

DICKSON CONCEPTS (INTERNATIONAL) LIMITED 廸生創建(國際)有限公司

(incorporated in Bermuda with limited liability)

INTERIM REPORT 2008-2009

Stock Code: 0113



DICKSON CONCEPTS (INTERNATIONAL) LIMITED

廸生創建(國際)有限公司

(incorporated in Bermuda with limited liability)

INTERIM REPORT 2008-2009

Stock Code: 0113

CONTENTS

	Page
Corporate Information	3
Consolidated Profit and Loss Account	4
Consolidated Balance Sheet	5
Consolidated Statement of Changes in Equity	6
Condensed Consolidated Cash Flow Statement	7
Notes on the Interim Accounts	8-17
Review Report to the Board of Directors	18
Management Discussion and Analysis	19-22
Disclosure of Interests	23-24
Other Information	25-26

CORPORATE INFORMATION

Board of Directors:

Group Executive Chairman:

Dickson Poon

Executive Directors:

Raymond Lee (**Deputy Chairman and Chief Executive Officer**)

Chan Tsang Wing, Nelson Edwin Ing Lau Yu Hee, Gary Ng Chan Lam

Independent Non-Executive Directors:

Bhanusak Asvaintra Nicholas Peter Etches Christopher Patrick Langley, OBE

Company Secretary:

Or Suk Ying, Stella

Qualified Accountant:

Raymond Lee

Audit Committee:

Nicholas Peter Etches (**Chairman**) Bhanusak Asvaintra Christopher Patrick Langley, OBE

Remuneration Committee:

Bhanusak Asvaintra (**Chairman**) Nicholas Peter Etches Raymond Lee

Independent Auditor:

KPMG Certified Public Accountants, Hong Kong.

Head Office and Principal Place of Business:

4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong.

Registered Office:

Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda.

Principal Bankers:

BNP Paribas

CALYON Standard Chartered Bank (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited

Share Registrar in Hong Kong:

Tricor Tengis Limited 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

Share Registrar in Bermuda:

The Bank of Bermuda Limited Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda.

Place of Share Listing:

The Stock Exchange of Hong Kong Limited

Stock Code:

The Stock Exchange of Hong Kong Limited: 0113

Website:

http://www.dickson.com.hk

The board of directors ("the Board") of Dickson Concepts (International) Limited ("the Company") announces that the Group's unaudited consolidated results for the six months ended 30th September, 2008 together with the comparative figures are as follows:-

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the period ended 30th September, 2008

	Si	ix months ended 30th	September,
		2008	2007
		(unaudited)	(unaudited)
	NOTE	HK\$'000	HK\$'000
Turnover	2	1,859,763	1,719,016
Cost of sales		<u>(777,613</u>)	(750,608)
Gross profit		1,082,150	968,408
Other (loss) / income		(1,866)	5,258
Selling and distribution expenses		(805,839)	(713,887)
Administrative expenses		(135,418)	(129,885)
Other operating expenses		(52,425)	(52,542)
Operating profit		86,602	77,352
Finance costs		(1,376)	(3,355)
Share of profits less losses of associated companies		9,006	5,913
Profit before taxation	3	94,232	79,910
Taxation	4	(16,739)	(4,144)
Profit after taxation		<u>77,493</u>	<u>75,766</u>
Attributable to :-			
Equity shareholders of the Company	11	77,209	75,645
Minority interests	11	284	121
Profit after taxation		<u>77,493</u>	<u>75,766</u>
Earnings per share (basic and diluted)	5	<u>20.7 cents</u>	24.4 cents
Dividend per share — Interim dividend declared after the balance sheet date	6	11.0 cents	13.8 cents

