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*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities in Decca Holdings Limited.*

<b>WEALTH KEEPER INTERNATIONAL LIMITED</b> <i>(Incorporated in the BVI with limited liability)</i>	<b>DECCA</b> 達藝 <b>DECCA HOLDINGS LIMITED</b> 達藝控股有限公司* <i>(Incorporated in Bermuda with limited liability)</i> (Stock Code: 997)	<b>PEASEDOW ENTERPRISES LIMITED</b> <i>(Incorporated in the BVI with limited liability)</i>
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**(1) POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER BY  
EMPEROR CAPITAL LIMITED ON BEHALF OF WEALTH KEEPER  
INTERNATIONAL LIMITED FOR ALL THE ISSUED SHARES IN DECCA  
HOLDINGS LIMITED (OTHER THAN THOSE ALREADY HELD OR  
AGREED TO BE ACQUIRED BY WEALTH KEEPER INTERNATIONAL LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**(2) PROPOSED GROUP RESTRUCTURING AND DISTRIBUTION IN SPECIE OF  
SHARES IN PRIVATECO**

**(3) PROPOSED APPLICATION OF THE CREDIT STANDING TO THE SHARE  
PREMIUM AND RESERVE ACCOUNTS OF THE COMPANY TO PERMIT A  
DISTRIBUTION IN SPECIE**

**(4) SPECIAL DEALS/EXEMPT CONTINUING CONNECTED TRANSACTIONS**

**(5) POSSIBLE UNCONDITIONAL VOLUNTARY CASH OFFER FOR  
SHARES OF PRIVATECO BY ANGLO CHINESE CORPORATE FINANCE,  
LIMITED ON BEHALF OF PEASEDOW**

**(6) PROPOSED CHANGE OF COMPANY NAME**

**AND**

**(7) RESUMPTION OF TRADING IN SHARES OF DECCA HOLDINGS LIMITED**

**Financial adviser to  
Wealth Keeper International Limited**

  
英皇融資有限公司  
Emperor Capital Limited

**Financial adviser to  
Peasedow Enterprises Limited**

ANGLO CHINESE 英高  
CORPORATE FINANCE, LIMITED

## **POSSIBLE ACQUISITION OF SALE SHARES BY THE PURCHASER**

The Board has been informed by the Vendors that the Vendors and the Purchaser entered into the Sale and Purchase Agreement on 6 October, 2011 pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell an aggregate of 141,060,805 Sale Shares, free from all encumbrances and together with all rights attaching to them, excluding, however, the Distribution In Specie, for a cash consideration of HK\$232,750,328 (equivalent to HK\$1.65 per Sale Share). The Sale Shares represent approximately 70.53 per cent of the issued Shares as at the date of this announcement. Completion is conditional upon the fulfillment of a number of conditions, including but not limited to, Independent Shareholders approving the Distribution In Specie, as described in the paragraph headed “Preconditions” below in this announcement.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER FOR THE SHARES**

Subject to Completion, Emperor Capital will, on behalf of the Purchaser and pursuant to the Takeovers Code, make an unconditional mandatory general offer in cash to acquire all the Shares (other than those already held or agreed to be acquired by the Purchaser and parties acting in concert with it) on the following basis:

**for each Share held ..... HK\$1.65 in cash**

## **PROPOSED GROUP RESTRUCTURING INVOLVING A DISTRIBUTION IN SPECIE**

The Group Restructuring will be implemented to separate the Remaining Business from the Distributed Businesses and to facilitate the Distribution In Specie. Upon completion of the Group Restructuring, the Distribution In Specie and the Sale and Purchase Agreement, the Company will continue as a publicly listed company and will continue to operate the Remaining Business.

It is proposed that, subject to the Independent Shareholders’ approval, the Directors will be authorised to apply a sufficient amount standing to the credit of the Share Premium Account and the contributed surplus or other distributable reserve accounts of the Company (including those arising from the Group Restructuring), for the implementation of the Distribution In Specie.

The Company proposes to distribute all of its Privateco Shares in specie to Shareholders whose names appear on the register of members of the Company on the Record Date (a date falling after the SGM but before the date of Completion, which is to be fixed for determining entitlements to the Distribution In Specie) on the following basis:

**for every Share held ..... one Privateco Share**

The Distribution In Specie is conditional upon Completion, while Completion will not take place unless all other preconditions of the Distribution In Specie as disclosed below in this announcement have been fulfilled.

## **POSSIBLE UNCONDITIONAL VOLUNTARY CASH OFFER FOR THE PRIVATECO SHARES**

Upon Completion and Distribution In Specie, Anglo Chinese will, on behalf of Peasedow and pursuant to the Takeovers Code, make an unconditional voluntary cash offer to the holders of Privateco Shares to acquire all the Privateco Shares (including those held by Anglo Chinese related group and other than those to be owned or agreed to be acquired by Peasedow and parties acting in concert with it) on the following basis:

for every Privateco Share held..... HK\$0.80 in cash

Subject to Completion and Distribution In Specie, shareholders who accept both the mandatory offer for Shares and the voluntary offer for Privateco Shares will be entitled to receive in respect of

Each Share currently held..... HK\$2.45 in cash

**WARNING: AS THE OFFERS FOR SHARES AND PRIVATECO SHARES WILL ONLY BE MADE AFTER COMPLETION AND DISTRIBUTION IN SPECIE, AND EACH OF THE OFFERS ARE SUBJECT TO A NUMBER OF CONDITIONS SUMMARISED BELOW, THE OFFERS FOR SHARES AND PRIVATECO SHARES MAY OR MAY NOT PROCEED. THE INVESTING PUBLIC AND SHAREHOLDERS ARE THEREFORE URGED TO EXERCISE EXTREME CAUTION WHEN DEALING IN SHARES.**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS OF THE COMPANY/SPECIAL DEALS**

Previously on 30 November, 2008, the Company entered into the Existing Tenancy Agreements with Golden Life in respect of Premises 1 and Premises 2 each for a term of three years from 1 December, 2008 to 30 November, 2011. The transactions pursuant to the Existing Tenancy Agreements constitute continuing connected transactions of the Group pursuant to the Listing Rules as Mr. Tsang, Mr. Liu and Ms. Kwan (who are all Directors) are also directors and shareholders of Golden Life, with shareholdings of approximately 25.6 per cent, 26.9 per cent and 25.6 per cent respectively in Golden Life.

The Group intends to renew the Existing Tenancy Agreements on 30 November, 2011 by entering into the New Tenancy Agreements each for a further term of three years from 1 December, 2011 to 30 November, 2014, for the purpose of running its operations. Aggregate monthly rental of HK\$235,000 and aggregate monthly building management fee of HK\$25,823 have been determined having regard to prevailing market rates of monthly rental and management fee of similar premises in surrounding areas of similar size.

The entering into of the New Tenancy Agreements constitutes continuing connected transactions for the Company under the Listing Rules. As each of the percentage ratios (other than profits ratio) is less than 5 per cent, the connected transactions are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

Each of the New Tenancy Agreements will constitute a special deal under the Takeovers Code and will be conditional upon obtaining the prior consent of the Executive under Rule 25 of the Takeovers Code. The Executive will normally consent to the New Tenancy Agreements provided that the independent financial adviser to the Company publicly states that in his opinion the terms of the New Tenancy Agreements are fair and reasonable and the transactions are approved by Independent Shareholders by way of poll at the SGM. At the SGM the vote must be a vote of Shareholders who are not involved in or interested in the New Tenancy Agreements otherwise than solely as Shareholders.

### **PROPOSED CHANGE OF COMPANY NAME**

The Board proposes to change the English name of the Company from “Decca Holdings Limited” to “Chinlink International Holdings Limited” and adopt the Chinese name “普滙中金國際控股有限公司” as its official Chinese name to replace “達藝控股有限公司” after Completion.

### **SGM**

The SGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of the Proposal and the New Tenancy Agreements by Independent Shareholders, by way of poll at the SGM. The Purchaser, Vendors and their respective associates and parties acting in concert with any of them will abstain from voting on the relevant resolution(s). Anglo Chinese related group which holds 11,910,000 Shares, representing approximately 5.96 per cent of the issued Shares, as at the date of this announcement will abstain from voting on the resolutions in respect of the Proposal and the New Tenancy Agreements. A special resolution will also be proposed at the SGM for Shareholders to consider and, if thought fit, to pass the special resolution to approve the proposed change of name of the Company.

The Circular, containing, among other things, details of the Sale and Purchase Agreement, the Distribution In Specie and Share Premium and Reserve Application, financial information about the Group and Privateco Group, the New Tenancy Agreements, the recommendations of the Independent Board Committee, the advice from independent financial adviser to the Company, the proposed change of name of the Company and a notice convening the SGM, will be sent to Shareholders as soon as practicable.

