39%) of the Group's turnover. Owing to an increase of furniture supply contracts in the European market, turnover was also increased in this geographical sector to 12% (2003: 4%).

During the period under review, the Group completed interior fitting-out projects and/or supply of furniture for the Hermes Boutique in Central, Hong Kong, a large residence at Strawberry Hill (Phase I), Hong Kong, Ritz Carlton Hotel - Cayman Islands and the Hyatt Hotel - San Antonio, USA. Shop fixtures were supplied to several Ermenegildo Zegna stores in Beijing and Hong Kong, and to several Salvatore Ferragamo stores in Shanghai and Hong Kong. The Group also undertook the project to supply the Louis Vuitton Store in Xian.

Projects currently in progress include interior fitting-out projects for a large residence at Repulse Bay Road and Strawberry Hill (Phase II), Hong Kong, furniture supply contracts for Saddlebrook Resort Hotel, Florida, the Omni Hotel, Chicago, and the Harborside Atlantis Hotel, Bahamas and shop fixtures project for a Celine Boutique in Qingdao.

#### OUTLOOK

During the period under review, the Group successfully launched a manufacturing base in Thailand. These facilities are dedicated to the production of bedroom furniture destined to the U.S. market without the imposition of tariffs that would apply under the U.S. anti-dumping actions to Chinese-made furniture. The Group plans to expand these facilities as demand grows in both the U.S. residential and U.S. hospitality markets.

In addition, the Group plans to expand production at its Dongguan facilities. This will include additions to the CNC and Panel Processing Departments plus a new finishing line in the Finishing Department. All of these areas have been operating at or near full capacity and would limit growth in the Group's U.S. contract furniture and residential furniture markets unless these investments were made.

The Group will continue to develop its European base. During the period under review, an agreement was signed with the Accor Group whereby the Group is now a preferred manufacturer for Sofitel and Novotel projects. In addition, model rooms have been delivered for Starwood and Langham projects which will be reviewed by year-end. The Group appears well placed to significantly increase its hospitality business throughout Europe in 2005/2006.

#### INTERIM DIVIDEND

The directors have declared an interim dividend of HK0.8 cents (2003: nil) per share for the six months ended 30 September 2004 to shareholders whose names appear on the Register of Members of the Company on 13 January 2005. The interim dividend will be paid on or around 20 January 2005.

#### APPRECIATION

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

#### TSANG CHI HUNG

*Chairman*

Hong Kong, 14 December 2004

## 業務回顧

### 業績

截至二零零四年九月三十日止六個月，本集團之營業額為1.45億港元(二零零三年：1.57億港元)，較去年同期減少8%，稅後純利為560萬港元(二零零三年：510萬港元)。截至二零零四年九月三十日止六個月的毛利率增加至37% (二零零三年：25%)。營業額之下降，主要是由於集團積極將重點由香港及中國內地之室內裝飾工程業務市場，轉移至傢俬及裝置銷售之海外市場。此外，隨著環球經濟持續復甦，並配合集團銳意拓展多元化市場及產品的策略，不僅為集團帶來可觀的利潤回報，亦廣泛地開拓其海外顧客銷售網絡。

### 業務

美國仍本年度首六個月本集團的主要市場，合共佔集團總營業額約62%(二零零三年：39%)。此外，歐洲市場的傢俬供應合約亦不斷攀升，合共佔集團總營業額約12%(二零零三年：4%)。

回顧過去半年，本集團參與並完成了的室內裝飾工程項目及傢俬供應包括：Hermes 於香港中環開設的旗艦店，香港士多啤利山的大型住宅(第一期)，克曼群島的麗嘉酒店，及美國聖安東尼奧的凱悅酒店。另外，本集團亦為多間國際級名店提供店鋪傢俬裝置供應，當中包括：位於中國北京和香港的Ermenegildo Zegna，位於中國上海和香港的Salvatore Ferragamo，以及位於中國西安的Louis Vuitton。

至於目前仍在進行中的室內裝飾工程項目包括：香港淺水灣道住宅項目及香港士多啤利山的大型住宅(第二期)。傢俬合約工程主要包括：佛羅里達州Saddlebrook Resort Hotel，芝加哥Omni Hotel，巴哈馬Harborside Atlantis Hotel，以及為Celine位於中國青島的店鋪提供店鋪傢俬裝置供應。

### 展望

於回顧期內，本集團成功於泰國設立廠房，其製造設施主要為生產運往美國市場之臥室傢俬，以避免美國因反傾銷而向中國製造的臥室傢俬徵收懲罰性關稅。此外，集團計劃擴充泰國廠房設施，以配合持續增長的美國住宅及酒店傢俬市場。

與此同時，集團亦計劃進一步擴充中國東莞廠房的生產設施，包括於電腦雕花部及板料部增添生產機器設備，並於油漆部新增一台油漆生產線。因有關部門之生產力已達或接近極限，集團深信若不作適當的擴充，美國傢俬合約及住宅傢俬市場之增長將受到限制。

集團會繼續拓展歐洲市場。於回顧期內，集團已與Accor Group簽定合約，並成為Sofitel及Novotel工程的優先生產商。此外，集團為Starwood及Langham工程提供的樣板房傢俬，亦將於本年底作審批。本集團展望歐洲酒店傢俬市場將於二零零五／二零零六年能獲可觀的增長。

### 中期股息

董事會宣佈將於二零零五年一月二十日或前後派發截至二零零四年九月三十日止半年度中期股息每股0.8港仙(二零零三年：無)予二零零五年一月十三日名列本公司股東名冊之股東。

### 致謝

藉此機會，董事會謹向所有股東及客戶給予的信賴和支持，及本集團全體員工的努力不懈和貢獻致以衷心的謝意。

主席  
曾志雄

香港，二零零四年十二月十四日

## Management Discussion and Analysis

The following comments should be read in conjunction with the condensed financial statements of Decca Holdings Limited and the related notes on the accounts.

### REVIEW OF RESULTS

The Group's turnover for the six months ended 30 September 2004 decreased by 8% to HK\$145.0M (2003: HK\$157.0M) whilst net profit after tax amounted to HK\$5.6M (2003: HK\$5.1M). However, the Group's gross profit ratio increased to 37% for the six months ended 30 September 2004 (2003: 25%).

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During the period under review, the Group completed interior fitting-out projects and/or supply of furniture for the Hermes Boutique in Central, Hong Kong, a large residence at Strawberry Hill (Phase I), Hong Kong, Ritz Carlton Hotel - Cayman Islands and the Hyatt Hotel - San Antonio, USA. Shop fixtures were supplied to several Ermenegildo Zegna stores in Beijing and Hong Kong, and to several Salvatore Ferragamo stores in Shanghai and Hong Kong. The Group also undertook the project to supply the Louis Vuitton Store in Xian.

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### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group continued a cautious policy towards its financial structure. As at 30 September 2004, total bank borrowings amounted to HK\$36.5M (31 March 2004: HK\$27.0M). Finance costs were maintained at a low level of HK\$0.8M (30 September 2003: HK\$1.4M) representing 0.6% (30 September 2003: 0.9%) of the Group's turnover. The Board believes that the Group's available banking facilities and its bank balances should provide the Group with sufficient financial resources for its operations and future development.