CONSOLIDATED BALANCE SHEET

At 30th September, 2008

At 30th September, 2006		20/0/2000	21/2/2000
		30/9/2008 (unaudited)	31/3/2008 (audited)
	NOTE	HK\$'000	HK\$'000
Non-current assets Fixed assets		377,176	411,284
Intangible asset	7	233,466	254,690
Goodwill		13,900	13,900
Associated companies		148,851	140,330
Deferred tax assets		<u>56,328</u>	55,781
Comment and the		829,721	875,985
Current assets Stocks		1,165,356	954,250
Debtors, deposits and prepayments	8	393,224	420,999
Bills receivable		720	226
Tax recoverable		7,361	7,723
Cash and cash equivalents		454,993	687,694
		2,021,654	2,070,892
Current liabilities			
Bank loans and overdrafts		98,803	97,166
Bills payable	0	25,162	23,109
Creditors and accruals Taxation	9	736,864 22,347	797,048 33,346
Taxation			
		883,176	950,669
Net current assets		1,138,478	1,120,223
Total assets less current liabilities		1,968,199	1,996,208
Non-current liabilities			
Deferred tax liabilities		13,475	6,176
Net assets		1,954,724	1,990,032
Capital and reserves			
Share capital	10	111,693	111,693
Reserves	11	1,835,770	1,871,573
Total equity attributable to equity			
shareholders of the Company		1,947,463	1,983,266
Minority interests	11	7,261	6,766
Total equity		1,954,724	1,990,032
, ,			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September, 2008

		Six months ended 30th September,			ber,
		2008	2008	2007	2007
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
	NOTE	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total equity at 1st April			1,990,032		1,401,793
Translation of accounts of overseas subsidiary and associated companies		(10,415)		12,251	
Net (loss) / gain for the period recognised directly in equity			(10,415)		12,251
Net profit for the period			77,493		75,766
Total recognised income for the period			67,078		88,017
Attributable to :- Equity shareholders of the Company Minority interests		66,583 495		87,747 270	
		<u>67,078</u>		88,017	
Dividends paid in respect of prior year	6(b)		(102,386)		(85,336)
Total equity at 30th September			1,954,724		1,404,474

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30th September, 2008

To the period chace som september, 2000	Six months ended 2008 (unaudited) HK\$'000	2007
Operating profit before changes in working capital	195,236	158,005
Changes in working capital	(258,895)	10,216
Cash (used in) / generated from operations	(63,659)	168,221
Tax paid (net)	(22,224)	(20,092)
Net cash (used in) / generated from operating activities	(85,883)	148,129
Net cash used in investing activities	(53,235)	(60,962)
Net cash (used in) / generated from financing activities	(96,842)	14,343
Net (decrease) / increase in cash and cash equivalents	(235,960)	101,510
Cash and cash equivalents at 1st April	687,694	187,793
Effect of foreign exchange rate changes	3,259	2,753
Cash and cash equivalents at 30th September	<u>454,993</u>	<u>292,056</u>
	At 30/9/2008 (unaudited) HK\$'000	At 30/9/2007 (unaudited) HK\$'000
Analysis of the balances of cash and cash equivalents		
Cash on hand and balances with banks	454,993	292,056
Cash and cash equivalents in the consolidated balance sheet	454,993	292,056
Bank loans and overdrafts	(98,803)	(246,147)
Less: Bank loans	98,803	246,147
Bank overdrafts		
Cash and cash equivalents in the consolidated cash flow statement	454,993	<u>292,056</u>

NOTES ON THE INTERIM ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("the Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This interim financial report has been prepared in accordance with the same principal accounting policies adopted in the 2008 annual accounts.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated accounts and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 annual accounts. The condensed consolidated interim accounts and notes thereon do not include all of the information required for a full set of accounts prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA).

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's review report to the Board is included on page 18. In addition, this interim financial report has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31st March, 2008 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory accounts for that financial year but is derived from those accounts. Statutory accounts for the year ended 31st March, 2008 are available from both the Stock Exchange's website and the Company's website. The auditors have expressed an unqualified opinion on those accounts in their report dated 23rd June, 2008.

