

DECCA HOLDINGS LTD : SOLID AS AN OAK TREE

If glossy photographs could, in any significant way, depict the professionalism and workmanship of a manufacturer, then Decca Holdings Ltd, the latest company to seek a listing on The Stock Exchange of Hongkong Ltd, must be held out to be a shining example of a manufacturer, which specialises in the manufacture of superior architectural woodworking.

Decca, as far as TARGET can see on reading its Prospectus, really has no reason to go to the market for more money, although one can always find a reason for raising cash if one looks hard enough.

This Company is offering 15 million, 10-cent shares at a Premium of \$HK1.42 per share and, in addition, it is Placing another tranche of 35 million shares.

The Company has been in existence since 1973, having been founded by Mr Tsang Chi Hung, aged 59 years, and Mr Liu Hoo Kuen, aged 48 years.

These 2 gentlemen appear to be the '*salt of the earth*', having been at their art most of their adult lives.

Today, Decca Holdings boasts of employing close to 1,000 workers and enjoying consistent profits, with Total Debt, standing at just \$HK18.40 million, as at November 30, 1999, against which cash and bank balances, as at September 30, 1999, stood at about \$HK16.30 million.

In other words, the Company is, virtually, without any material obligations to anybody.

The following is taken, directly, out of the Prospectus, Page 102, and shows the trading results of Decca for the past 42 months, to September 30, 1999:

	Financial Year Ended March 31			
	1997	1998	1999	Six Months To September 30, 1999
	<i>(All Figures Are Denominated In \$HK'000)</i>			
Turnover	169,338	256,787	298,371	200,792
Cost of Sales and Services Rendered	(100,423)	(161,648)	(177,696)	(123,560)
Gross Profit	68,915	95,139	120,675	77,232
Other Revenue	1,869	1,177	1,166	1,500
Administrative, General Expenses and Financing Costs	(50,637)	(65,849)	(74,486)	(34,611)
Profit Before Taxation	20,147	30,467	47,355	44,121
Taxation	(3,472)	(4,983)	(5,981)	(7,036)
Profit Attributable to Shareholders	16,675	25,484	41,374	37,085

For the Current Financial Year, ending March 31, 2000, the Company is forecasting a Net Profit Attributable to Shareholders of not less than \$HK57 million -- and increase of about 38 percent over the 1999 Year's Net Profit.

Looking at the above statistics, for lovers of Internet companies and telecommunications companies and etc, they will probably not be very impressed, but Decca Holdings Ltd is likely to be carving wood and making chairs and decorating hotels long after many of the so-called, hi-tech companies of today are long gone.

The shares on offer in this flotation are being pitched at ... [CLICK TO ORDER FULL ARTICLE](#)

