



Interim Report

2008



DICKSON GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 313)

	Pages
Corporate Information	2
Management Discussion and Analysis	4
Report on Review of Interim Financial Information	10
Condensed Consolidated Income Statement	12
Condensed Consolidated Balance Sheet	13
Condensed Consolidated Statement of Changes in Equity	14
Condensed Consolidated Cash Flow Statement	15
Notes to the Financial Statements	16
Other Information	24

Joint and Several Liquidators

Stephen LIU Yiu Keung

(appointed by the High Court of the HKSAR on 29 May 2007 and discharged on 23 July 2008)

Robert Armor MORRIS

(appointed by the High Court of the HKSAR on 29 May 2007 and discharged on 23 July 2008)

Board of Directors**Executive Directors**

PANG Yuet (*Chairman*) (*appointed on 25 September 2008*)

HE Guang (*appointed on 23 July 2008*)

SUN Peng (*appointed on 23 July 2008*)

WONG Kin Fai (*appointed on 23 July 2008*)

ZHANG Yi (*appointed on 25 September 2008*)

LIN Xiong (*resigned on 23 July 2008*)

CHIN Wai Kay, Geordie (*resigned on 23 July 2008*)

Non-executive Director

GE Zemin (*appointed on 23 July 2008*)

Independent Non-executive Directors

YUE Kwai Wa, Ken (*appointed on 23 July 2008*)

LEI Jian (*appointed on 23 July 2008*)

HEI Xue Yan (*appointed on 23 July 2008*)

WONG Ying Sheung (*resigned on 23 July 2008*)

Audit Committee

YUE Kwai Wa, Ken (*Chairman*)

LEI Jian

HEI Xue Yan

Remuneration Committee

PANG Yuet (*Chairman*)

YUE Kwai Wa, Ken

LEI Jian

HEI Xue Yan

Company Secretary

LEE Pui Shan

Auditor

NCN CPA Limited

Legal Advisers

Bermuda Law

Appleby

Principal Registrar

Appleby Management (Bermuda) Limited

Argyle House

41 a Cedar Avenue

Hamilton HM12

Bermuda

Hong Kong Share Registrar and Transfer Office

Tricor Secretaries Limited

26/F, Tesbury Centre

28 Queen's Road East

Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Place of Business

29/F, Bank of East Asia Harbour View Centre
56 Gloucester Road, Wan Chai
Hong Kong

Principal Banker

The Bank of East Asia, Limited
China Construction Bank Corporation

Website

<http://www.equitynet.com.hk/dickson>

Stock Code

313

The board of directors (the “Board”) of Dickson Group Holdings Limited (the “Company”) would like to announce the unaudited consolidated interim results of the Company and its subsidiary (collectively the “Group”) for the six months ended 30 September 2008 (the “Period”), together with the comparative figures for the six months ended 30 September 2007.

Restructuring of the Group

A winding-up petition against the Company was filed on 30 June 2006 and the Company was subsequently wound up by the High Court of Hong Kong (the “Hong Kong Court”) on 18 December 2006. The liquidators (the “Liquidators”) were appointed on 29 May 2007 pursuant to an Order of the Hong Kong Court.

Trading in the Company’s shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has been suspended since 30 December 2005. The Company has been placed into the third stage of the delisting procedures in accordance with Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) on 7 June 2007. If no viable resumption proposal was submitted at least 10 business days before 6 December 2007, the listing status of the Company would have been cancelled.

The Liquidators had been in discussion and negotiation with various potential investors with a view of restructuring the Company and submitting a viable resumption proposal to the Stock Exchange. The restructuring proposal submitted by an investor (the “Investor”) on 30 August 2007 had been accepted by the Liquidators and in principle supported by the major creditors as it offers superior recovery terms for the creditors superior to other restructuring proposals received by the Company.

The restructuring was, amongst other things, resulted in:

- (i) a restructuring of the share capital of the Company through the increase in authorised share capital, the subscription of 6,000,000,000 new shares of the Company by the Investor for HK\$300 million and the placing of 1,750,000,000 new shares by the Company to independent places for approximately HK\$87.5 million;
- (ii) all the creditors of the Company and creditors of its subsidiaries holding guarantees given by the Company discharging and waiving their claims against the Company by way of schemes of arrangement under section 166 of the Hong Kong Companies Ordinance (Cap 32 of the Laws of Hong Kong) and section 99 of the Companies Act 1981 of Bermuda (as amended from time to time) (the “Schemes”) by payment of an amount of HK\$75 million;

- (iii) the entire interest of the Company in all its subsidiaries except for Dickson Construction Engineering (Guang Dong) Limited (“Dickson Guangdong”) being disposed of to a new company to be held by the scheme administrators of the Schemes for a nominal consideration; and
- (iv) the resumption of trading in the shares of the Company upon completion of the restructuring (the “Completion”), i.e. 23 July 2008.