There is no seasonality borrowing requirements. The Group's funding requirements to certain extent depend on the value of the contracts awarded to the Group by its customers. The bank borrowings include bank loans and overdrafts amounted to HK\$36.5M (31 March 2004: HK\$27.0M) would mature within one year or on demand. Having taken into account of the Group's net worth of HK\$186.0M, such borrowing level is considered as prudent.

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in Mainland China also obtain short-term credit facilities from banks in Mainland China for working capital purpose.

The borrowings are mainly in Hong Kong dollars and Renminbi which will be matched by the inflow of funds from the Group's projects in Hong Kong and Mainland China. The Group's cash holding is mainly denominated in Hong Kong dollars.

The interest rates of the Group's borrowings are usually floating in nature.

下列之意見應與達藝控股有限公司之簡明財務報表及有關之賬項附註一併閱讀。

### 業績回顧

截至二零零四年九月三十日止六個月，本集團之營業額為1.45億港元(二零零三年：1.57億港元)，較去年同期減少8%，稅後純利為560萬港元(二零零三年：510萬港元)。截至二零零四年九月三十日止六個月的毛利率增加至37% (二零零三年：25%)。

營業額之下降，主要是由於集團積極將重點由香港及中國內地之室內裝飾工程業務市場，轉移至傢俬及裝置銷售之海外市場。此外，隨著環球經濟持續復甦，並配合集團銳意拓展多元化市場及產品的策略，不僅為集團帶來可觀的利潤回報，亦廣泛地開拓其海外顧客銷售網絡。

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### 流動資金、財務資源及資本結構

本集團的財政狀況繼續秉承穩健審慎理財的哲學，截至二零零四年九月三十日止，銀行貸款總額為3,650萬港元(二零零四年三月三十一日：2,700萬港元)，財務成本維持在80萬港元(二零零三年九月三十日：140萬港元)的較低水平，相當於集團營業額的0.6%(二零零三年九月三十日：0.9%)。董事會相信，本集團充裕的銀行備用信貸額度及持有的現金，足以為集團的營運及將來發展提供足夠的財政資源。

本集團並無季節性的貸款要求。本集團所需之資金在某程度上乃按本集團從客戶所接獲之工程的價格而定。銀行借款包括銀行貸款及透支共3,650萬港元(二零零四年三月三十一日：2,700萬港元)乃一年內或即時通知到期的貸款。如以本集團資產淨值1.86億港元比較，此貸款水平屬於穩健。

本集團一般透過內部資金與香港銀行給予之信貸融資提供其業務運作所需資金。位於中國內地之附屬公司從中國內地之銀行取得短期信貸融資作為營運資金用途。

貸款以港元及人民幣為主，本集團以香港及中國內地之工程所得的資金收入相配。本集團所持有之現金主要以港元為基礎。

本集團大部份貸款之息率通常是浮動的。

## Management Discussion and Analysis

### GEARING RATIO AND FOREIGN EXCHANGE EXPOSURE

As at 30 September 2004, the gearing ratio (total borrowings/net assets) improved to 0.21 (31 March 2004: 0.16). Comparing the net assets of HK\$186.0M with the total borrowings of HK\$39.7M, the Board considered that such gearing ratio was acceptable. As the Group's revenue and expenses were mainly in Hong Kong dollars, Renminbi and US dollars and its cash holding was denominated in Hong Kong dollars, foreign exchange exposure of the Group was minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remained in effect. Renminbi's exchange rate remained stable as China also would like to maintain a stable exchange rate between Hong Kong dollars and Renminbi which would be beneficial to Hong Kong's economy.

### CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2004, part of land and buildings owned by the Group and situated in Mainland China with a net book value of approximately HK\$6.9M (31 March 2004: HK\$7.2M) were pledged with a bank to secure a loan granted to the Group. There were contingent liabilities in respect of counter-guarantees, amounting to approximately HK\$1.7M (31 March 2004: nil) which were given by a subsidiary in favour of certain financial institutions against liabilities of these parties arising from non-compliance of the terms of interior building works being undertaken by the subsidiary.

### SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There was no significant investments or disposals of subsidiaries in the year.

### EMPLOYEES

As at 30 September 2004, the Group employed 105, 1549, 5 and 14 staff in Hong Kong, Mainland China, Singapore and USA respectively (31 March 2004: 101, 1065, 4 and 11 respectively). The Group remunerated its employees based on their performance, working experience and the prevailing market conditions. Bonus may be given to staff of outstanding performance on a discretionary basis. For the primary purpose of retaining high calibre executives and employees, share options may be granted to eligible employees. Other employee benefits include mandatory provident fund and training programs.

### CORPORATE GOVERNANCE

The Audit Committee, which was comprised of three Independent Non-executive Directors, met once since the last AGM to review and discuss the Group's interim results and other audit and internal control issues with the external auditors.

In the opinion of the Directors, the Company has complied throughout the period with the Code of Best Practice as set out by the Stock Exchange in Appendix 14 to the Listing Rules.

### OUTLOOK

During the period under review, the Group successfully launched a manufacturing base in Thailand. These facilities are dedicated to the production of bedroom furniture destined to the U.S. market without the imposition of tariffs that would apply under the U.S. anti-dumping actions to Chinese-made furniture. The Group plans to expand these facilities as demand grows in both the U.S. residential and U.S. hospitality markets.

In addition, the Group plans to expand production at its Dongguan facilities. This will include additions to the CNC and Panel Processing Departments plus a new finishing line in the Finishing Department. All of these areas have been operating at or near full capacity and would limit growth in the Group's U.S. contract furniture and residential furniture markets unless these investments were made.

The Group will continue to develop its European base. During the period under review, an agreement was signed with the Accor Group whereby the Group is now a preferred manufacturer for Sofitel and Novotel projects. In addition, model rooms have been delivered for Starwood and Langham projects which will be reviewed by year-end. The Group appears well placed to significantly increase its hospitality business throughout Europe in 2005/2006.



### 資產負債比率及外匯風險

截至二零零四年九月三十日止，資產負債比率（總借貸額／資產淨值）為0.21（二零零四年三月三十一日：0.16）。如以資產淨值1.86億港元與總借貸額3,970萬港元比較，董事會認為此資產負債比率可以接受。本集團主要以港元，人民幣及美元賺取收益及支付費用，所持有的現金主要以港元為基礎。鑑於香港特區政府仍然實施港元與美元掛鈎之政策，故此本集團之外匯風險甚低。人民幣匯率保持穩定，此乃中國希望維持港元與人民幣之間的穩定匯率，使香港的經濟得益。

### 資產抵押及或然負債

截至二零零四年九月三十日止，本集團位於中國內地的部份土地及樓宇之賬面淨值約為690萬港元（二零零四年三月三十一日：720萬港元）。該土地及樓宇已抵押給一家銀行，作為給予本集團貸款之抵押。另外有保證之或然負債總額約為170萬港元（二零零四年三月三十一日：無），此乃本集團給予金融機構，用以承擔如未能依據室內裝飾工程合約條文而引發之責任。