2. TURNOVER / SEGMENTAL INFORMATION

Turnover represents the invoiced value of goods sold less discounts and returns, and income from concession and consignment sales.

Business segment

The Group has a single business segment which is the sale of luxury goods. Accordingly, the segment information for this sole business segment is equivalent to the consolidated figures.

Geographical segments

In presenting information on the basis of geographical segments, segment turnover is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

For the six months anded

	For the six		
	30th Sept	At 30/9/2008	
		Capital	Total
	Turnover	expenditure	assets
	HK\$'000	HK\$'000	HK\$'000
Hong Kong	1,045,143	24,149	1,396,301
Taiwan	292,119	11,026	476,409
China	346,459	15,809	624,638
Other territories (Mainly Asia)	<u>176,042</u>	8,251	205,176
	1,859,763	59,235	2,702,524
Associated companies			148,851
Total assets			2,851,375
	For the six	months ended	
		months ended tember, 2007	At 31/3/2008
		tember, 2007	At 31/3/2008 Total
		tember, 2007 Capital	
	30th Sept	tember, 2007	Total
Hong Kong	30th Sept	tember, 2007 Capital expenditure	Total assets
Hong Kong Taiwan	30th Sept Turnover HK\$'000	cember, 2007 Capital expenditure HK\$'000	Total assets HK\$'000
	30th Sept Turnover HK\$'000 939,775	cember, 2007 Capital expenditure HK\$'000	Total assets HK\$'000 1,484,581
Taiwan	30th Sept Turnover HK\$'000 939,775 348,563	cember, 2007 Capital expenditure HK\$'000 30,341 16,893	Total assets HK\$'000 1,484,581 497,054
Taiwan China	30th Sept Turnover HK\$'000 939,775 348,563 262,215	capital expenditure HK\$'000 30,341 16,893 15,311	Total assets HK\$'000 1,484,581 497,054 619,968
Taiwan China	30th Sept Turnover HK\$'000 939,775 348,563 262,215 168,463	cember, 2007 Capital expenditure HK\$'000 30,341 16,893 15,311 6,527	Total assets HK\$'000 1,484,581 497,054 619,968 204,944

3. PROFIT BEFORE TAXATION

	Six months ended 30th September	
	2008	2007
	HK\$'000	HK\$'000
Profit before taxation is arrived at after		
charging / (crediting) :-		
Amortisation of intangible asset	21,224	21,224
Depreciation	91,767	60,726
Interest income	(4,121)	(1,461)
Interest on bank overdrafts and loans repayable		
within five years	1,376	3,355
Share of associated companies' taxation	2,902	1,003

4. TAXATION

	Six months ended 30th September	
	2008	2007
	HK\$'000	HK\$'000
Current tax — Hong Kong Profits Tax		
Provision for the period	_	2,292
Under / (over)-provision in respect of prior years	521	(1,265)
	521	1,027
Current tax — Overseas		
Provision for the period	14,511	15,543
(Over) / under-provision in respect of prior years	(3,641)	1,262
	10,870	16,805
Deferred tax		
Origination and reversal of temporary differences	5,348	(13,688)
Total income tax expense	16,739	4,144

Taxation in the consolidated profit and loss account includes provision for Hong Kong Profits Tax at 16.5 per cent. (2007: 17.5 per cent.) on the estimated assessable profits for the period. Taxation for overseas subsidiary companies is charged at the appropriate current rates of taxation ruling in the relevant countries.

5. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share in the current period is based on the profit attributable to ordinary equity shareholders of the Company of HK\$77,209,000 (2007: HK\$75,645,000) and the weighted average number of 372,311,338 ordinary shares (2007: 310,311,338 ordinary shares) in issue during the period.