### **SUSPENSION AND RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 7 October, 2011 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for a resumption of trading in the Shares with effect from 9:00 a.m. on 31 October, 2011.

### **SALE AND PURCHASE AGREEMENT**

#### **Date**

6 October, 2011 (after trading hours)

## **Vendors**

- (i) Peasedow
- (ii) Mr. Tsang
- (iii) Ms. Kwan
- (iv) Mr. Liu

## **Purchaser**

Wealth Keeper International Limited

## **Subject**

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell an aggregate of 141,060,805 Sale Shares, representing approximately 70.53 per cent of the issued Shares as at the date of this announcement, at the consideration of HK\$1.65 per Sale Share.

Immediately before entering into the Sale and Purchase Agreement, each of the Purchaser and its beneficial owner Mr. Li is a third party independent of the Company and its connected persons, as defined in the Listing Rules.

## **Consideration for the Sale Shares**

The aggregate consideration for the Sale Shares is HK\$232,750,328, equivalent to HK\$1.65 per Sale Share, which was determined after arm's length negotiations between the Purchaser and the Vendors taking into account the potential of the Remaining Group and the fact that the Purchaser will on Completion obtain a controlling interest in the Company. The consideration is payable by the Purchaser in the following manner:

- (i) a deposit in an aggregate sum of HK\$30,000,000 has been paid in cash by the Purchaser to the Vendors, as to HK\$23,928,335 to Peasedow, as to HK\$2,109,904 to Mr. Tsang, as to HK\$2,109,904 to Ms. Kwan and as to HK\$1,851,857 to Mr. Liu; and
- (ii) the balance of the consideration in the aggregate sum of HK\$202,750,328 shall be payable by the Purchaser on the date of Completion, as to HK\$161,715,921 to Peasedow, as to HK\$14,259,460 to Mr. Tsang, as to HK\$14,259,460 to Ms. Kwan and as to HK\$12,515,487 to Mr. Liu.

The Vendors shall refund the full amount of that part of the deposit received by them, without interest, to the Purchaser if Completion fails to take place in accordance with the relevant provisions of the Sale and Purchase Agreement, except where failure to proceed to Completion is by reason of the fault or default of the Purchaser in which case the Vendors shall be entitled to forfeit the deposits absolutely.

## **Preconditions**

Completion of the Sale and Purchase Agreement shall be subject to, among other things, the following preconditions being fulfilled or waived, if applicable:

- (a) the Sale Shares being free from any encumbrance as of Completion;
- (b) none of the warranties given by the Vendors that has a material adverse effect having become untrue or inaccurate or misleading, or if any such warranties that has a material adverse effect having become untrue or inaccurate or misleading prior to the Long Stop Date, the same is remedied or rectified to the reasonable satisfaction of the Purchaser by the Long Stop Date;
- (c) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority, regulatory body or other third party necessary for the consummation of the transactions contemplated in the Sale and Purchase Agreement having been obtained by the Vendors and the Company and remaining in full force and effect;
- (d) no matter, event, circumstance or change having occurred which has or is likely to have any material adverse effect;
- (e) there being no applicable law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Sale and Purchase Agreement;
- (f) there being no bona fide legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, enquiry, investigation or proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority against any member of the Group which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the Sale and Purchase Agreement;
- (g) the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the date of Completion (save for any temporary suspension for no longer than ten consecutive trading days or such longer period as the Purchaser may agree or the temporary suspension in connection with transactions contemplated under the Sale and Purchase Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement;
- (h) successful completion of the Distribution In Specie, and where applicable, compliance by the Company with all applicable disclosure and shareholders' approval requirements under the Listing Rules;
- (i) the release of all guarantees and security given by any member of the Privateco Group (or any of its relevant persons) in favour of any person for any obligations of any member of the Group, and where required, to replace the same with guarantees and security given by members of the Group; and

- (j) the release of all guarantees and security given by any member of the Group in favour of any person for any obligations of any member of the Privateco Group, and where required, to replace the same with guarantees and security given by any member of the Privateco Group or the Vendors.

Preconditions (c), (e), (g), (h), (i) and (j) are not waivable. The Purchaser shall have the right to waive preconditions (a), (b), (d) and (f).

## **Completion**

Completion is to take place on the third Business Day following the day on which the last of the preconditions of the Sale and Purchase Agreement is fulfilled (or otherwise waived by the Purchaser in accordance with the Sale and Purchase Agreement) or such other date as the parties to the Sale and Purchase Agreement may agree in writing. If any of the preconditions of the Sale and Purchase Agreement have not been fulfilled or, if applicable, waived by the Purchaser on or before 31 January, 2012, the Sale and Purchase Agreement shall terminate immediately thereafter and be of no further effect and none of the parties to the Sale and Purchase Agreement shall have any claim against any of the other parties under the agreement (save for claims arising out of any antecedent breach of the Sale and Purchase Agreement and the Vendors' obligation to refund the deposits). Further announcement will be made as soon as practicable in relation to Completion.

## **Change of name of the Company**

A special resolution will be proposed at the SGM for Shareholders to consider and, if thought fit, to pass the special resolution to approve the proposed change of name of the Company. Details of the proposed change of name of the Company are set out in the paragraph headed "Proposed Change of Company Name" below.

The Vendors have undertaken to grant a licence to Acelin, for and on behalf of the Remaining Group, at Completion to use the trademark "Decca" or "達藝" at a consideration of HK\$1.00 for the Remaining Business.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER FOR SHARES**

Upon Completion, the Purchaser will hold 141,060,805 Shares, representing approximately 70.53 per cent of the issued share capital of the Company. Subject to Completion, Emperor Capital will, on behalf of the Purchaser and pursuant to Rule 26.1 of the Takeovers Code, make the Share Offer, which is an unconditional mandatory cash offer to Shareholders to acquire all Shares other than those already held or agreed to be acquired by the Purchaser and parties acting in concert with it on the following basis:

**for each Share held ..... HK\$1.65 in cash**

**Since the Share Offer will only be made following Completion and the Distribution In Specie becoming effective, which is subject to a number of preconditions to the Sale and Purchase Agreement, the making of the Share Offer may or may not proceed and, as such is a possibility only. In the event that the Share Offer is made, it will be an unconditional cash offer.**

**Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of an independent financial adviser in respect of the Share Offer that will be included in the Share Offer Document before deciding whether or not to accept the Share Offer.**

Save for obtaining the relevant approval from the Executive and the Stock Exchange on the Proposal, each of the Share Offer, the Group Restructuring, the Sale and Purchase Agreement, and the Privateco Offer is not subject to any regulatory approval.

As at the date of this announcement, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares. Based on the Company's issued share capital of 200,000,000 Shares as at the date of this announcement, the Share Offer price of HK\$1.65 per Share values the entire issued share capital of the Company at approximately HK\$330 million. Assuming the Share Offer is accepted in full, the Share Offer applies to 58,939,195 Shares, representing approximately 29.47 per cent of the issued share capital of the Company after Completion and the value of the Share Offer will amount to approximately HK\$97.25 million. The Purchaser will have to pay a total of HK\$97.25 million if the Share Offer is accepted in full. Emperor Securities has set aside a sum of HK\$250 million for the Purchaser for settlement of the consideration of the Sales Shares and full acceptance of the Share Offer if received by the Purchaser. In view of the Purchaser's own financial resources in the amount of HK\$50 million and the standby facility in the amount of HK\$250 million provided by Emperor Securities, Emperor Capital is satisfied that the Purchaser has sufficient financial resources available to it to satisfy the amount of funds required for the acquisition of the Sale Shares and full acceptance of the Share Offer.

The ad valorem stamp duty payable by the accepting Shareholders in connection with the Share Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration will be payable by the accepting Shareholders and will be deducted by the Purchaser from the consideration payable to them on acceptance of the Share Offer. The Purchaser will then pay the stamp duty on behalf of the accepting Shareholders.

By accepting the Share Offer, the Shareholders will sell their Shares to the Purchaser free from all liens, charges, claims and encumbrances and with all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of posting of the Share Offer Document, excluding, however, the Distribution In Specie.

As at the date of this announcement, the Purchaser and parties acting in concert with it have not received any indication or irrevocable commitment from any Shareholder that it will accept or reject the Share Offer.

Save for the entering into of the Sale and Purchase Agreement, none of the Purchaser and parties acting in concert with it dealt in any securities in the Company during the six month period immediately preceding 6 October, 2011. The Purchaser and parties acting in concert with it have not entered into any agreements in relation to the issue of any convertible securities, options, warrants or derivatives of the Company.

The Purchaser confirms that, save for the Sale and Purchase Agreement and the financial arrangement provided to the Purchaser by Emperor Securities (including charge of the Shares owned by the Purchaser and the shares of the Purchaser owned by Mr. Li in favour of Emperor Securities) for settlement of consideration of the Sales Shares and full acceptance of the Share Offer if received by the Purchaser, there are no other arrangements, whether by way of option, agreements, indemnities or otherwise, in relation to the Shares which may be material to the Share Offer.