### 持有重大投資及附屬公司之重大收購及出售

本年內並無重大投資或出售附屬公司。

### 僱員

截至二零零四年九月三十日止，本集團於香港、中國內地、新加坡及美國所僱用的員工數目分別為105、1549、5及14人（二零零四年三月三十一日：101、1065、4及11人）。本集團根據僱員之表現，工作經驗及現時市場情況釐定彼等之薪酬。對表現傑出的僱員可酌情發放花紅。購股權主要是為保留優秀行政人員及員工而設立，可授予合資格之僱員。其他僱員福利包括強制性公積金及培訓計劃。

### 公司管治

由三位獨立非執行董事組成的審核委員會自上一屆股東週年大會以來，共召開了一次會議，並與公司獨立核數師討論及審議了集團的中期財務業績，以及內部監控與審核有關事宜。

董事會認為，於本期內，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。

### 展望

於回顧期內，本集團成功於泰國設立廠房，其製造設施主要為生產運往美國市場之臥室傢俬，以避免美國因反傾銷而向中國製造的臥室傢俬徵收懲罰性關稅。此外，集團計劃擴充泰國廠房設施，以配合持續增長的美國住宅及酒店傢俬市場。

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## DIRECTORS

The directors of the Company during the six months' period and up to the date of this report were:

### Executive directors:

Mr. Tsang Chi Hung  
 Mr. Liu Hoo Kuen  
 Ms. Kwan Yau Choi  
 Ms. Fung Sau Mui  
 Mr. Tai Wing Wah  
 Mr. Wong Kam Hong  
 Mr. Richard Warren Herbst

### Independent non-executive directors:

Mr. Chu Kwok Man  
 Mr. Lok Wai Kiang, Paul  
 Mr. Cheng Woon Kam (appointed on 1 September 2004)

## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2004, the interests of the directors and of their associates in the issued share capital and underlying shares of the Company and its associated corporations, as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code of Securities Transactions by Directors of Listed Companies were as follows:

### Long position

#### (a) Interests in the Company's shares

Name of director	Number of shares of HK\$0.10 each				Percentage of the issued share capital of the Company
	Personal interests	Family interests	Corporate interests	Total	
Mr. Tsang Chi Hung	9,920,827	–	112,511,670 (note 1)	122,432,497	61.22%
Mr. Liu Hoo Kuen	8,707,481	–	–	8,707,481	4.35%
Ms. Kwan Yau Choi	9,920,827	–	112,511,670 (note 1)	122,432,497	61.22%
Ms. Fung Sau Mui	750,000	–	–	750,000	0.38%
Mr. Tai Wing Wah	750,000	–	–	750,000	0.38%
Mr. Wong Kam Hong	589,995	–	–	589,995	0.29%
Mr. Richard Warren Herbst	589,995	–	–	589,995	0.29%
Mr. Lok Wai Kiang, Paul	–	500,000 (note 2)	–	500,000	0.25%

Notes:

- Mr. Tsang Chi Hung and his wife Ms. Kwan Yau Choi own 348 shares and 347 shares of US\$1 each respectively of Peasedow Enterprises Limited respectively, representing 35% each of the issued share capital of that company, which in turn owns 112,511,670 shares of the Company.
- These shares are held in the name of Ms. Lok Zee Pui Pui, Teresa, the wife of Mr. Lok Wai Kiang, Paul and Mr. Lok Wai Kiang, Paul is deemed to be interested in those shares as family interests.



## 董事

本期及截至本報告書日的董事如下：

### 執行董事

曾志雄先生  
 廖浩權先生  
 關有彩女士  
 馮秀梅女士  
 戴永華先生  
 黃錦康先生  
 Richard Warren Herbst先生

### 獨立非執行董事

朱國民先生  
 駱偉強先生  
 鄭煥錦先生(於二零零四年九月一日委任)

### 董事之股份及所持相關股份權益

於二零零四年九月三十日，根據證券及期貨條例第352條，董事及其聯繫人士於本公司及其聯營公司之已發行股本及所持相關股份之權益須存置於登記冊之記錄或根據上市公司董事進行證券交易的標準守則，須知會本公司及香港聯合交易所有限公司如下：

## 長倉

### (a) 於本公司股份之權益

董事姓名	每股面值0.1港元之股份數目				佔本公司 已發行股本 百分比
	個人權益	家族權益	公司權益	總額	
曾志雄先生	9,920,827	—	112,511,670 (附註1)	122,432,497	61.22%
廖浩權先生	8,707,481	—	—	8,707,481	4.35%
關有彩女士	9,920,827	—	112,511,670 (附註1)	122,432,497	61.22%
馮秀梅女士	750,000	—	—	750,000	0.38%
戴永華先生	750,000	—	—	750,000	0.38%
黃錦康先生	589,995	—	—	589,995	0.29%
Richard Warren Herbst先生	589,995	—	—	589,995	0.29%
駱偉強先生	—	500,000 (附註2)	—	500,000	0.25%

附註：

- 曾志雄先生及關有彩女士分別持有Peasedow Enterprises Limited 348股及347股，每股美金1元的股份，即各佔該公司35%的股本，而該公司則持有本公司112,511,670股份。
- 該等股份以駱偉強先生之妻子駱徐培培女士名義持有，而駱偉強先生則被視為以家族權益擁有該等股份。

## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

### Long position (continued)

#### (b) Personal interests in the Company's share options

Name of director	Exercise price per share option HK\$	Number of options held	Number of underlying shares
Mr. Tsang Chi Hung	0.8	1,000,000	1,000,000
Mr. Liu Hoo Kuen	0.8	1,000,000	1,000,000
Ms. Kwan Yau Choi	0.8	1,000,000	1,000,000
Ms. Fung Sau Mui	0.8	500,000	500,000
Mr. Tai Wing Wah	0.8	500,000	500,000
Mr. Wong Kam Hong	0.8	500,000	500,000
Mr. Richard Warren Herbst	0.8	500,000	500,000
		5,000,000	5,000,000

#### (c) Personal interests in shares of Decca (Mgt) Limited ("DML")

Name of director	Non-voting deferred shares of HK\$100 each
Mr. Tsang Chi Hung	48,650
Mr. Liu Hoo Kuen	42,700
Ms. Kwan Yau Choi	48,650

#### Notes:

- As at 30 September 2004, the issued and fully paid share capital in DML comprised of 145,600 non-voting deferred shares and 10 ordinary shares of HK\$100 each.
- The rights and restrictions attached to the ordinary and non-voting deferred shares of HK\$100 each in DML are as follows:
  - The profits which DML may determine to distribute in respect of any financial year shall be distributed as regards the first \$1 trillion thereof among the holders of ordinary shares of DML according to the amounts paid up on the ordinary shares of DML held by them respectively and one half of the balance of such profits shall be distributed among the holders of the non-voting deferred shares of DML and the other half among the holders of ordinary shares of DML according to the amounts paid up on the shares held by them respectively.