6. DIVIDENDS

	s	ix months ended 2008 HK\$'000	30th September, 2007 HK\$'000
	(a) Interim dividend declared after the interim period	40.054	51.250
	end: 11.0 cents (2007: 13.8 cents) per ordinary share	40,954	<u>51,379</u>
	(b) Final dividend in respect of the previous financial year, approved and paid during the interim period, of 27.5 cents (for the year ended 31st March, 2007:		
	27.5 cents) per ordinary share	102,386	85,336
7.	INTANGIBLE ASSET	30/9/2008	31/3/2008
		HK\$'000	HK\$'000
	Cost:-		
	At 1st April, 2008 and 1st April, 2007	322,607	322,607
	At 30th September, 2008 and 31st March, 2008	322,607	322,607
	Accumulated amortisation :-		
	At 1st April, 2008 and 1st April, 2007	67,917	25,468
	Amortisation for the period / year	21,224	42,449
	At 30th September, 2008 and 31st March, 2008	89,141	67,917
	Net book value :-		
	At 30th September, 2008 and 31st March, 2008	233,466	254,690

On 25th August, 2006, the Group acquired the entire issued capital of Tommy Hilfiger Asia-Pacific Limited together with its branch and subsidiary companies. The intangible asset represents the portion of the purchase consideration attributable to the exclusive distribution rights for Tommy Hilfiger apparel and other approved merchandise in Hong Kong, Taiwan, Singapore, Malaysia, Macau and certain cities in China.

The amortisation charge for the period is included in "Administrative expenses" in the consolidated profit and loss account.

8. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as at the balance sheet date:-

	30/9/2008 HK\$'000	31/3/2008 HK\$'000
Current	112,599	135,993
1 to 30 days overdue	8,841	12,535
31 to 60 days overdue	3,748	3,025
Over 60 days overdue	3,601	1,867
Amounts overdue	<u>16,190</u>	<u>17,427</u>
	128,789	153,420

Trade debtors are due within 30 to 90 days from the date of billing.

9. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK\$207,136,000 (at 31st March, 2008 : HK\$254,647,000) and their ageing analysis is as follows :-

	30/9/2008 HK\$'000	31/3/2008 HK\$'000
Current	173,285	232,069
1 to 30 days overdue	23,943	14,897
31 to 60 days overdue	3,386	4,378
Over 60 days overdue	6,522	3,303
	207,136	254,647

10. SHARE CAPITAL

	30/9/2008		31/3	3/2008
	Number	Number Nominal		Nominal
	of shares	value	of shares	value
	Thousands	HK\$'000	Thousands	HK\$'000
Authorised :-				
Ordinary shares of HK\$0.3 each	518,000	<u>155,400</u>	404,000	<u>121,200</u>
Issued and fully paid :-				
Ordinary shares of HK\$0.3 each				
Balance brought forward	372,311	111,693	310,311	93,093
Shares issued			62,000	18,600
Balance carried forward	372,311	111,693	372,311	111,693

Notes :-

By an ordinary resolution passed at the annual general meeting held on 21st August, 2008, the Company's authorised share capital was increased to HK\$155,400,000 by the creation of an additional 114,000,000 ordinary shares of HK\$0.3 each, ranking pari passu with the then existing issued shares of the Company.

A placing of 62,000,000 existing ordinary shares of nominal value of HK\$0.3 each in the share capital of the Company at a price of HK\$7.37 per ordinary share was made by a shareholder to independent investors on 11th October, 2007. The same number of new ordinary shares were subscribed for on 18th October, 2007 by the shareholder of the aforesaid placing at approximately HK\$7.26 per new ordinary share which was equivalent to the placing price after deduction of commission and related expenses net of interest income earned.