The Purchaser further confirms that, other than the acquisition of the Sale Shares or the arrangements as disclosed in this announcement, there are no other agreements or arrangements to which the Purchaser is a party and relate to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Share Offer.

As at the date of this announcement, the Purchaser and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Save for the entering into of the Sale and Purchase Agreement, neither the Purchaser nor parties acting in concert with it owns or has control or direction over any voting rights or rights over any Shares or any options, warrants or convertible securities in respect of the Shares.

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately upon Completion (assuming no other changes in the issued share capital and shareholdings in the Company from the date of this announcement up to Completion):

	<b>As at the date of this announcement</b>		<b>Immediately after the Completion</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Tsang	9,920,827	4.96	0	0
Ms. Kwan	9,920,827	4.96	0	0
Mr. Liu	8,707,481	4.35	0	0
Peasedow	112,511,670	56.26	0	0
	<u>141,060,805</u>	<u>70.53</u>	<u>0</u>	<u>0</u>
<b>The Purchaser and parties acting in concert with it</b>	0	0	141,060,805	70.53
<b>Public Shareholders (Note)</b>	<u>58,939,195</u>	<u>29.47</u>	<u>58,939,195</u>	<u>29.47</u>
<b>Total</b>	<u><u>200,000,000</u></u>	<u><u>100.00</u></u>	<u><u>200,000,000</u></u>	<u><u>100.00</u></u>

*Note:* Anglo Chinese related group holds in aggregate 11,910,000 Shares, representing approximately 5.96 per cent of the issued share capital of the Company as at the date of this announcement.

## **GROUP RESTRUCTURING**

The Group Restructuring will be implemented to separate the Remaining Business from the Distributed Businesses and to facilitate the Distribution In Specie:

- (i) Decca BVI (being a wholly owned subsidiary through which the Company holds its entire interest in the Distributed Businesses) will transfer certain assets to Acelin (being a wholly owned subsidiary through which the Company holds its entire interest in the Remaining Businesses) or subsidiaries of Acelin which are members of the Remaining Group, while Acelin and those subsidiaries will transfer certain bank borrowings and payables to Decca BVI or other members of Privateco Group;

- (ii) the Company will transfer its entire interests in Decca BVI, free from all encumbrances and third party rights, to the Privateco, a wholly owned subsidiary of the Company whereby the Privateco will allot and issue such number of new Privateco Shares to the Company such that the then total number of issued Privateco Shares will equal the number of issued Shares on the Record Date; and
- (iii) the Company will capitalise amounts due from its subsidiaries, including Privateco, Decca BVI and Acelin, as the case maybe.

## **APPLYING THE CREDIT STANDING TO THE SHARE PREMIUM AND RESERVE ACCOUNTS**

Subject to Independent Shareholders' approval, the Directors will be authorised to apply a sufficient amount standing to the credit of the Share Premium Account and the contributed surplus or other distributable reserve accounts of the Company (including those arising from the Group Restructuring) for the implementation of the Distribution In Specie.

## **DISTRIBUTION IN SPECIE**

The Company proposes to distribute all of the Privateco Shares registered in its name following the Group Restructuring in specie to Shareholders whose names appear on the register of members of the Company on the Record Date (a date falling after the SGM but before the date of Completion, which is to be fixed for determining entitlements to the Distribution In Specie) on the following basis:

**for every Share held ..... one Privateco Share**

The Distribution In Specie will be effected by applying a sufficient amount standing to the credit of the Company's Share Premium Account and the contributed surplus or other distributable reserve accounts equivalent to the carrying value in the books of account of the Privateco Group, which amount will be ascertained immediately prior to Completion.

Privateco Shares when issued will rank pari passu in all respects with each other. No application will be made for the listing of, and permission to deal in, the Privateco Shares on the Stock Exchange or any other stock exchange.

As a result of the Distribution In Specie, the Privateco Group will cease to be a subsidiary of the Company, and the Group will be carrying on the Remaining Business, representing the business of providing interior design and renovation services and trading of furniture and fixtures in Hong Kong and Macau.

The Distribution In Specie is conditional upon Completion while Completion will not take place unless all other preconditions of the Distribution In Specie as set out below have all been fulfilled. Subject to Completion and after the Distribution In Specie becoming affective, Peasedow has agreed to make the Privateco Offer.

## **Conditions to the Distribution In Specie**

The Distribution In Specie will be conditional upon:

- (i) completion of the formation of Privateco and the Group Restructuring to form the Privateco Group;

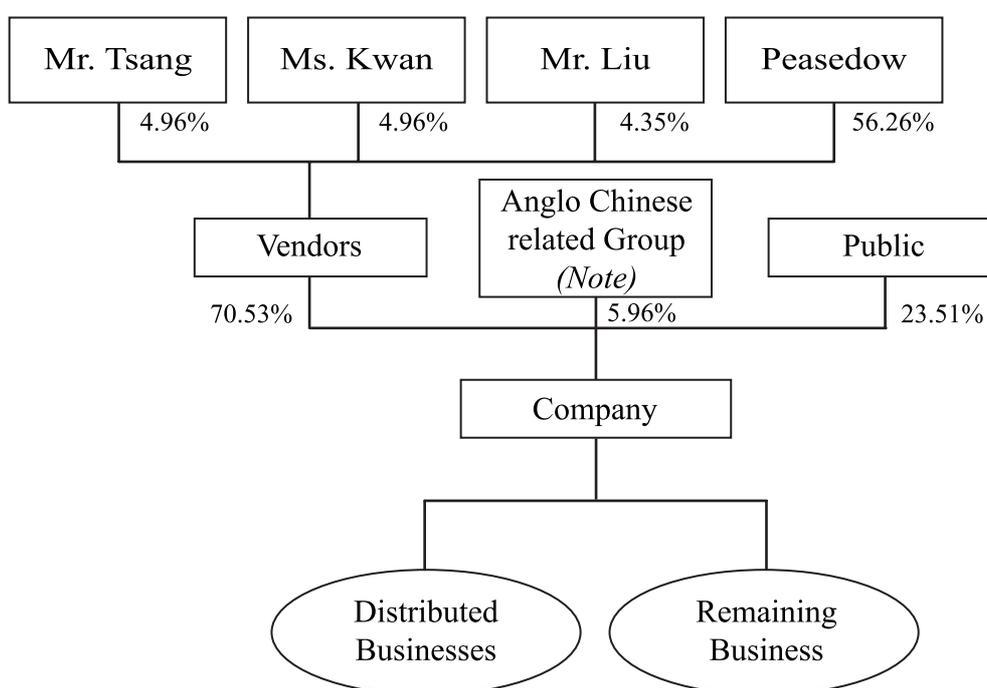
- (ii) the passing of a special resolution by the Independent Shareholders at the SGM to approve the application of a sufficient amount standing to the credit of the Share Premium Account and the contributed surplus or other reserve accounts of the Company to permit the Distribution In Specie;
- (iii) the obtaining of approval from the Bermuda Monetary Authority in respect of the transfer of the Privateco Shares to the Shareholders pursuant to the Distribution In Specie; and
- (iv) the Completion.

None of the above conditions can be waived.