董事之股份及所持相關股份權益(續)

長倉(續)

(b) 於公司購股權之個人權益

董事姓名	購股權行使價 港元	持有購股權 數目	所持相關 股份數目
曾志雄先生	0.8	1,000,000	1,000,000
廖浩權先生	0.8	1,000,000	1,000,000
關有彩女士	0.8	1,000,000	1,000,000
馮秀梅女士	0.8	500,000	500,000
戴永華先生	0.8	500,000	500,000
黃錦康先生	0.8	500,000	500,000
Richard Warren Herbst先生	0.8	500,000	500,000
		5,000,000	5,000,000

(c) 於達藝室內工程(管理)有限公司(「香港達藝」)之個人權益

董事姓名	每股面值100港元 無投票權遞延股份
曾志雄先生	48,650
廖浩權先生	42,700
關有彩女士	48,650

附註：

- 於二零零四年九月三十日，香港達藝之已發行及全付股本包括145,600股無投票權遞延股份及10股每股100港元之普通股份。
- 香港達藝之普通股份及每股100港元無投票權遞延股份的權利及限制如下：
  - 香港達藝之普通股份股東可於任何財政年度按比例先獲分派首10,000億港元溢利。其餘溢利之一半則按比例分派給香港達藝之無投票權遞延股份之股東及另一半也按比例分派給香港達藝之普通股份股東。

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

#### Long position (continued)

#### (c) Personal interests in shares of Decca (Mgt) Limited ("DML") (continued)

- (b) On a return of assets on winding up, the assets of DML to be returned shall be distributed as regards the first \$5 billion thereof among the holders of ordinary shares of DML in proportion to the nominal amounts of ordinary shares of DML held by them respectively and one half of the balance of such assets shall belong to and be distributed among the holders of the non-voting deferred shares of DML and the other half among the holders of ordinary shares of DML in proportion to the nominal amounts of the shares held by them respectively.
- (c) Every holder of ordinary shares of DML shall have one vote for every fully paid up ordinary share of DML held by him but the non-voting deferred shares of DML shall not entitle the holders thereof to vote at any general meeting of DML.

Save for disclosed above, none of the directors nor their associates held office at 30 September 2004 had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at that date.

### DIRECTORS' INTERESTS IN CONTRACTS

During the six months ended 30 September 2004, the Group paid rental of approximately HK\$1,050,000 to Golden Life Investment Limited ("Golden Life") in respect of the Group's office premises, showrooms and warehouses. Mr. Tsang Chi Hung, Ms Kwan Yau Choi and Mr Liu Hoo Kuen are directors and shareholders of Golden Life. As at 30 September 2004, the amount due to Golden Life was nil.

Apart from the above, no other contract of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest subsisted at the end of 30 September 2004 or at any time during these six months period.

### SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 23 February 2000 for the primary purpose of retaining high calibre executives and employees and the options are exercisable for a period up to 10 years from 23 February 2000. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 30 September 2004, the number of shares in respect of which options had been granted under the Scheme was 5,000,000, representing 2.5% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed to 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted on 31 August 2001 must be taken up at any time between 1 September 2002 to 31 August 2007, upon payment of HK\$1 as consideration of the grant. The exercise price is determined by the directors of the Company, and will not be less than 80% of the higher of the closing price of the Company's shares on the date of grant, and the average closing price of the shares for the five business days immediately preceding the date of grant or such other restrictions as stipulated in the Listing Rules.

There was no movement in the company's share options during the period.

**董事之股份及所持相關股份權益(續)**

**長倉(續)**

**(c) 於達藝室內工程(管理)有限公司(「香港達藝」)之個人權益(續)**

- (b) 如香港達藝清盤及退還資產，香港達藝之普通股股東可按比例獲分派首50億港元之資產。餘下一半之資產會按比例分派給香港達藝無投票權遞延股份之股東及另一半也按比例分派給香港達藝之普通股份股東。
- (c) 每一位香港達藝之普通股份股東可按每股全付之普通股份於香港達藝之任何股東大會享有一票投票權而香港達藝之無投票權遞延股份之股東則無投票權。

除上文所披露外，於二零零四年九月三十日，本公司之董事或其聯繫人士並無於本公司或其任何聯繫公司之股份，所持相關股份及債券之任何權益或短倉。

**董事之合約權益**

於截至二零零四年九月三十日止六個月期間內，本集團付予精威投資有限公司(「精威」)之辦公室物業、陳列室及貨倉之租金約為1,050,000港元。曾志雄先生、關有彩女士及廖浩權先生均為精威之董事及股東。於二零零四年九月三十日，本集團並無欠精威款項。

除上述以外，於二零零四年九月三十日或於截至此日之六個月期間內，董事並無於本公司、其控股公司或其任何附屬公司訂立而對本公司業務屬重大之任何合約中擁有實際權益。

**購股權計劃**

於二零零零年二月二十三日議決通過採納的本公司之購股權計劃(「股權計劃」)，主要是為保留優秀行政人員及員工而設立的，有關購股權，可於二零零零年二月二十三日起十年內行使。根據股權計劃，董事會可向合資格的員工，包括本公司及其附屬公司的董事，授予認購本公司股份之購股權。

於二零零四年九月三十日，根據股權計劃而授予的購股權所涉及的股份共為5,000,000股，相當於當天本公司已發行股份的2.5%。根據股權計劃授予之購股權所涉及之股份總額，在未得本公司股東同意前，不得超過本公司當時已發行股份的10%。

於二零零一年八月三十一日所授予之購股權必須於二零零二年九月一日至二零零七年八月三十一日任何時間內被接納，並須繳付港幣一元作為酬金。購股權之行使價由本公司董事釐定，但不得低於授予購股權當日本公司股份之收市價，或之前五個交易日本公司股份收市價之平均值的80%，兩者以較高為準，或上市規則所規定為準。

本公司之購股權於期內沒有變動。

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for disclosed above in "share option scheme", at no time during the period was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS

Save for disclosed above in "directors' interests in shares and underlying shares", the Company has not been notified of any interests or short positions in the share capital of the Company as at 30 September 2004 which is required to be recorded in the register as required to be kept under section 336 of the Securities and Futures Ordinance.

### FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANY

The Group made financial assistance of HK\$10,886,000 and guarantees of HK\$1,907,000 to its associate Vielie Flooring Limited ("Vielie") as at 30 September 2004. These in aggregate represented approximately 9.7% of the consideration ratio of the Group as at 30 September 2004. These pursuant to financial assistance and guarantees to affiliated company under Rule 13.16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (The "Listing Rules") as its consideration ratio exceeded the requirement of 8% of the consideration ratio. The financial assistance was interest free, unsecured and repayable on demand. The financial assistance was funded by the Group's internal resources. The guarantee was given by the Company to banks which provided finance leases to Vielie. The Group has 50% share of interest in Vielie as at 30 September 2004 and the proforma balance sheet of Vielie was given below:–

#### VIELIE FLOORING LIMITED

Proforma Balance Sheet as at 30 September 2004

**30.9.2004**  
**(Unaudited)**  
HK\$

#### Non-current assets

Plant and machinery, furniture and fixtures  
Deferred tax assets

1,545,653  
69,120

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1,614,773



### 董事購買股份及債券安排

除上述披露之「購股權計劃」外，本公司、其控股公司或其任何附屬公司均沒有在本期內訂立任何安排，致使本公司董事可以透過收購本公司或任何其他法人公司的股份或債券而獲益。