11. RESERVES AND MINORITY INTERESTS

	Share premium HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000
At 1st April, 2008	431,200	92,092	1,348,281	1,871,573	6,766
Dividends approved / paid in respect of prior year (Note 6(b))) —	_	(102,386)	(102,386)	_
Profit for the period	_	_	77,209	77,209	284
Translation of accounts of overseas subsidiary and					
associated companies		(10,626)		(10,626)	211
At 30th September, 2008	<u>431,200</u>	<u>81,466</u>	1,323,104	1,835,770	<u>7,261</u>
At 1st April, 2007	_	28,248	1,274,420	1,302,668	6,032
Dividends approved / paid in respect of prior year (Note 6(b))) —	_	(85,336)	(85,336)	_
Dividends declared / paid in					
respect of the current year (Note 6(a))	_	_	(51,379)	(51,379)	_
Profit for the year	_	_	210,576	210,576	73
Shares issued	431,200	_	_	431,200	_
Translation of accounts of overseas subsidiary and					
associated companies		63,844		63,844	661
At 31st March, 2008	431,200	92,092	1,348,281	1,871,573	6,766

12. MATERIAL RELATED PARTY TRANSACTIONS

The following material transactions with related parties were in the opinion of the directors carried out in the ordinary and usual course of business and on normal commercial terms:-

(a) Transactions with associated companies :-

	Six months ended 30th September,		
	2008	2007	
	HK\$'000	HK\$'000	
Sales of goods	29,550	23,799	
Purchases of goods	10,135	7,603	
Income from the provision of management			
and supporting service	459	885	
Rental expenses	3,424	3,753	
Rental income		627	
Purchases of goods Income from the provision of management and supporting service Rental expenses	10,135 459	7,603 885 3,753	

The net amount due from these associated companies at 30th September, 2008 amounted to HK\$21,033,000 (at 31st March, 2008 : HK\$6,018,000), which is interest free, unsecured and has repayment terms ranging from 20 days to 60 days.

(b) Transactions with companies in which certain directors of the Company have a beneficial interest:-

	Six months ended 30th September,		
	2008	2007	
	HK\$'000	HK\$'000	
Sales of goods	68,968	49,315	
Purchases of goods	9,817	5,726	
Management and supporting service expenses	603	661	
Income from the provision of management			
and supporting service	5,693	3,499	
Rental expenses	1,289	1,121	
Rental income	4,177	3,686	
Advertising and promotion service expenses	5,302	5,441	
Commission expenses	12,970	11,924	

The net amount due from these companies at 30th September, 2008 amounted to HK\$1,755,000 (at 31st March, 2008: HK\$6,020,000), which is interest free, unsecured and has repayment terms ranging from 20 days to 90 days.

13. CAPITAL COMMITMENTS

Capital commitments outstanding at 30th September, 2008 not provided for in the accounts were as follows:-

	30/9/2008 HK\$'000	31/3/2008 HK\$'000
Contracted for Authorised but not contracted for	30,217 <u>927</u>	20,449
	<u>31,144</u>	20,623

14. CONTINGENT LIABILITIES

At 30th September, 2008, the Company had the following contingent liabilities in respect of:-

- (a) Guarantees of HK\$989,168,000 (at 31st March, 2008: HK\$1,011,450,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$214,912,000 (at 31st March, 2008: HK\$183,626,000) at the balance sheet date.
- (b) Guarantees given to licensors to guarantee the performance by certain subsidiary companies of obligations under certain agreements. The amount due under the agreements was HK\$18,578,000 (at 31st March, 2008 : HK\$29,198,000) at the balance sheet date.

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. No provision was therefore made in this respect at 30th September, 2008 and 31st March, 2008 respectively.

The Company has not recognised any deferred income in respect of the guarantees given as their fair value cannot be reliably measured and their transaction price was Nil.

15. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDING 31ST MARCH, 2009

Up to the date of issue of this interim financial report, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the accounting year ending 31st March, 2009 and which have not been adopted in this interim financial report.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the accounts:-

Effective for

	accounting periods beginning on or after
HKAS 1 (Revised), Presentation of financial statements	1st January, 2009
HKAS 23 (Revised), Borrowing costs	1st January, 2009
HKAS 27 (Revised), Consolidated and separate financial statements	1st July, 2009
Amendments to HKFRS 2, Share-based payment — Vesting conditions and cancellations	1st January, 2009
HKFRS 3 (Revised), Business combinations	1st July, 2009
HKFRS 8, Operating segments	1st January, 2009
HKFRS, Improvements to HKFRSs	1st January, 2009
HK(IFRIC) — Int 13, Customer loyalty programmes	1st July, 2008
HK(IFRIC) — Int 16, Hedges of a net investment in a foreign operation	1st October, 2008

REVIEW REPORT TO THE BOARD OF DIRECTORS OF DICKSON CONCEPTS (INTERNATIONAL) LIMITED (incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 4 to 17 which comprises the consolidated balance sheet of Dickson Concepts (International) Limited as of 30th September, 2008 and the related consolidated profit and loss account, and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. 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 the relevant provisions thereof and Hong Kong Accounting Standard 34 ("HKAS 34") "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th September, 2008 is not prepared, in all material respects, in accordance with HKAS 34 "Interim financial reporting".

KPMG

Certified Public Accountants 8th Floor, Prince's Building 10 Chater Road Central, Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Turnover for the six months ended 30th September, 2008 was HK\$1,859.8 million, an increase of 8.2 per cent. compared with the same period last year.

As a result of exercising tight controls on sale and discount policies, gross margins increased from 56.3 per cent. up to 58.2 per cent..

Profit attributable to equity shareholders was HK\$77.2 million, an increase of 2.1 per cent. compared with the corresponding period last year.

At the commencement of the current financial year, the Group was confident that with the continued strong turnover and profits growth of its existing core operations, the expansion of its retail network and the introduction of new brands, the Group would achieve strong and sustained growth in the immediate and longer term.

However, the global credit crisis and the rapid deterioration in economic conditions around the world has resulted in a sharp decline in consumer sentiment which will undoubtedly have a negative impact on the Group's turnover and profits performance for the second half of the year.

BUSINESS REVIEW

The Group's retail network currently totals 495 shops. This comprises 70 in Hong Kong, 268 in China, 3 in Macau, 116 in Taiwan and 38 in Singapore, Malaysia and the Philippines.

In September, the Group entered into an exclusive long term agreement to distribute Alexandre de Paris, the luxury French hair accessories brand, in Hong Kong and other South East Asia territories. The first three Alexandre de Paris corners have now been opened at Pacific Place Seibu, Kowloon Hotel Seibu and Harvey Nichols in Hong Kong with locations in Singapore, Malaysia and Taiwan to open by the end of the current financial year. Given the established international popularity of this brand and the expected high sales density to be achieved by such products, the Group remains confident that Alexandre de Paris will be a successful addition to the Group's brand portfolio despite the financial turmoil.

In Hong Kong, 6 new shops have been opened so far this year. Although its businesses performed well during the first few months of the current financial year, the Group witnessed a sharp decline in consumer sentiment in subsequent months. However, by maintaining a healthy inventory position and exercising tight cost controls together with the popularity of its brands, the Group is well placed to confront and overcome the challenges ahead.

In China, the Group has opened 50 new shops so far this year under brands such as Polo Ralph Lauren, S.T. Dupont, Brooks Brothers, Tommy Hilfiger and Vertu. As the Chinese economy is expected to continue to grow at about 8 per cent. per annum and is the market with the most growth potential in the longer term, the Group intends to cautiously continue its expansion in China.

In Taiwan, the election of a new government has improved relations with China, and the Group experienced strong sales growth in the first few months of the current financial year. However, sales slowed significantly as the economy deteriorated. The Group will continue to monitor political and economic developments in Taiwan and adjust its development strategies accordingly.

In the rest of Asia, the Group operates a retail network of 41 shops in Macau, Singapore, Malaysia and the Philippines. A very cautious approach will be taken regarding future development of these markets.

FULL YEAR PROSPECTS

Despite a promising start to the current financial year's performance for the Group, the global credit crisis has had an unprecedented negative effect on economic conditions and consumer sentiment worldwide.