The special general meeting was convened on 23 April 2008 and all the resolutions regarding the implementation of the restructuring were duly and unanimously passed by the shareholders attending and eligible to vote at the meeting.

The creditors’ meetings to approve the schemes of arrangement in Hong Kong (the “Hong Kong Scheme”) and Bermuda (the “Bermuda Scheme”) were held on 23 April 2008 and 26 May 2008 respectively. Both Schemes were duly and unanimously passed by the required majority of the creditors. The Hong Kong Scheme was sanctioned by the Hong Kong Court on 27 May 2008 and the Bermuda Scheme was sanctioned by the Supreme Court of Bermuda on 13 June 2008.

On 27 May 2008, the Hong Kong Court has ordered that all further proceedings in the winding up of the Company pursuant to the Order dated 18 December 2006 be stayed on condition that the restructuring is completed.

Both the Hong Kong Scheme and Bermuda Scheme became effective upon the Completion, i.e. 23 July 2008.

The Company’s interests in the subsidiaries, except in Dickson Guangdong, had been transferred to a new company on 2 June 2008 and 18 June 2008. Meanwhile, the operation of Dickson Guangdong has been re-activated with the financing from the Investor.

Upon Completion, Mr. Lin Xiong, Mr. Chin Wai Kay, Geordie and Mr. Wong Ying Sheung resigned as executive directors and independent non-executive director respectively. Mr. He Guang, Mr. Sun Peng and Mr. Wong Kin Fai were appointed as executive directors, Mr. Ge Zemin was appointed as a non-executive director, Mr. Yue Kwai Wa, Ken, Mr. Lei Jian and Mr. Hei Xue Yan were appointed as independent non-executive directors upon Completion.

Business Review

The main business activity of the Company is investment holding. Its main subsidiary was in the building construction and maintenance industry including building work, design and construction and building maintenance. Its operation was located in the People's Republic of China (the "PRC").

With the funds invested by the Investor to the Company, the Group's operation has been revived and the Group has continued to engage in the building construction and maintenance business in the property development industry. The payment of the outstanding registered capital of Dickson Guangdong took place in mid of September 2008 and the full business license was issued to Dickson Guangdong in November 2008. Dickson Guangdong only has its business license and does not have other contractor licenses. However, there is no impediment for Dickson Guangdong to undertake any construction project in the PRC as long as such project does not involve works which require the contractor to have a specialist license. At the moment, Dickson Guangdong can undertake construction projects in the PRC which does not require license of any specific class.

However, the real estate construction market in the PRC has been faltering in the second half of 2008 and it has become more and more difficult for Dickson Guangdong to secure new construction contracts since a number of property developers in the PRC have their own construction teams for the building and construction works for the development projects. Moreover, some of the construction contracts initially secured by Dickson Guangdong were put on hold.

The Board considered that, in view of the uncertainty on the construction industry in the PRC and the keen competition brought by the consolidation of construction players in the market, it is in the interest of the Group to diversify its business scope to include project development so as to expand the Group's business by providing comprehensive service from construction to project development, thereby strengthening the Group's earning base.

On 11 September 2008, the Company entered into the acquisition agreement with the vendor and the guarantor regarding the proposed acquisition of the entire issued share capital and shareholder's loan of Dubella International Limited ("Dubella"). Dubella has an effective 35% equity interest in 湖州華創置業有限公司 ("Huzhou Huachuang"), a wholly foreign-owned enterprise holding the contractual interest in a piece of land situated in 中國太湖旅遊度假區, which is close to Xin Dou Gang in the East, leading to Bin He Road in the West, neighbouring Bin He Avenue in the South and to Tai Hu in the North in Huzhou City, Jejiang Province, the PRC with a site area of approximately 254,604 square meters ("Huzhou Land"). Pursuant to the terms of the acquisition agreement, it was agreed that the consideration for the acquisition is HK\$269,000,000, and would be settled as to HK\$125,000,000 by cash and HK\$144,000,000 by way of the issue of 1,200,000,000 consideration shares by the Company. A deposit of HK\$75,000,000 (the "Deposit") has been paid by the Company on 11 September 2008 to the vendor as part of the consideration of the acquisition through internal resources.