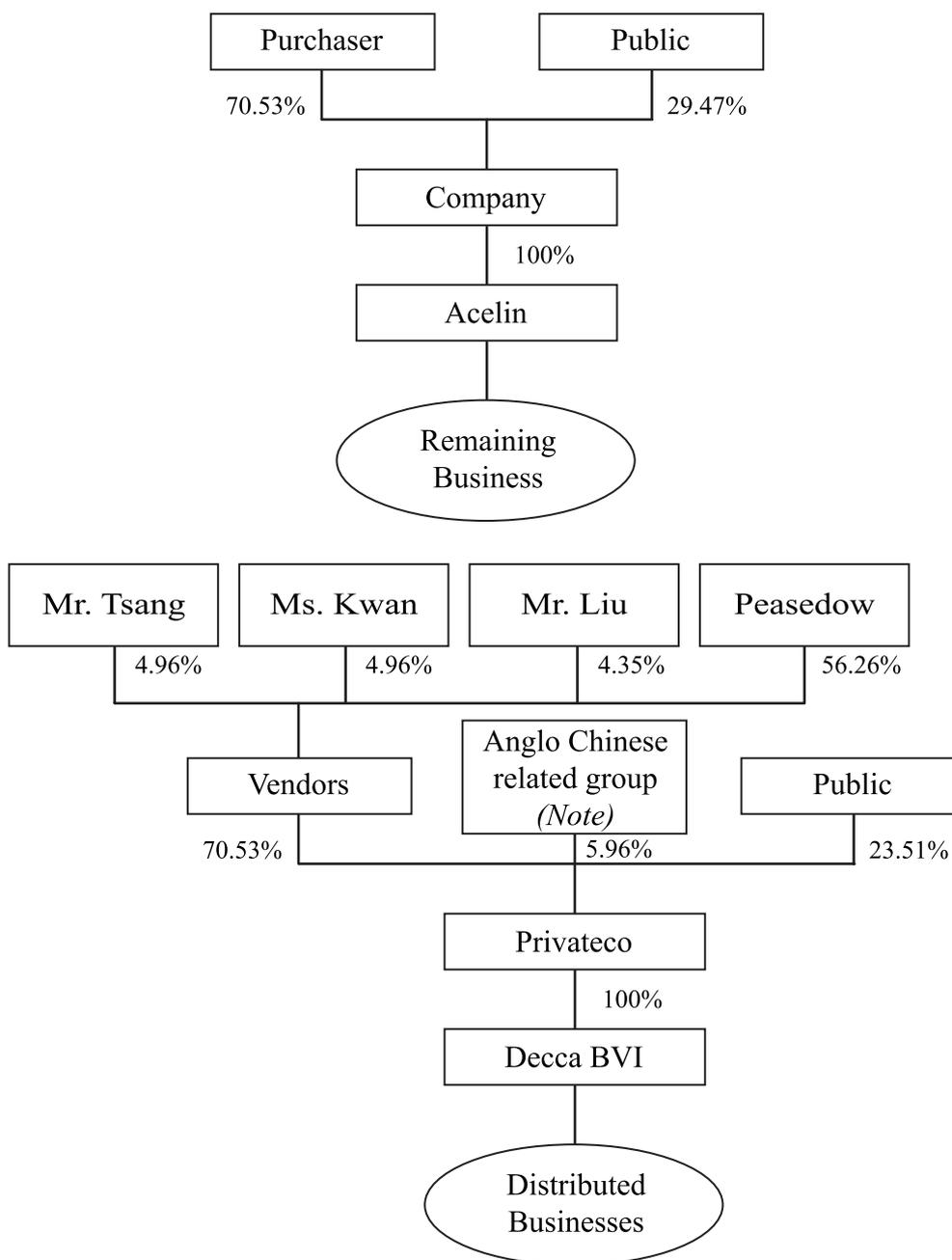
Approval from the Independent Shareholders for Distribution In Specie will be sought at the SGM. The Purchaser, the Vendors, their respective associates and parties acting in concert with any of them will abstain from voting on the relevant resolution regarding Distribution In Specie, which will be taken on a poll at the SGM. Anglo Chinese related group which holds 11,910,000 Shares, representing approximately 5.96 per cent of the issued Shares as at the date of this announcement will abstain from voting on the resolutions in respect of the Proposal. The Company will announce the Record Date in accordance with Rule 13.66 of the Listing Rules as and when appropriate.

### Group structures

Set out below, in a simplified form, is the Group structure immediately before the Completion and Distribution In Specie:



Set out below, in a simplified form, are the respective structures of the Privateco Group and the Remaining Group immediately after Completion and Distribution In Specie becoming effective, but before commencement of the Share Offer and Privateco Offer (assuming no other changes in the issued share capital and shareholding in the Company during this period):



*Note: Anglo Chinese related group are presumed to be parties acting in concert with Peasedow in relation to the Shares and Privateco Shares.*

## **Reasons for and effects of the Group Restructuring, the Share Premium and Reserve Application and the Distribution In Specie**

During the negotiations between the parties to the Sale and Purchase Agreement, the Purchaser has expressed that it is not interested in the Distributed Businesses, which are capital and labour intensive operations that focus on the manufacturing and sale of furniture and fixtures. As opposed to an outright disposal of the Distributed Businesses to the controlling Shareholder, the Distribution In Specie and the Privateco Offer together provides an option for Independent Shareholders to keep or, through the Privateco Offer, to dispose of their investments in the Distributed Businesses. The Privateco Offer also provides an alternative to the Independent Shareholders to realise all or part of their shareholdings in Privateco in cash at HK\$0.80 per Privateco Share, which is not a listed security and will have less liquidity than listed securities. In addition, following the Completion and Distribution In Specie, the Purchaser will become a controlling Shareholder in terms of the Takeovers Code and is obliged thereunder to make the Share Offer, which is an unconditional mandatory cash offer, at HK\$1.65 per Share for all Shares other than those owned by the Purchaser and the parties acting in concert with it.

The Group Restructuring and the Share Premium and Reserve Application are preconditions for achieving the Distribution In Specie, which permit the Privateco Offer and the Share Offer. In order to reorganise the relevant assets and liabilities related to the Distributed Businesses under the Privateco Group and to allow the Company to have sufficient distributable reserves to permit the Distribution In Specie in addition to the deployment of the Company's existing share premium, contributed surplus and any other distributable profits, the Board thus proposes that the Group Restructuring and the Share Premium and Reserve Application be effected. In view of the assets and liabilities and past share price performance of Shares, set out below, the Board (excluding the Independent Board Committee which will provide its recommendations after considering the advice of an independent financial adviser) considers that the Group Restructuring and the Share Premium and Reserve Application are in the interests of the Shareholders as a whole.

**The Share Offer and the Privateco Offer together will provide a cash alternative to any Shareholder who wishes to realise all or part of his/her/it interests in the Company and in the Privateco following Completion at a premium of approximately 140.20 per cent over the closing price of the Shares of HK\$1.02 prior to the issue of this announcement.** The Board (excluding the Independent Board Committee which will provide its recommendations after considering the advice of an independent financial adviser) considers that it is in the interests of the Independent Shareholders to be provided with an opportunity to consider and, if thought fit, approve the relevant resolution for the Share Premium and Reserve Application and the Distribution In Specie at the SGM.

Save for the Group Restructuring and the Distribution In Specie which constitute preconditions for the completion of Sale and Purchase Agreement, as at the date of this announcement, the Company has not entered into any other agreements, arrangements, understandings, intention or negotiations about any acquisition and/or disposal of assets or businesses, or termination and/or shrinking of any business of the Group, other than in its ordinary course of business.

### **Information on the Distributed Businesses and the Remaining Business**

As at the date of this announcement, the Group is principally engaged in the Distributed Businesses and the Remaining Business.

The Distributed Businesses principally consist of manufacturing and sale of furniture and fixture in the United States of America, Europe, Asia Pacific and the PRC, and provision of decoration works outside Hong Kong and Macau. The Distributed Businesses are relatively more labour and capital intensive in nature with more than 1,700 employees located mainly in the PRC, Thailand and the United States.

The Remaining Business principally consists of provision of interior design and renovation services and trading of furniture and fixtures in Hong Kong and Macau and was profitable for the two years ended 31 March, 2010 and 31 March, 2011. According to the records of the Company, the continuing contracts under the Remaining Business amounted to approximately HK\$79.7 million as at the date of this announcement.

## **POSSIBLE UNCONDITIONAL VOLUNTARY CASH OFFER FOR PRIVATECO SHARES**

Privateco is a wholly owned subsidiary of the Company as at the date of this announcement. The Vendors will be interested in 141,060,805 Privateco Shares, representing approximately 70.53 per cent of the issued share capital of Privateco, immediately upon Completion and following the Distribution In Specie. Given that Privateco Shares will not be listed on any stock exchange, holders of Privateco Shares may therefore find it difficult to liquidate their holdings in Privateco Shares, Peasedow considers, in these circumstances, that it is appropriate to provide Privateco Shareholders with an opportunity to realise their holdings in Privateco Shares by making the Privateco Offer on an unconditional voluntary basis pursuant to the Takeovers Code.

After Completion and the Distribution In Specie, Anglo Chinese will, on behalf of Peasedow and pursuant to the Takeovers Code, make an unconditional voluntary cash offer to the holders of Privateco Shares to acquire all Privateco Shares including those held by Anglo Chinese related group and other than those already held by Peasedow and parties acting in concert with it on the following basis:

**for every Privateco Share held ..... HK\$0.80 in cash**

The Company will announce the Record Date in accordance to Rule 13.66 of the Listing Rules as and when appropriate.

**As the Privateco Offer will only be made following Completion and the Distribution In Specie becoming effective, which is subject to a number of preconditions to the Sale and Purchase Agreement, the making of the Privateco Offer may or may not proceed and, as such is only a possibility. In the event that the Privateco Offer is made, it will be an unconditional cash offer.**

Save for obtaining the relevant approval from the Executive and the Stock Exchange on the Proposal, the Privateco Offer, the Group Restructuring, Sale and Purchase Agreement, the Privateco Offer is not subject to any regulatory approval.