Unlike the Asian financial crisis of 1997 or SARS in 2003, this latest crisis has caused significant damage to the global economy affecting consumers in all markets. This will undoubtedly have a negative effect on markets such as Hong Kong which rely on both domestic and international consumers. Given this situation, the Group will exercise tight controls on its inventory position and cost structure, and adopt a very cautious approach to its further expansion and development strategies.

However, the Group will continue to illustrate its unswerving commitment to the retail industry by opening additional stores around the region should prime locations become available on very attractive terms. This will enable the Group to enhance shareholder value in the longer term and demonstrate to brand principals the Group's ability to develop and maximise the potential of its brands even under the most difficult economic climate.

With a net cash position of HK\$356.2 million and a strong balance sheet, the Group is in a very strong position to weather this global credit crisis, exploit any future recovery in economic conditions and take advantage of any investment opportunities of exceptional value.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2008, the Group had 3,303 (2007:3,020) employees. Total staff costs (including directors' emoluments) amounted to HK\$256.6 million (2007: HK\$232.1 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee in respect of directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates. Details of the share option scheme were disclosed in the Company's 2008 annual report ("the 2008 Annual Report"). No share options were granted or exercised during the period under review.

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group's net cash from operating activities was utilised to fund increased working capital requirements mainly arising from additional stock holdings due to new store openings. Together with related capital expenditure and payment of the final dividend for the previous year, net cash utilisation totalled HK\$236 million.

As a result, the Group's net liquid financial resources as at 30th September, 2008 stood at HK\$356.2 million represented by cash and bank deposits of HK\$455 million and short-term bank borrowings of HK\$98.8 million.

The Group maintains substantial uncommitted short-term loan facilities with its relationship banks for day-to-day requirements and funding flexibility. Material utilisation of these facilities over and above present levels during the second half of the current financial year is not anticipated given the current net cash position and the continuing positive cash flow generated by the Group's operations.

FOREIGN CURRENCY EXPOSURE AND FINANCIAL MANAGEMENT

The cost of merchandise purchased by the Group is mainly denominated in United States Dollars, Euros, Swiss Francs and Pound Sterling and where appropriate, forward foreign exchange contracts are utilised to purchase the relevant currency to settle amounts due. It is the Group's policy that foreign exchange contracts or foreign currency purchases are strictly limited to approved purchase budget amounts or actual purchase commitments.

Exposure to fluctuations in the exchange rate of regional currencies in respect of the Group's overseas operations is minimised by utilising local currency borrowings, where necessary, to fund working capital and capital expenditure requirements with repayment in cash generated from local sales. The Group's outstanding foreign currency bank borrowings are a result of the application of this policy and comprise short-term bank loans drawn in New Taiwan Dollars, Singapore Dollars and Japanese Yen by the respective operating subsidiary companies.

The Group's financial risk management is the responsibility of its treasury function based in Hong Kong which implements the policies and guidelines established from time to time by the Board. Surplus cash is held mainly in United States Dollars, Hong Kong Dollars and Renminbi with the majority placed on short-term time deposits with international financial institutions.

As at 30th September, 2008, the Group's current ratio, being current assets divided by current liabilities, was 2.3 times compared to 2.2 times as at 31st March, 2008. The Group has maintained a net surplus cash position throughout the period under review and its gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is Nil (as at 31st March, 2008: Nil).

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS

As at 30th September, 2008, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("the SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("the Directors' Model Code") as set out in Appendix 10 of the Listing Rules were as follows:-

Dickson Concepts (International) Limited

		Ordinary shares of HK\$0.3 each					
		Personal	Family	Corporate	Other		
Name of Director	Capacity	Interests	Interests	Interests	Interests	Total	Percentage(ii)
Dickson Poon	Beneficial owner and trust founder	14,040	_	-	149,395,699 ⁽ⁱ⁾	149,409,739	40.13
Edwin Ing	Beneficial owner	26,620	_	_	_	26,620	0.0071

Notes :-

- (i) These shares are held through two trusts.
- Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

In addition, Mr. Dickson Poon is deemed to be interested in the share capital of all the subsidiary and associated companies of the Company by virtue of his interest in the Company.