### 主要股東

除上文「董事之股份及所持相關股份權益」所披露者外，於二零零四年九月三十日，本公司從未接獲有關於本公司之股本中須根據證券及期貨條例第336條予以記錄之權益或短倉的通知。

### 為聯屬公司提供財務資助及作出擔保

本集團於二零零四年九月三十日向聯營公司維埃里地板有限公司（「維埃里」）提供10,886,000港元之財務資助及1,907,000港元的擔保。此總數約為本集團於二零零四年九月三十日的代價比率的9.7%。根據香港聯合交易所有限公司證券上市規則（「上市規則」）第13.16條有關代價比率不得超越8%的規定，將構成為聯屬公司提供財務資助及作出擔保。此財務資助為免息、無抵押及可即時要求償還，財務資助乃由集團的內部資金支付。擔保乃本公司給予某些銀行作為提供租購合約給維埃里之用。本集團於二零零四年九月三十日擁有維埃里50%的權益，下列為其備考資產負債表：—

#### 維埃里地板有限公司

備考資產負債表於二零零四年九月三十日

二零零四年九月三十日  
(未經審核)  
港元

#### 非流動資產

廠房及設備、傢俬及裝置  
遞延稅項資產

1,545,653  
69,120

1,614,773

### FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANY (CONTINUED)

**30.9.2004**  
**(Unaudited)**  
HK\$

#### Current assets

Amount due from a related company	21,909,763
Inventories	1,207,480
Trade debtors	781,753
Bank balances	198,900
	<u>24,097,896</u>

#### Current liabilities

Trade creditors	4,348,035
Other creditors and accruals	110,070
Obligations under finance leases - due within one year	1,162,000
Amounts due to shareholding companies	19,776,499
	<u>25,396,604</u>

#### Net current liabilities

(1,298,708)

#### Total assets less current liabilities

316,065

#### Non-current liabilities

Obligations under finance leases - due after one year	<u>(1,353,723)</u>
	<u>(1,037,658)</u>

#### CAPITAL AND RESERVES

Issued capital	2
Accumulated losses	<u>(1,037,660)</u>
	<u>(1,037,658)</u>

為聯屬公司提供財務資助及作出擔保(續)

二零零四年九月三十日  
(未經審核)  
港元

<b>流動資產</b>	
應收關連公司賬項	21,909,763
存貨	1,207,480
應收貿易賬項	781,753
銀行結存	198,900
	<u>24,097,896</u>
<b>流動負債</b>	
應付貿易賬項	4,348,035
其他應付賬項及應計費用	110,070
租購合約承擔：一年內到期償還	1,162,000
應付股東款項	19,776,499
	<u>25,396,604</u>
<b>流動負債淨值</b>	<u>(1,298,708)</u>
<b>總資產減流動負債</b>	316,065
<b>非流動負債</b>	
租購合約承擔：一年後到期償還	<u>(1,353,723)</u>
	<u>(1,037,658)</u>
<b>資本及儲備</b>	
發行資本	2
累積虧損	<u>(1,037,660)</u>
	<u>(1,037,658)</u>

### RELATED PARTY TRANSACTIONS

On 1 December 2002, the Group entered into two tenancy agreements with Golden Life. Details of the transactions during the period were set out in "Directors' Interests in Contracts" above.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2004.

### INTERIM DIVIDEND

The Directors have declared an interim dividend of HK0.8 cents (2003: nil) per share for the six months ended 30 September 2004 to shareholders whose names appear on the Register of members of the Company on 13 January 2005. The interim dividend will be paid on or around 20 January 2005.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 10 January 2005 to Thursday, 13 January 2005, both days inclusive. During this period, no transfer of shares will be effected. In order to qualify for interim dividend, shareholders must lodge all transfer documents accompanied by the relevant share certificates with the Company's Share Registrars, Standard Registrars Limited on G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by 4:00 p.m. on Friday, 7 January 2005.

### AUDIT COMMITTEE AND INDEPENDENT REVIEW BY EXTERNAL AUDITORS

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters.

The Group's external auditors, Deloitte Touche Tohmatsu, have been instructed to review the interim financial report. On the basis of their review, they are not aware of any material modifications that should be made to the interim financial report for the period.

### COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2004, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

### 有關連人士交易

於二零零二年十二月一日，本集團與精威簽訂兩項租賃協議。在此期間之交易詳情已記載於上述之「董事之合約權益」中。

### 購買、出售或贖回上市證券

截至二零零四年九月三十日止六個月內，本公司及其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

### 中期股息

董事會宣佈將於二零零五年一月二十日或前後派發截至二零零四年九月三十日止六個月的中期股息每股0.8港仙(二零零三年：無)予二零零五年一月十三日名列本公司股東名冊之股東。

### 暫停辦理股份過戶登記

本公司將於二零零五年一月十日(星期一)至二零零五年一月十三日(星期四)，首尾兩日包括在內，暫停辦理股份過戶登記手續，期間將不會進行任何股份之過戶登記。為符合享有派發中期股息之資格，股東須將所有過戶文件連同有關股票於二零零五年一月七日(星期五)下午四時前遞交香港灣仔告士打道56號東亞銀行港灣中心地下本公司於香港之股份過戶登記處標準證券登記有限公司辦理過戶登記手續。

### 審核委員會及獨立核數師審閱

審核委員會與管理層已回顧本集團採納之會計原則及實務準則，並商討內部監控及財務呈報事宜。

本集團委聘的獨立核數師德勤•關黃陳方會計師行對中期業績報告進行了審閱，並無發現任何需予對中期業績報告作出修改的地方。

### 遵守最佳應用守則

並無董事知悉任何足以合理指出本公司目前或在截至二零零四年九月三十日止之六個月內的任何時候未有遵守上市規則附錄十四所載列之最佳應用守則行事。

# Independent Review Report

## **TO THE BOARD OF DIRECTORS OF DECCA HOLDINGS LIMITED**

(incorporated in Bermuda with limited liability)

### **INTRODUCTION**

We have been instructed by the Company to review the interim financial report set out on pages 22 to 39.

### **RESPONSIBILITIES**

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Statement of Standard Accounting Practice No. 25 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **REVIEW WORK PERFORMED**

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to Review Interim Financial Reports” issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

### **REVIEW CONCLUSION**

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 September 2004.