The price for the Privateco Offer has been determined after taking into account the historical performance and outlook of the Distributed Businesses, the underlying assets and liabilities of the Privateco Group and the prevailing market valuation of the Share. On the basis that 200,000,000 Privateco Shares are expected to be in issue upon completion of the Group Restructuring and based on the Privateco Offer price of HK\$0.80 per Privateco Share, the entire issued share capital of Privateco is valued at approximately HK\$160 million (being 200,000,000 Privateco Shares at HK\$0.80 per Privateco Share). On the same basis, 58,939,195 Privateco Shares will be subject to the Privateco Offer and these Privateco Shares are valued at approximately HK\$47,151,356.

Anglo Chinese, the financial adviser to Peasedow, is satisfied that sufficient financial resources are available to Peasedow to satisfy full acceptance of the Privateco Offer.

Subject to sufficient Privateco Shares being acquired, pursuant to sections 102 and 103 of the Companies Act 1981 of Bermuda, Peasedow intends to avail itself of the right to compulsorily acquire any remaining Privateco Shares not already acquired under the Privateco Offer. Under section 102 of the Companies Act 1981 of Bermuda, the relevant threshold will be Peasedow receiving acceptances from the holders of Privateco Shares representing not less than nine-tenths of Privateco Shares subject to the Privateco Offer provided that such acceptances also represent not less than three-fourths in number of the holders of Shares accepting the Privateco Offer. Under section 103 of the Companies Act 1981 of Bermuda, Peasedow can compulsorily acquire remaining Privateco Shares once it holds 95 per cent of all issued Privateco Shares. In addition, Rule 2.11 of the Takeovers Code provides that compulsory acquisition rights may only be exercised by Peasedow if acceptances of the Privateco Offer and purchases of Privateco Shares made by Peasedow during the period of 4 months after posting of the Privateco Offer document total 90 per cent of the disinterested Privateco Shares. Further announcements will be made about the exercise of such compulsory acquisition rights should Peasedow exercise it. Save for any entitlements to receive Privateco Shares pursuant to the Distribution In Specie, none of Peasedow and parties acting in concert with it hold any securities in Privateco. None of Peasedow and parties acting in concert with it dealt in any securities in Privateco during the six month period immediately preceding the date of this announcement save that 1 nil paid share was issued to the Company on 21 October 2011.

As at the date of this announcement, Peasedow and parties acting in concert with it (excluding Anglo Chinese related group) have not received any indication or irrevocable commitment from any Shareholder that it will accept or reject the Privateco Offer. Privateco Shares subject to the Privateco Offer will be acquired by Peasedow with the right to receive all dividends and distributions declared, paid or made on or after the date of the issue of Privateco Shares and free from all third party rights.

As at the date of this announcement:

- (i) Privateco has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Privateco Shares;
- (ii) Peasedow and parties acting in concert with it have not entered into any agreements in relation to the issue of any convertible securities, options, warrants or derivatives of Privateco; and
- (iii) Peasedow and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Privateco.

Peasedow confirms that there are no other arrangements (whether by way of option, indemnity or otherwise) in relation to Privateco Shares and which might be material to the Privateco Offer. Peasedow further confirms that there are no other agreements or arrangements to which Peasedow is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Privateco Offer. Given that Privateco is a company incorporated in Bermuda where its register of members is located and maintained, no Hong Kong stamp duty is payable on any transfer of Privateco Shares.

For those Shareholders who wish to retain their investments in the Distributed Businesses after Completion, they can choose not to accept the Privateco Offer and continue to hold Privateco Shares. **They should, however, be aware that there is unlikely to be any market for Privateco Shares since there is no intention to list Privateco Shares on any stock exchange. Moreover, Privateco Shares may be subject to the compulsory acquisition provisions of the Companies Act 1981 of Bermuda (as may be amended from time to time) if sufficient Privateco Shares are acquired by Peasedow under the Privateco Offer.** Details of the possible compulsory acquisitions are set out below in the paragraph headed “Background of Peasedow and its intentions regarding Privateco” under section headed “Possible unconditional voluntary cash offer for Privateco Shares” below.

**Shareholders are reminded to read the advice of an independent financial adviser in respect of the Privateco Offer that will be included in the Privateco Offer Document before deciding whether or not to accept the Privateco Offer.**

### **Background of Peasedow and its intentions regarding Privateco**

The Vendors are the existing controlling Shareholders holding, directly and indirectly through Peasedow, a total of 141,060,805 Shares as at the date of this announcement. Peasedow is an investment holding company incorporated in BVI with limited liability and save for its interests in the Company, it has not carried out any operations nor has any other major assets as at the date of this announcement.

It is the intention of Peasedow that the Privateco Group will not make changes to its principal businesses nor conduct any business other than the Distributed Businesses. It is also the intention of Peasedow that the Privateco Group will not hold any assets other than those relating to the Distributed Businesses, nor be injected any major assets, nor dispose of any major assets, after the close of the Privateco Offer, unless prior approval by the holders of Privateco Shares has been obtained. Interests of Privateco Shareholders will be safeguarded by new bye laws of the Privateco, which will contain comparable provisions required under the Listing Rules in respect of a listed issuer. A summary of key terms of the new bye laws of the Privateco will be included in the Circular. Though there is no intention for the Privateco Group to conduct any fund raising activities including rights issues, the Privateco Group may require further funding from Privateco Shareholders to maintain or develop its businesses in the future.

As at the date of this announcement, Privateco has 1 nil paid share issued to the Company. Save as aforesaid, Privateco has no other relevant securities (as defined in Note 4 to the Rule 22 of the Takeovers Code) as at the date of this announcement.

As at the date of this announcement, the directors of Privateco are Mr. Tsang, Ms. Kwan, Mr. Liu and Ms. Fung Sau Mui, all of them are also Directors.

### **Information on the Purchaser**

The Purchaser is an investment holding company incorporated in the BVI with limited liability. As at the date of this announcement, save for entering into the Sale and Purchase Agreement and entering into the financial arrangement with Emperor Securities in relation to the Sale and Purchase Agreement and the Share Offer, the Purchaser did not engage in any business activities. As at the date of this announcement, Mr. Li is the sole beneficial owner and the sole director of the Purchaser.

Information in relation to Mr. Li is set out in the paragraph “Proposed changes to the Board of the Company” below

### **Intention of the Purchaser regarding the Remaining Group**

The Purchaser intends to continue the principal business of the Remaining Group, which comprise of a team with experience in decoration and interior design for residential and commercial properties as well as hotels. Following Completion, the Purchaser will conduct a review of the business operations and financial position of the Remaining Group for the purpose of formulating business plans and strategies for the future business development of the Remaining Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Purchaser may diversify the business of the Remaining Group with the objective of broadening its sources of income. However, as of the date of this announcement, no such investment or business opportunities have been identified nor has the Purchaser entered into any agreement, arrangements, understandings, intention or negotiation in relation to the injection of any assets or business into the Remaining Group. Notwithstanding the foregoing, the Purchaser has not entered into any agreement, arrangements, understandings, intention or negotiations in relation to the continued employment of the employees, disposal and/or re-deployment of the assets (including fixed assets) of the Remaining Group, or termination or scaling-down of any Remaining Group’s business, other than in its ordinary course of business.

The Purchaser intends to maintain the listing status of the Company and the Purchaser will irrevocably undertake that it will be responsible for maintaining the 25 per cent public float requirement upon the closing of the Share Offer.

### **Proposed changes to the Board of the Company**

The Purchaser intends to nominate Mr. Li and Mr. Siu as executive Directors which will only be effective not earlier than the despatch date of the Share Offer Document in accordance with the Takeovers Code.

The biographical details of Mr. Li and Mr. Siu are set out below:

Mr. Li, aged 41, holds a bachelor’s degree in applied electronic from Xi’An Technological University. Since early 2000, Mr. Li has been engaged in research, production and sales of electronic components and materials, computer software and hardware as well as research and sales of computer related equipment. He has also been engaged in property development, planning and sales and property management. Mr. Li has also established a number of private companies engaged in research, production and sales of electronic components and computer software and property development in Beijing, Xi’An and Hong Kong.

Mr. Li did not hold any directorship in public listed companies in the last three years. As at the date of this announcement, Mr. Li does not hold any position in the Company or any members of the Group and does not have any interest in the Shares (save for his deemed interest in the Shares through the Purchaser pursuant to the Sale and Purchase Agreement). Save as disclosed in this announcement, Mr. Li is not aware of any other matters that need to be brought to the attention of the Shareholders in respect to this proposed appointment as an executive Director and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Siu Wai Yip, James, aged 55, holds a Bachelor of Arts degree from the University of Hong Kong. He has over 13 years of experience in banking and finance and previously held senior positions in various major international banks specialised in trade finance and corporate banking. During the period from January 2005 to February 2006, he was appointed as an executive director of Matsunichi Communication Holdings Limited (283 HK). He was an executive director of Vincent Intertrans (Holdings) Limited (563 HK) from July 1998 to May 1999.