Save as referred to above, as at 30th September, 2008, none of the directors had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept by the Company under Section 352 of the SFO or which are notified to the Company and the Stock Exchange pursuant to the Directors' Model Code.

As at 30th September, 2008, no share options had been granted to the directors under the share option scheme which was adopted on 26th August, 2003.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30th September, 2008, the interests and short positions of the persons (other than the directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:-

Dickson Concepts (International) Limited

Name of shareholder	Ordinary shares of HK\$0.3 each	Percentage(iii)	Capacity
Yu Kwai Chu, Pearl	149,409,739 ⁽ⁱ⁾	40.13	Interest of spouse
Dickson Investment Holding (PTC) Corporation ("DIHPTC")	149,395,699 ⁽ⁱⁱ⁾	40.13	Trustee
Paicolex Trust Company (BVI) Limited ("Paicolex BVI")	1 149,395,699 ⁽ⁱⁱ⁾	40.13	Trustee
Paicolex Trust Management AG ("Paicolex AG")	149,395,699 ⁽ⁱⁱ⁾	40.13	Trustee
Matthews International Capital Management, LLC	37,192,900	9.99	Investment manager
INVESCO Hong Kong Limited	21,691,075	5.83	Investment manager

Notes :-

- These shares refer to the family interest attributable to Mr. Dickson Poon, the spouse of Ms. Yu Kwai Chu, Pearl.
- (ii) These shares refer to the same block of shares. DIHPTC, Paicolex BVI and Paicolex AG are trustees of two trusts. These shares are also included in the 149,395,699 shares which were disclosed as "Other Interests" of Mr. Dickson Poon in the "Directors' Interests" section of this report.
- (iii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

Save as disclosed above and in the "Directors' Interests" section of this report, the Company has not been notified by any person who had an interest or short position in the shares or underlying shares of the Company as at 30th September, 2008 which is required to be notified to the Company pursuant to Part XV of the SFO or which is recorded in the register required to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION

INTERIM DIVIDEND

In view of the results, and bearing in mind the expected difficult trading conditions for the second half of the year, the Board has resolved to declare an interim dividend of 11.0 cents (2007: 13.8 cents) per ordinary share. The interim dividend, which will be paid on Friday, 16th January, 2009, will absorb a total of about HK\$41.0 million (2007: HK\$51.4 million) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Tuesday, 6th January, 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 5th January, 2009 to Tuesday, 6th January, 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 2nd January, 2009.

SHARE PURCHASE, SALE AND REDEMPTION

During the six months ended 30th September, 2008, there was no purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's shares.

SHARE OPTION SCHEME

As at 30th September, 2008, no share options had been granted to any of the directors or employees of the Company or any of its subsidiary companies under the share option scheme which was adopted on 26th August, 2003.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Company recognises that corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and enhance shareholder value.

The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the period under review. Detailed information on the Company's corporate governance practices was set out in the corporate governance report included in the 2008 Annual Report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Directors' Model Code as set out in Appendix 10 of the Listing Rules as the code for securities transactions by the directors. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard set out in the Directors' Model Code throughout the period under review.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30th September, 2008 with the Board.

As at the date of this report, the Board comprises :-

Executive Directors:

Dickson Poon (Group Executive Chairman)
Raymond Lee (Deputy Chairman and
Chief Executive Officer)
Chan Tsang Wing, Nelson
Edwin Ing
Lau Yu Hee, Gary
Ng Chan Lam

Independent Non-Executive Directors:

Bhanusak Asvaintra Nicholas Peter Etches Christopher Patrick Langley, OBE

> By Order of the Board Or Suk Ying, Stella Company Secretary

Hong Kong, 4th December, 2008