### **DELOITTE TOUCHE TOHMATSU**

Certified Public Accountants

Hong Kong, 14 December 2004



## 致達藝控股有限公司董事會

(於百慕達註冊成立之有限公司)

### 引言

本核數師行受 貴公司委托審閱載於第22至第39頁之中期財務報告。

### 責任

香港聯合交易所有限公司證券上市規則規定，中期財務報告須按照香港會計師公會頒佈的《會計實務準則》第25號「中期財務報告」及其他有關規定編製。編製中期財務報告是董事的責任，並經董事通過。

本行的責任是根據本行審閱工作的結果，對該等中期財務報告表達獨立意見，及按本行同意之聘約條款，謹向整體股東報告本行之結論，及不作其他用途。本行並不就本報告的內容向任何其他人士負上責任或承擔法律責任。

### 審閱工作

本行的審閱工作是按照香港會計師公會頒佈的《核數準則》第700號「審閱中期財務報告」進行的。審閱範圍主要包括對集團管理層作出查詢及運用分析性程序對中期財務報告作出分析，並據此評估所採用的會計政策及列報形式是否一致及貫徹地運用(除非已在中期財務報告內另作披露)。審閱工作並不包括審核程序(如測試內部監控系統和核實資產、負債及交易活動)。由於審閱的工作範圍遠較審核工作少，因此祇能提供較審核工作為低的確定程度。所以，本行不會對中期財務報告作出審核意見。

### 審閱結論

根據本行審閱(並不構成審核工作)的結果，本行並不察覺須對截至二零零四年九月三十日止六個月的中期財務報告作出任何重大的修改。

## 德勤•關黃陳方會計師行

執業會計師

香港，二零零四年十二月十四日

## Condensed Financial Statements

### CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2004

	Notes	Six months ended 30 September	
		2004 HK\$'000 (unaudited)	2003 HK\$'000 (unaudited)
Turnover	3	<b>144,790</b>	156,978
Cost of sales		<b>(90,674)</b>	(118,273)
Gross profit		<b>54,116</b>	38,705
Other operating income		<b>993</b>	1,084
Distribution costs		<b>(7,958)</b>	(3,956)
Administrative expenses		<b>(37,037)</b>	(27,196)
Allowance for bad and doubtful debts		<b>(2,078)</b>	(2,200)
Profit from operations	4	<b>8,036</b>	6,437
Finance costs	5	<b>(826)</b>	(1,376)
Profit before taxation		<b>7,210</b>	5,061
Taxation	6	<b>(1,604)</b>	–
Net profit for the period		<b>5,606</b>	5,061
Dividend	7	<b>1,600</b>	–
Earnings per share	8		
– Basic		<b>2.80 cents</b>	2.53 cents

簡明綜合損益賬

截至二零零四年九月三十日止六個月

	附註	截至九月三十日止六個月	
		二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)
營業額	3	144,790	156,978
銷售成本		<u>(90,674)</u>	<u>(118,273)</u>
毛利		54,116	38,705
其他經營收益		993	1,084
分銷成本		(7,958)	(3,956)
行政開支		(37,037)	(27,196)
呆壞賬準備		<u>(2,078)</u>	<u>(2,200)</u>
經營溢利	4	8,036	6,437
財務成本	5	<u>(826)</u>	<u>(1,376)</u>
除稅前溢利		7,210	5,061
稅項	6	<u>(1,604)</u>	<u>—</u>
本期內之純利		<u>5,606</u>	<u>5,061</u>
股息	7	<u>1,600</u>	<u>—</u>
每股盈利	8		
— 基本		<u>2.80仙</u>	<u>2.53仙</u>

## Condensed Financial Statements

### CONDENSED CONSOLIDATED BALANCE SHEET

at 30 September 2004

	Notes	30.9.2004 HK\$'000 (unaudited)	31.3.2004 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	101,354	101,099
Investment in an associate		–	–
		<u>101,354</u>	<u>101,099</u>
<b>Current assets</b>			
Inventories		71,585	52,741
Amounts due from customers for contract work	10	7,060	9,102
Amount due from an associate	11	10,886	6,935
Trade debtors	12	95,717	50,315
Other debtors, deposits and prepayments		6,468	6,945
Tax recoverable		913	1,405
Bank balances and cash		14,900	31,835
		<u>207,529</u>	<u>159,278</u>
<b>Current liabilities</b>			
Amounts due to customers for contract work	10	2,388	1,220
Trade creditors	13	27,849	13,963
Other creditors, advance deposits and accruals		45,847	29,890
Obligations under finance leases			
– due within one year		1,695	1,474
Taxation		1,020	6
Bank borrowings – due within one year		36,452	27,013
		<u>115,251</u>	<u>73,566</u>
<b>Net current assets</b>		<u>92,278</u>	<u>85,712</u>
		<u>193,632</u>	<u>186,811</u>

**簡明綜合資產負債表**

於二零零四年九月三十日

	附註	二零零四年 九月三十日 千港元 (未經審核)	二零零四年 三月三十一日 千港元 (經審核)
<b>非流動資產</b>			
物業、廠房及設備	9	101,354	101,099
聯營公司投資		—	—
		<u>101,354</u>	<u>101,099</u>
<b>流動資產</b>			
存貨		71,585	52,741
應收客戶之建造合約款項	10	7,060	9,102
應收聯營公司賬項	11	10,886	6,935
應收貿易賬項	12	95,717	50,315
其他應收賬項，按金及預付款項		6,468	6,945
稅項回撥		913	1,405
銀行結存及現金		14,900	31,835
		<u>207,529</u>	<u>159,278</u>
<b>流動負債</b>			
應付客戶之建造合約款項	10	2,388	1,220
應付貿易賬項	13	27,849	13,963
其他應付賬項，預收按金及應計費用		45,847	29,890
租購合約承擔：			
一年內到期償還		1,695	1,474
稅項		1,020	6
銀行貸款：一年內到期償還		36,452	27,013
		<u>115,251</u>	<u>73,566</u>
<b>流動資產淨值</b>		<u>92,278</u>	<u>85,712</u>
		<u>193,632</u>	<u>186,811</u>

## Condensed Financial Statements

### CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

at 30 September 2004

	Notes	30.9.2004 HK\$'000 (unaudited)	31.3.2004 HK\$'000 (audited)
<b>Capital and reserves</b>			
Share capital	14	20,000	20,000
Reserves	15	<u>165,747</u>	<u>160,141</u>
<b>Total capital and reserves</b>		<u>185,747</u>	<u>180,141</u>
<b>Non-current liabilities</b>			
Deferred taxation		6,365	5,775
Obligations under finance leases – due after one year		<u>1,520</u>	<u>895</u>
		<u>7,885</u>	<u>6,670</u>
		<u>193,632</u>	<u>186,811</u>

Approved by the Board of Directors on 14 December, 2004.

**Tsang Chi Hung**      *Chairman*  
**Liu Hoo Kuen**        *Deputy chairman*



**簡明綜合資產負債表(續)**

於二零零四年九月三十日

	附註	二零零四年 九月三十日 千港元 (未經審核)	二零零四年 三月三十一日 千港元 (經審核)
<b>資本及儲備</b>			
股本	14	20,000	20,000
儲備	15	165,747	160,141
<b>總資本及儲備</b>		<b>185,747</b>	<b>180,141</b>
<b>非流動負債</b>			
遞延稅項		6,365	5,775
租購合約承擔： 一年後到期償還		1,520	895
		<b>7,885</b>	<b>6,670</b>
		<b>193,632</b>	<b>186,811</b>

董事會於二零零四年十二月十四日核准

**曾志雄** 主席  
**廖浩權** 副主席

## Condensed Financial Statements

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2004

	<b>Total equity</b> HK\$'000 (unaudited)
At 1 April 2003	177,778
Profit for the period	<u>5,061</u>
At 30 September 2003	182,839
Loss for the period	<u>(2,698)</u>
At 31 March 2004	180,141
Profit for the period	<u>5,606</u>
At 30 September 2004	<u>185,747</u>