Mr. Siu did not hold any directorship in public listed companies in the last three years. As at the date of this announcement, Mr. Siu does not hold any positions in the Company or any members of the Group and does not have any interest in the Shares. Saves as disclosed in this announcement, Mr. Siu is not aware of any other matters that need to be brought to the attention of the Shareholders in respect to this proposed appointment as an executive Director and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### **COMPARISON OF THE COMBINED OFFER PRICE UNDER THE PROPOSAL WITH MARKET PRICES OF THE SHARES AND NET ASSET VALUE PER SHARE**

The combined consideration under the Share Offer and the Privateco Offer is equivalent to HK\$2.45 per Share, which represents:

- a premium of approximately 140.20 per cent over the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on the Last Trading Day before this announcement (the “Last Trading Day”);
- premiums of approximately 124.77 per cent, 84.21 per cent and 76.26 per cent over the average of the closing prices of approximately HK\$1.09, HK\$1.33 and HK\$1.39 per Share respectively for the 10, 30 and 90 consecutive trading days up to and including the Last Trading Day; and
- a premium of approximately 39.04 per cent to the audited consolidated net asset value of the Company of approximately HK\$1.76 per Share based on the annual report of the Company for the year ended 31 March, 2011.

For illustration only, the Share Offer price of HK\$1.65 per Share represents:

- a premium of approximately 61.8 per cent to the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- a premium of approximately 51.4 per cent, 34.1 per cent, 24.1 per cent and 18.7 per cent to the average of the closing prices of approximately HK\$1.09, HK\$1.23, HK\$1.33 and HK\$1.39 per Share respectively for the 10, 20, 30 and 90 consecutive trading days up to and including the Last Trading Day.

## FINANCIAL INFORMATION ON THE GROUP

Set out below is a summary of the Group's audited consolidated income statements for the two years ended 31 March, 2011 as extracted from the relevant annual report of the Company:

	<b>For the year ended 31 March,</b>	
	<b>2011</b>	<b>2010</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	634,618	592,796
Profit/(Loss) before taxation	(1,503)	(33,129)
Profit/(Loss) attributable to Shareholders	(12,821)	(28,637)

The consolidated net asset value of the Group as at 31 March, 2011 was approximately HK\$352.42 million, representing approximately HK\$1.76 per Share based on 200,000,000 Shares in issue.

Decca (HK) Limited, Decca Limited and Decca Macau Company Limited are the subsidiaries that principally hold the Remaining Business and set out below are the financial information extracted from each of their respective audited accounts for each of the two years ended 31 March, 2010 and 31 March, 2011.

### **Decca (HK) Limited**

	<b>For the year ended 31 March,</b>	
	<b>2011</b>	<b>2010</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	55,312	15,718
Profit before taxation	14,200	(2,041)
Net Profit	12,190	(2,041)

### **Decca Limited**

	<b>For the year ended 31 March,</b>	
	<b>2011</b>	<b>2010</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	62,175	133,421
Profit before taxation	5,610	10,980
Net Profit	5,610	10,980

## Decca (Macau) Company Limited

	For the year ended 31 March,	
	2011	2010
	HK\$'000	HK\$'000
Turnover	9,920	13,560
Profit before taxation	865	1,254
Net Profit	617	912

Further financial information on the Remaining Group and the Privateco Group will be set out in the Circular to be despatched to the Shareholders.

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS OF THE COMPANY/SPECIAL DEALS

Previously on 30 November, 2008, the Company entered into two tenancy agreements with Golden Life for the lease of (1) Workshops Nos. 1 to 8, 15 to 21 on the 2nd Floor, the Rear Portion of Flat Roof on the 3rd Floor, and Car Parking Space Nos. L5, L6, P7, P8, P9, P10 and P11 on the Ground Floor, of Decca Industrial Centre, 12 Kut Shing Street, Chai Wan, Hong Kong (“**Premises 1**”); and (2) the Remaining Portion of Lot No. 511 and the Remaining Portion of Lot No. 512 in Demarcation District No. 109 of Kam Tin, Yuen Long, New Territories, Hong Kong (“**Premises 2**”), each for a term of three years from 1 December, 2008 to 30 November, 2011 (the “**Existing Tenancy Agreements**”). The transactions pursuant to the Existing Tenancy Agreements constitute continuing connected transactions of the Group pursuant to the Listing Rules as Mr. Tsang, Mr. Liu and Ms. Kwan (who are all Directors) are also directors and shareholders of Golden Life, with shareholdings of approximately 25.6 per cent, 26.9 per cent and 25.6 per cent respectively in Golden Life.

The Group intends to renew the Existing Tenancy Agreements on 30 November, 2011 by entering into the New Tenancy Agreements for the purposes of running its operations. It is anticipated that the Group Restructuring and Completion will take place after the entering into of the New Tenancy Agreements, and it is the intention of the Group that:-

- (1) the Remaining Group will occupy and use certain portions of Workshops Nos. 1 to 8 and Workshop Nos. 19 to 21 on 2nd Floor of Decca Industrial Centre, 12 Kut Shing Street, Chai Wan, Hong Kong as its head office, showroom and warehouse (“**Designated Part of Premises 1**”); and
- (2) the Privateco Group will occupy and use the remaining parts of Premises 1 which is not part of the Designated Part of Premises 1 (“**Remaining Part of Premises 1**”) and Premises 2 as its head office, showroom and warehouse.

As such, a member of the Remaining Group will enter into the New Tenancy Agreement for the lease of the Designated Part of Premises 1 with Golden Life, whilst a member of the Privateco Group will enter into the New Tenancy Agreements for the lease of the Remaining Part of Premises 1 and Premises 2 with Golden Life. The New Tenancy Agreements will take effect irrespective of whether the Distribution In Specie and/or the Completion will or will not take place.

Each of the New Tenancy Agreements will constitute a special deal under the Takeovers Code and will be conditional upon obtaining the prior consent of the Executive under Rule 25 of the Takeovers Code. The Executive will normally consent to the New Tenancy Agreements provided that the independent financial adviser to the Company publicly states that in his opinion the terms of the New Tenancy Agreements are fair and reasonable and the transactions are approved by Independent Shareholders by way of poll at the SGM. If the consent from the Executive has not been obtained, the New Tenancy Agreements will not be completed.

Below is a summary of each of the three New Tenancy Agreements:

#### **NEW TENANCY AGREEMENT IN RESPECT OF THE DESIGNATED PART OF PREMISES 1**

Landlord:	Golden Life
Tenant:	Decca Limited, a subsidiary of the Company and a member of the Remaining Group
Premises:	the Designated Part of Premises 1, being certain portions of Workshops Nos. 1 to 8 and Workshop Nos. 19 to 21 on the 2nd Floor of Decca Industrial Centre, 12 Kut Shing Street, Chai Wan, Hong Kong, with an aggregate gross floor area of about 6,149 square feet (excluding the carpark area), which will be used by the Remaining Group as its head office, showroom and warehouse and Car Parking Space Nos. P9 and P10.
Term:	Three years commencing from 1 December, 2011 to 30 November, 2014 (both days inclusive)
Rental:	Monthly rental of HK\$65,000 and monthly building management fee of HK\$8,739 have been determined having regard to prevailing market rates of monthly rental and management fee of similar premises in surrounding areas of similar size.

#### **NEW TENANCY AGREEMENT IN RESPECT OF THE REMAINING PART OF PREMISES 1**

Landlord:	Golden Life
Tenant:	a subsidiary of the Company and a member of the Privateco Group after the Distribution In Specie
Premises:	The Remaining Part of Premises 1, being certain portions of Workshops Nos. 1 to 8 which is not part of the Designated Part of Premises 1, and Workshop Nos. 15 to 18 on the 2nd Floor, the Rear Portion of Flat Roof on the 3rd Floor, and Car Parking Space Nos. L5, L6, P7, P8 and P11 on the Ground Floor, of Decca Industrial Centre, 12 Kut Shing Street, Chai Wan, Hong Kong, with an aggregate gross floor area of about 9,809 square feet (excluding the carpark and flat roof area), which will be used by the Privateco Group as its head office, showroom and warehouse

Term: Three years commencing from 1 December, 2011 to 30 November, 2014 (both days inclusive)

Rental: Monthly rental of HK\$145,000 and monthly building management fee of HK\$14,644 have been determined having regard to prevailing market rates of monthly rental and management fee of similar premises in surrounding areas of similar size.

## **NEW TENANCY AGREEMENT IN RESPECT OF PREMISES 2**

Landlord: Golden Life

Tenant: a subsidiary of the Company and a member of the Privateco Group after the Distribution In Specie

Premises: Premises 2, being the Remaining Portion of Lot No. 511 and the Remaining Portion of Lot No. 512 in Demarcation District No. 109 of Kam Tin, Yuen Long, New Territories, Hong Kong, with an aggregate gross floor area of about 24,237 square feet, which will be used by the Privateco Group as its warehouse

Term: Three years commencing from 1 December, 2011 to 30 November, 2014 (both days inclusive)

Rental: Monthly rental of HK\$25,000 and monthly building management fee of HK\$2,440 have been determined having regard to prevailing market rates of monthly rental and management fee of similar premises in surrounding areas of similar size.

## **THE CAP AMOUNT FOR THE EXISTING TENANCY AGREEMENTS**

By the announcement dated 30 November, 2008, the Company announced that it has entered into the Existing Tenancy Agreements with Golden Life for lease of Premises 1 and Premises 2 for three years commencing from 1 December, 2008. The Company has paid rental and management fees of HK\$872,776 for the period from 1 December, 2008 to 31 March, 2009, HK\$2,619,460 for the period from 1 April, 2009 to 31 March, 2010, HK\$2,631,912 for the period from 1 April, 2010 to 31 March, 2011, and HK\$1,543,815 for the period from 1 April, 2011 to 31 October, 2011, and will continue to do so for the remaining one month of the Existing Tenancy Agreements, which are set to expire on 30 November, 2011. The figures mentioned above fell within the respective annual caps set out in the Company's announcement dated 30 November, 2008.

## **REASONS FOR THE NEW TENANCY AGREEMENTS**

The purpose of the New Tenancy Agreements is to renew the lease of Premises 1 and Premises 2 by the Group under the Existing Tenancy Agreements for the premises being used by each of the Remaining Group and the Privateco Group as their respective head offices, showroom and warehouse and will be continued to be used for such purposes. The rental payments and management fees for the Designated Part of Premises 1 (and together with the Remaining Part of Premises 1 and Premises 2 prior to the completion of the Distribution In Specie) will be financed by the Group's internal operating fund.

## **CONNECTION BETWEEN THE PARTIES/IMPLICATIONS UNDER THE LISTING RULES**

As Mr. Tsang, Mr. Liu and Ms. Kwan are all Directors and are also directors and shareholders of Golden Life, with shareholdings of approximately 25.6 per cent, 26.9 per cent and 25.6 per cent respectively in Golden Life, the entering into of the New Tenancy Agreements constitute continuing connected transactions for the Company under the Listing Rules. As each of the percentage ratios (other than profits ratio) is less than 5 per cent, the connected transactions are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

## **PROPOSED CHANGE OF COMPANY NAME**

The Board proposes to change the English name of the Company from “Decca Holdings Limited” to “Chinlink International Holdings Limited” and adopt the Chinese name “普滙中金國際控股有限公司” as its official Chinese name to replace “達藝控股有限公司” after Completion.

The proposed change of name of the Company is subject to:

- (i) the passing of a special resolution by the Shareholders at the SGM; and
- (ii) completion of the Sale and Purchase Agreement.

The change of name of the Company shall take effect from the date on which the certificate of change of name is issued by the Registrar of Companies in Bermuda. The Company will, subject to the satisfaction of the foregoing conditions, carry out the necessary filing procedures with the Registrar of Companies in Bermuda and Hong Kong.

### **Reason for the change of name**

The change of name of the Company is proposed to reflect the change in control of the Remaining Group.

### **Effect of the change of name**

The proposed change of name of the Company will not affect any rights of the Shareholders. All existing share certificates in issue in the name of “Decca Holdings Limited” will, after the change of name becoming effective, continue to be evidence of title to the Shares under its new name and will be valid for trading, settlement and delivery for the same number of the Shares in the new name of the Company on the Stock Exchange. Accordingly, there will not be any arrangement for free exchange of existing share certificates for new share certificates under the new name of the Company. Once the change of name has become effective, new share certificates of the Company will be issued in the new name of the Company and the Shares will be traded on the Stock Exchange in its new name.

The Company will make a further announcement on the effective date of the change of name of the Company and the new stock short name of the Shares.

## **GENERAL**

### **Maintenance of the listing status of the Company**

The Purchaser intends the Company to remain listed on the Stock Exchange. As set out in section headed “Intention of Purchaser regarding the Remaining Group” above, the Purchaser will irrevocably undertake that, among other things, it will be responsible for maintaining the 25 per cent public float requirement upon the closing of the Share Offer by placing down of sufficient number of accepted Shares by the Purchaser for this purpose. The Company and the Purchaser will issue a separate announcement as and when necessary regarding the decision of any such placing down if the circumstances warrant.

**If, at the close of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25 per cent of the Shares, are held by the public, or if the Stock Exchange believes that:**

- a false market exists or may exist in the trading of Shares; or
- there are insufficient Shares in public hands to maintain an orderly market,

**the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.**

### **SGM**

The SGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of the Share Premium and Reserve Application, the Distribution In Specie, the New Tenancy Agreements by Independent Shareholders by way of poll at the SGM and the proposed change of name of the Company by the Shareholders by way of poll at the SGM. The Purchaser, the Vendors, their respective associates and parties acting in concert with any of them will abstain from voting on the relevant resolution(s). Anglo Chinese related group which holds 11,910,000 Shares, representing approximately 5.96 per cent of the issued Shares, as at the date of this announcement will abstain from voting on the resolutions in respect of the Proposal and the New Tenancy Agreements.

As at the date of this announcement, Vendors held an aggregate of 141,060,805 Shares, representing approximately 70.53 per cent of the existing issued Shares.

Save for the interests in the Sale and Purchaser Agreement, none of Purchaser, its associates and parties acting in concert with any of them held any Shares as at the date of this announcement.

### **Independent Board Committee**

The Independent Board Committee comprising all independent non executive Directors has been formed in order to make a recommendation to Independent Shareholders regarding the Proposal, the Share Offer, and the New Tenancy Agreements.

## **The Circular and appointment of the independent financial adviser pursuant to Rule 2.1 of the Takeovers Code**

The Circular, which will contain, among other things, details of the Proposal, financial information on each of the Group and the Privateco Group, pro forma financial information of the Remaining Group, the New Tenancy Agreements, the letter of recommendation from the Independent Board Committee and the letter of advice from an independent financial adviser to the Independent Board Committee and, or Independent Shareholders regarding the Proposal, the Share Offer, the Privateco Offer, the New Tenancy Agreements, the proposed change of name of the Company and a notice convening the SGM will be despatched to Shareholders as soon as practicable.

An independent financial adviser will be appointed to advise the Independent Board Committee and Independent Shareholders in relation to the Proposal, the Share Offer, the Privateco Offer and the New Tenancy Agreements, where appropriate. An announcement will be made as soon as possible after the Independent Board Committee has approved the appointment of the independent financial adviser.

The advice of an independent financial adviser and the recommendations of the Independent Board Committee in respect of the Share Offer, in particular, as to whether the terms of the Share Offer are, or are not, fair and reasonable and as to whether it should or should not be accepted if it is made, will be included in the Share Offer Document.

As directors of the Privateco do not have any non executive director or independent non executive director, an independent committee of the board cannot be formed to give a recommendation to the holders of Privateco Share in connection with the Privateco Offer. In such circumstances, an independent financial adviser will be appointed to advise the Independent Shareholders as to whether the terms of the Privateco Offer are, or are not, fair and reasonable and as to whether it should or should not be accepted if it is made. The advice of the independent financial adviser in respect of the Privateco Offer will be included in the Privateco Offer Document.

## **Waiver of Rule 8.2 of the Takeovers Code**

In accordance with Rule 8.2 of the Takeovers Code, both the Share Offer Document and the Privateco Offer Document are required to be posted by or on behalf of the Purchaser and Peasedow respectively within 21 days of the date of this announcement. However, as there are preconditions as to Completion and the Distribution In Specie becoming effective, to the making of the Share Offer and the Privateco Offer respectively, application will be made by the Purchaser and Peasedow for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Share Offer Document and the Privateco Offer Document to within seven days of the fulfilment of the preconditions as to Completion and the Distribution In Specie becoming effective.

## **Dealings disclosure**

The associates (as defined in the Takeovers Code) of the Company, the Privateco, Peasedow, Vendors and Purchaser (including their respective shareholders having interests of more than 5 per cent of the relevant securities) are reminded to disclose their dealings in the relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) under Rule 22 of the Takeovers Code.

## **Responsibilities of stockbrokers, banks and other intermediaries**

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates (as defined in the Takeovers Code) and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates (as defined in the Takeovers Code) and other person themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to cooperate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that the stockbrokers and other intermediaries will supply the Executive with the relevant information as to those dealings, including identities of clients, as part of that cooperation.

## **Suspension and resumption of trading in Shares**

At the request of the Company, trading in Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 7 October, 2011 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares with effect from 9:00 a.m. on 31 October, 2011.