**簡明綜合權益變動表**

截至二零零四年九月三十日止六個月

	權益 總額 千港元 (未經審核)
於二零零三年四月一日	177,778
該期溢利	<u>5,061</u>
於二零零三年九月三十日	182,839
該期虧損	<u>(2,698)</u>
於二零零四年三月三十一日	180,141
本期溢利	<u>5,606</u>
於二零零四年九月三十日	<u>185,747</u>

## Condensed Financial Statements

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September 2004

	Six months ended 30 September	
	2004 HK\$'000 (unaudited)	2003 HK\$'000 (unaudited)
Net cash (used in) from operating activities	(13,152)	41,098
Net cash used in investing activities	(7,428)	(2,019)
Net cash used in financing activities	(2,150)	(6,783)
Net (decrease) increase in cash and cash equivalents	(22,730)	32,296
Cash and cash equivalents as the beginning of the period	31,835	(251)
Cash and cash equivalents at the end of the period	9,105	32,045
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	14,900	33,922
Bank overdrafts	(5,795)	(1,877)
	9,105	32,045

**簡明綜合現金流量表**

截至二零零四年九月三十日止六個月

	截至九月三十日止六個月	
	二零零四年 千港元 (未經審核)	二零零三年 千港元 (未經審核)
經營業務(使用)所得現金淨額	(13,152)	41,098
投資業務使用現金淨額	(7,428)	(2,019)
融資業務使用現金淨額	(2,150)	(6,783)
現金及現金等值項目淨(減少)增加	(22,730)	32,296
期初之現金及現金等值項目	31,835	(251)
期末之現金及現金等值項目	9,105	32,045
現金及現金等值項目結存之分析：		
銀行結存及現金	14,900	33,922
銀行透支	(5,795)	(1,877)
	9,105	32,045

## Notes on the Accounts

### 1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Statement of Standard Accounting Practice ("SSAP") No.25 "Interim Financial Reporting".

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention and the accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2004.

### 3. SEGMENT INFORMATION

#### *Business Segments*

	Six months ended 30 September		2003	
	2004	Contribution to operating profit (loss)	Consolidated turnover	Contribution to operating profit (loss)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of furniture and fixtures	129,741	11,833	89,081	16,947
Interior building works	15,049	(4,790)	67,897	(11,594)
Total	<u>144,790</u>	<u>7,043</u>	<u>156,978</u>	<u>5,353</u>
Other operating income		993		1,084
Other group expenses		(826)		(1,376)
Profit before taxation		7,210		5,061
Taxation		(1,604)		–
Net profit for the period		<u>5,606</u>		<u>5,061</u>

### 4. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging (crediting):

	Six months ended 30 September	
	2004	2003
	HK\$'000	HK\$'000
Depreciation and amortisation	9,036	8,751
Gain on disposal of property, plant and equipment	–	(158)
Interest income	(38)	(82)
	<u>          </u>	<u>          </u>



**1. 編製基準**

簡明綜合財務報表乃根據香港聯合交易所有限公司之證券上市規則(「上市規則」)附錄十六披露要求及香港會計師公會頒佈之會計實務準則(「會計實務準則」)第25號「中期財務報告」而編製。

**2. 主要會計政策**

簡明綜合財務報表乃按照歷史成本法編製，而所採用的會計政策，亦與截至二零零四年三月三十一日止年度之財務報表所採用者一致。

**3. 業務及地區劃分資料**

業務劃分

	截至九月三十日止六個月			
	二零零四年		二零零三年	
	綜合 營業額 千港元	經營業務 溢利(虧損) 千港元	綜合 營業額 千港元	經營業務 溢利(虧損) 千港元
傢俬及裝置銷售	129,741	11,833	89,081	16,947
室內裝飾工程	15,049	(4,790)	67,897	(11,594)
合計	<u>144,790</u>	<u>7,043</u>	<u>156,978</u>	<u>5,353</u>
其他經營收益		993		1,084
其他集團開支		(826)		(1,376)
除稅前溢利		7,210		5,061
稅項		(1,604)		—
除稅後溢利		<u>5,606</u>		<u>5,061</u>

**4. 經營溢利**

經營溢利已扣除(計入)下列項目：

	截至九月三十日止六個月	
	二零零四年 千港元	二零零三年 千港元
折舊及攤分	9,036	8,751
出售物業、廠房及設備之利益	—	(158)
利息收入	(38)	(82)

### 5. FINANCE COSTS

	Six months ended 30 September	
	2004 HK\$'000	2003 HK\$'000
Interest on:		
Bank borrowings wholly repayable within five years	777	1,174
Obligations under finance leases	49	202
	<b>826</b>	<b>1,376</b>

### 6. TAXATION

	Six months ended	
	30.9.2004 HK\$'000	30.9.2003 HK\$'000
Hong Kong Profits Tax	602	–
Overseas taxation	412	–
Deferred taxation	590	–
	<b>1,604</b>	–

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the six months ended 30 September 2004.

Overseas taxation is calculated at the rates prevailing in the relevant jurisdictions.

No tax was payable on the profit for the six months ended 30 September 2003 arising in Hong Kong since the assessable profit was wholly absorbed by tax losses brought forward.

### 7. DIVIDEND

The directors have determined that an interim dividend of HK0.8 cents (2003: nil) per share should be paid to the shareholders of the Company whose name appear in the Register of Members on 13 January 2005.

### 8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit for the period of HK\$5,606,000 (30.9.2003: HK\$5,061,000) and the weighted average number of ordinary shares of 200,000,000 (30.9.2003: 200,000,000) in issue during the period.

No diluted earnings per share has been presented because the exercise price of the Company's options was higher than the average market price for shares for both period.

### 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$9,292,000 on additions in respect of the Group's property, plant and equipment.

**5. 財務成本**

	截至九月三十日止六個月	
	二零零四年 千港元	二零零三年 千港元
於五年內到期之銀行貸款利息	777	1,174
租購合約承擔之利息	49	202
	<u>826</u>	<u>1,376</u>

**6. 稅項**

	截至九月三十日止六個月	
	二零零四年 千港元	二零零三年 千港元
香港利得稅	602	—
海外稅項	412	—
遞延稅項	590	—
	<u>1,604</u>	<u>—</u>

香港利得稅乃根據稅率17.5%就截至二零零四年九月三十日止六個月之估計應課稅溢利計算。

海外稅項乃根據有關地區之適用稅率計算。

截至二零零三年九月三十日止之六個月雖有溢利，但因應評稅溢利可全部由以往未用之稅務虧損抵銷，故不需要繳付利得稅。

**7. 股息**

董事會決定派發中期股息每股0.8港仙(二零零三年：無)予二零零五年一月十三日名列本公司股東名冊之股東。

**8. 每股盈利**

每股基本盈利之計算乃根據本期之純利5,606,000港元(二零零三年九月三十日：5,061,000港元)及於本期內已發行之加權平均股份數量200,000,000股(二零零三年九月三十日：200,000,000股)計算。

因公司購股權之行使價較上述兩期內之平均市價為高，故未有列出每股之攤薄盈利。

**9. 物業、廠房及設備之變動**

本期內，本集團用於添置物業、廠房及設備的費用約為9,292,000港元。

### 10. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	30.9.2004 HK\$'000	31.3.2004 HK\$'000
Contracts in progress at the balance sheet date		
Contract costs incurred plus recognised profits less recognised losses	112,718	106,912
Less: Progress billings	<u>(108,046)</u>	<u>(99,030)</u>
	<u>4,672</u>	<u>7,882</u>
Analysed for reporting purposes as:		
Due from customers included in current assets	7,060	9,102
Due to customers included in current liabilities	<u>(2,388)</u>	<u>(1,220)</u>
	<u>4,672</u>	<u>7,882</u>

At 30 September 2004, there were no (31.3.2004: HK\$2,927,000) retention monies held by customers for contract works performed and there were no advances received from customers for contract work performed.