## **Warning**

**AS THE PRIVATECO OFFER AND THE SHARE OFFER WILL ONLY BE MADE AFTER COMPLETION AND DISTRIBUTION IN SPECIE, WHICH ARE SUBJECT TO A NUMBER OF CONDITIONS, EACH OF THE PRIVATECO OFFER AND THE SHARE OFFER MAY OR MAY NOT PROCEED AND ARE THEREFORE ONLY POSSIBILITIES INVESTORS AND SHAREHOLDERS ARE URGED TO EXERCISE CAUTION WHEN DEALING IN SHARES.**

## **DEFINITIONS**

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Acelin”	Acelin Investments Limited, a direct wholly owned subsidiary of the Company, and the immediate holding company for the Remaining Business
“acting in concert”	having the meaning defined in the Takeovers Code
“Anglo Chinese Investments”	Anglo Chinese Investment Company, Limited, the holding company of Anglo Chinese

“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a corporation licensed to conduct type 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO and the financial adviser to Peasedow
“Anglo Chinese related group”	Anglo Chinese Investments, a retirement scheme related to Anglo Chinese, certain discretionary securities trading accounts of Anglo Chinese Securities, Limited, and an employee of Anglo Chinese
“associate(s)”	having the meaning defined in the Listing Rules
“Board”	the board of Directors
“Business Day”	means any day (excluding a Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at an time between 9 a.m. to 5 p.m.) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“Circular”	a circular of the Company in relation to, inter alia, the Proposal, the New Tenancy Agreements and the proposed change of name of the Company name to be despatched to Shareholders
“Company”	Decca Holdings Limited, a company incorporated in Bermuda with limited liability, Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Decca BVI”	Decca Investment Limited, a direct wholly owned subsidiary of Privateco and the immediate holding company for the Distributed Businesses after the Group Restructuring
“Director(s)”	the director(s) of the Company from time to time
“Distributed Businesses”	all businesses of the Group, other than the Remaining Business, carried on by Privateco Group, including among others, manufacturing and sale of furniture and fixtures in the United States of America, Europe, Asia Pacific and the PRC, and provision of decoration works outside Hong Kong and Macau
“Distribution In Specie”	the distribution in specie of Privateco Shares by the Company to registered Shareholders on the Record Date
“Emperor Capital”	Emperor Capital Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and the financial adviser to the Purchaser

“Emperor Securities”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Golden Life”	Golden Life Investment Limited, a company incorporated in Hong Kong and owned as to approximately 25.6 per cent, 26.9 per cent and 25.6 per cent by Mr. Tsang, Mr. Liu and Ms. Kwan respectively, all of whom are Directors
“Group”	the Company and its subsidiaries as at the date of this announcement
“Group Restructuring”	the proposed reorganisation of the Group, details of which are set out in section headed “Group Restructuring” in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising all independent non executive Directors established for the purpose of advising the Independent Shareholders in respect of the Proposal, Share Offer, and the New Tenancy Agreements
“Independent Shareholder(s)”	<ul style="list-style-type: none"> <li>(i) in respect of the Proposal, Shareholder(s) other than the Vendors, the Purchaser, their respective associates and parties acting in concert with any of them;</li> <li>(ii) in respect of the Share Offer, Shareholder(s) other than the Vendors, the Purchaser, their respective associates and parties acting in concert with any of them;</li> <li>(iii) in respect of the Privateco Offer, Shareholder(s) other than the Vendors, the Purchaser, their respective associates and parties acting in concert with any of them, and including Anglo Chinese related group; and</li> <li>(iv) in respect of the New Tenancy Agreements, Shareholder(s) other than the Vendors, the Purchaser, their respective associates and parties acting in concert with any of them and those Shareholders who are involved or interested in the New Tenancy Agreements</li> </ul>
“Last Trading Day”	6 October, 2011, being the last day on which Shares were traded on the Stock Exchange prior to the suspension of trading in Shares pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 January, 2012

“Mr. Li”	Mr. Li Weibin, a third party independent of and not connected with the Company and its connected persons (as defined under the Listing Rules) and the sole owner of the Purchaser
“Mr. Liu”	Mr. Liu Hoo Kuen, a Director
“Mr. Tsang”	Mr. Tsang Chi Hung, a Director
“Ms. Kwan”	Ms. Kwan Yau Choi, a Director
“New Tenancy Agreements”	three new tenancy agreements to be entered into between the Group and Golden Life, each for a term of three years from 1 December, 2011 to 30 November, 2014
“Peasedow”	Peasedow Enterprises Limited, a company incorporated under the laws of BVI with limited liability and is ultimately and beneficially owned as to 34.8 per cent by Mr. Tsang, as to 34.7 per cent by Ms. Kwan and as to 30.5 per cent by Mr. Liu
“PRC”	The People’s Republic of China
“Privateco”	Chosen Investments Limited, a company incorporated in Bermuda with limited liability on 10 October, 2011 pursuant to the Group Restructuring for the purpose of holding the Distributed Businesses and a wholly owned subsidiary of the Company prior to the Distribution In Specie
“Privateco Group”	Privateco and its subsidiaries
“Privateco Offer”	the unconditional voluntary cash offer to be made by Anglo Chinese on behalf of Peasedow to acquire all Privateco Shares (including those held by Anglo Chinese related group and other than those owned or agreed to be acquired by Peasedow or parties acting in concert with it)
“Privateco Offer Document”	the offer and response document (in either composite or separate form) and the form of acceptance and transfer to be despatched to the holders of Privateco Shares pursuant to the Privateco Offer
“Privateco Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of Privateco
“Proposal”	the proposal to be put forward by the Board to Shareholders including the Share Premium and Reserve Application and the Distribution In Specie, and the respective transactions contemplated thereunder
“Purchaser”	Wealth Keeper International Limited, a company incorporated in the BVI with limited liability and is 100 per cent ultimately beneficially owned by Mr. Li

“Record Date”	a date to be fixed for determining entitlements of Shareholders to the Distribution In Specie, which shall be a date falling after the SGM but before the date of Completion
“Remaining Business”	the Group’s business of providing interior design and renovation services and trading of furniture and fixtures in Hong Kong and Macau by the Remaining Group after the Group Restructuring and Distribution In Specie
“Remaining Group”	the Company, Acelin and subsidiaries of Acelin, being the Group excluding the Privateco Group upon completion of the Group Restructuring and Distribution In Specie
“Sale and Purchase Agreement”	the agreement dated 6 October, 2011 entered into amongst the Vendors and the Purchaser in respect of the conditional acquisition of the Sale Shares by the Purchaser
“Sale Share(s)”	the aggregate interest of 141,060,805 Shares held by the Vendors as at the date of the Sale and Purchase Agreement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the resolution(s) in respect of the Proposal, the New Tenancy Agreements and the proposed change of name of the Company
“Share Offer”	the unconditional mandatory cash offer to be made by Emperor Capital on behalf of the Purchaser to acquire all the issued Shares (other than those already held or agreed to be acquired by the Purchaser and parties acting in concert with it)
“Share Offer Document”	the offer and response document (in either composite or separate form) and the form of acceptance and transfer to be despatched to Shareholders pursuant to the Share Offer
“Share Premium Account”	the share premium account of the Company from time to time
“Share Premium and Reserve Application”	the application of a sufficient amount of the credit standing to the Share Premium Account and the contributed surplus and other reserve accounts of the Company for the implementation of the Distribution In Specie
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”

The Codes on Takeovers and Mergers and Share Repurchases

“Vendors”

Peasedow, Mr. Tsang, Ms. Kwan and Mr. Liu

By Order of the board of  
**WEALTH KEEPER  
INTERNATIONAL  
LIMITED**  
**Mr. Li Weibin**  
*Sole Director*

By Order of the board of  
**DECCA HOLDINGS LIMITED**  
**Mr. Tsang Chi Hung**  
*Chairman*

By Order of the board of  
**PEASEDOW  
ENTERPRISES  
LIMITED**  
Mr. Tsang Chi Hung  
*Director*

Hong Kong, 28 October, 2011

*As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. Tsang Chi Hung, Mr. Liu Hoo Kuen, Mr. Richard Warran Herbst, Ms. Kwan Yau Choi, Ms. Fung Sau Mui, Mr. Tai Wing Wah and Mr. Wong Kam Hong and three independent non executive Directors, namely Mr. Chu Kwok Man, Mr. Cheng Woon Kam and Mr. Pak Wai Tun, Wallace.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Purchaser and Peasedow, their respective associates and parties acting in concert with each of Purchaser and Peasedow) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, Mr. Tsang Chi Hung, Ms. Kwan Yau Choi and Mr. Liu Hoo Kuen are the directors of Peasedow.*

*The directors of Peasedow accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to, Purchaser, the Company, their respective associates and parties acting in concert with each of Purchaser and the Company) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, Mr. Li is the sole director of the Purchaser.*

*Mr. Li accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company, Peasedow, their respective associates and parties acting in concert with each of the Company and Peasedow) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The English text of this announcement shall prevail over its Chinese text.*

*\* For identification purpose only.*