### 11. AMOUNT DUE FROM AN ASSOCIATE

The amount is unsecured, interest free and has no fixed terms of repayment.

### 12. TRADE DEBTORS

The following is an aged analysis of trade debtors at the reporting date:

	30.9.2004 HK\$'000	31.3.2004 HK\$'000
0-90 days	59,760	23,124
>90 days	<u>35,957</u>	<u>27,191</u>
	<u>95,717</u>	<u>50,315</u>

Debts are due within 30 days from the date of billing.

### 13. TRADE CREDITORS

The following is an aged analysis of trade creditors at the reporting date:

	30.9.2004 HK\$'000	31.3.2004 HK\$'000
0-90 days	22,755	10,734
>90 days	<u>5,094</u>	<u>3,229</u>
	<u>27,849</u>	<u>13,963</u>

**10. 應收客戶之建造合約款項**

	二零零四年 九月三十日 千港元	二零零四年 三月三十一日 千港元
於結算日之在建中合約工程		
合約成本加已確認溢利及減已確認虧損	112,718	106,912
減：按進度付款項	<u>(108,046)</u>	<u>(99,030)</u>
	<u>4,672</u>	<u>7,882</u>
作報告之用的分析如下：		
應收客戶款項已包括在流動資產內	7,060	9,102
應付客戶款項已包括在流動負債內	<u>(2,388)</u>	<u>(1,220)</u>
	<u>4,672</u>	<u>7,882</u>

於二零零四年九月三十日，並無持有客戶就合約工程的保固金（二零零四年三月三十一日：2,927,000港元），而本集團並無從客戶就合約工程而收取預付款項。

**11. 應收聯營公司賬項**

該賬項為無抵押，免息及無固定還款期。

**12. 應收貿易賬項**

於結算日之應收貿易賬項分析如下：

	二零零四年 九月三十日 千港元	二零零四年 三月三十一日 千港元
零至九十日	59,760	23,124
九十日以上	<u>35,957</u>	<u>27,191</u>
	<u>95,717</u>	<u>50,315</u>

貿易款項於發單後三十天內繳付。

**13. 應付貿易賬項**

於結算日之應付貿易賬項分析如下：

	二零零四年 九月三十日 千港元	二零零四年 三月三十一日 千港元
零至九十日	22,755	10,734
九十日以上	<u>5,094</u>	<u>3,229</u>
	<u>27,849</u>	<u>13,963</u>

## Notes on the Accounts

### 14. SHARE CAPITAL

	Number of shares	Value HK\$'000
Ordinary shares of HK\$0.10 each, issued and fully paid:		
At 1 April 2004 and 30 September 2004	200,000,000	20,000

### 15. RESERVES

	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital reserves HK\$'000	Translation reserve HK\$'000	Dividend reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
<u>The Group</u>							
At 1 April 2003	47,640	18,865	8,662	149	–	82,462	157,778
Profit for the period	–	–	–	–	–	5,061	5,061
At 30 September 2003	47,640	18,865	8,662	149	–	87,523	162,839
Loss for the period	–	–	–	–	–	(2,698)	(2,698)
At 1 April 2004	47,640	18,865	8,662	149	–	84,825	160,141
Profit for the period	–	–	–	–	–	5,606	5,606
Interim dividend proposed	–	–	–	–	1,600	(1,600)	–
At 30 September 2004	47,640	18,865	8,662	149	1,600	88,831	165,747

### 16. PLEDGE OF ASSETS

At 30 September 2004, land and buildings of the Group situated in the Mainland China with net book value of approximately HK\$6,922,000 (31.3.2004: HK\$7,179,000) were pledged with a bank to secure a loan granted to the Group.

### 17. CONTINGENT LIABILITIES

At 30 September 2004, there were contingent liabilities in respect of:

- (i) counter-guarantees amounting to approximately HK\$1,733,000 (31.3.2004: nil) which were given by a subsidiary in favour of certain banks and insurance companies against any liabilities of these parties arising from non-compliance of the terms of interior building works being undertaken by the subsidiary.
- (ii) jointly guarantee with a third party to secure the finance leases granted to an associate. At 30 September 2004, the obligations under finance leases in the books and records of the associate amounted to approximately HK\$2,516,000.

### 18. RELATED PARTY TRANSACTIONS

During the period, the Group paid rentals of approximately HK\$908,000 (1.4.2003 to 30.9.2003: HK\$908,000) in respect of the Group's office premises, showrooms and warehouses to a company in which certain shareholders and directors of the Company have beneficial interests.

Rental charges was transacted with reference to the rental rates prevailing in the market.

## 14. 股本

	股票數量	面值 千港元
每股面值港幣一角之普通股，已發行及全數繳付：		
於二零零四年四月一日及二零零四年九月三十日	200,000,000	20,000

## 15. 儲備

	股票溢價 千港元	繳入盈餘 千港元	資本儲備 千港元	外匯兌換 儲備 千港元	股息儲備 千港元	滾存溢利 千港元	總額 千港元
本集團							
於二零零三年四月一日	47,640	18,865	8,662	149	—	82,462	157,778
該期溢利	—	—	—	—	—	5,061	5,061
於二零零三年九月三十日	47,640	18,865	8,662	149	—	87,523	162,839
該期虧損	—	—	—	—	—	(2,698)	(2,698)
於二零零四年四月一日	47,640	18,865	8,662	149	—	84,825	160,141
本期溢利	—	—	—	—	—	5,606	5,606
擬派中期股息	—	—	—	—	1,600	(1,600)	—
於二零零四年九月三十日	47,640	18,865	8,662	149	1,600	88,831	165,747

## 16. 資產抵押

於二零零四年九月三十日，本集團位於中國內地之土地及樓宇，其賬面淨值約為6,922,000港元（二零零四年三月三十一日：7,179,000港元），已抵押給一間銀行，作為給予本集團貸款之抵押。

## 17. 或然負債

於二零零四年九月三十日之或然負債為：

- (i) 有保證之或然負債約為1,733,000港元（二零零四年三月三十一日：無），此乃由附屬公司給予某些銀行及保險公司，用以承擔因未能依據室內裝飾工程之條文而引發之負債。
- (ii) 與第三者對聯營公司的租購合約作出聯合擔保。於二零零四年九月三十日，聯營公司賬目及記錄內之租購合約承擔約為2,516,000港元。

## 18. 關連交易

於本期內，集團已支付集團之辦公地方、陳列室、貨倉租金約908,000港元（二零零三年四月一日至二零零三年九月三十日：908,000港元）給某公司，該公司之某些股東及董事乃本公司之股東及董事。

所付租金乃以當時市場之租金作參考。