According to the development scheme (subject to the approval of the relevant government authorities) on the Huzhou Land, it is originally planned to develop and construct on the Huzhou Land a composite project principally comprises hotel, convention and exhibition facilities, commercial and entertainment center, and apartments and townhouse with ancillary facilities.

However, based on the latest available information, the Company is informed that due to a modification of the overall zoning plan of the entire Taihu Tourist Resort district, the original development scheme on the Huzhou Land would need to be revised for other development scheme purpose. In light of the above, the Huzhou Land could not be developed as originally intended by the Company and the vendor at the time of signing of the acquisition agreement.

Due to the unexpected change of circumstances as described above, the Company and the vendor has discussed and mutually agreed not to proceed with the acquisition. On 15 October 2008, the Company and the vendor entered into the termination agreement to terminate the acquisition agreement.

Pursuant to the termination agreement, the vendor has agreed to repay the Deposit to the Company, together with any interest accrued at 3% per annum calculated from the date of payment of the Deposit by the Company to the date of repayment of the Deposit by the vendor to the Company, within 3 months from the date of signing of the termination agreement. The payment of the Deposit constitutes an advance to an entity pursuant to Rule 13.13 of the Listing Rules.

Financial Review

Results

Turnover for the six months ended 30 September 2008 amounted to HK\$nil as same as the corresponding period last year. Loss attributable to equity holders for the Period was HK\$9,048,000 compared with a loss of HK\$3,788,000 for the corresponding period last year. Loss per share for the Period was HK0.28 cents compared with a loss per share of HK1.14 cents for the corresponding period last year.

Liquidity and Capital Resources

During the Period, the Company has completed the subscription of 6,000,000,000 new shares by the Investor and the issuance of 1,750,000,000 new shares to independent placees, raising net proceeds of approximately HK\$300 million and HK\$84 million respectively.

As at 30 September 2008, the Group's net assets amounted to HK\$285,231,000 as compared with net liabilities amounted to HK\$540,001,000 at 31 March 2008. As at 30 September 2008, the Group had net current assets of HK\$284,526,000 including cash and cash equivalents of HK\$208,323,000 as compared with net current liabilities HK\$540,104,000 including cash and cash equivalents of HK\$40,323,000 at 31 March 2008. The Group's gearing ratio measured on the basis of the Group's total borrowings over the equity as at 30 September 2008 was not applicable as the Group has no borrowings (31 March 2008: N/A).

The Group has no significant exposure to foreign currency fluctuation as cash balances, trade receivables and trade payables were denominated in Hong Kong dollars and Renminbi.

Contingent Liabilities

The Group did not have significant contingent liabilities as at 30 September 2008.

Employees

As at 30 September 2008, the Group employed a total of 8 employees (excluding all directors). The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include a medical insurance coverage and provident fund.

Prospects

Although the prevailing market condition is a high level of uncertainty on the potential ultimate impact to the economy, the Board is confident that, with its strong support in the business and financial aspects, the Group will be able to gain a strong foothold in the PRC construction industry and achieve a substantial level of operations within a reasonable period of time in future.

In the long run, the Company will continue to look for other investment opportunities which have promising potentials.

Interim Dividend

The Board does not recommend any interim dividend for the six months ended 30 September 2008 (30 September 2007: Nil).

To the Board of Directors of**Dickson Group Holdings Limited**

(incorporated in Cayman Islands and continued in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 12 to 23, which comprises the condensed consolidated balance sheet of Dickson Group Holdings Limited (“the Company”) and its subsidiary (collectively referred to as the “Group”) as at 30 September 2008 and the related condensed consolidated statements of income, changes in equity and cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and fair presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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” (“HKSRE 2410”) issued by the HKICPA. A review of interim financial information consists of making inquiries, 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 information is not prepared, in all material respects, in accordance with HKAS 34.

Without modifying our review conclusion, we draw to your attention that the related comparative condensed consolidated statements of income, changes in equity and cash flow for the six-month period ended 30 September 2007 disclosed in the interim financial report have not been reviewed in accordance with HKSRE 2410.

NCN CPA Limited

Certified Public Accountants

Hong Kong, 22 December 2008

Fung Pui Cheung

Practising Certificate Number P00755

Condensed Consolidated Income Statement

	Notes	Six months ended	
		30 September	
		2008	2007
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	366	1,074
Administrative and other operating expenses		(9,414)	(1,197)
Operating loss		(9,048)	(123)
Provision for bad and doubtful debts		–	(3,665)
Loss before tax	4	(9,048)	(3,788)
Income tax charge	5	–	–
Loss for the Period		(9,048)	(3,788)
Loss attributable to equity holders of the Company		(9,048)	(3,788)
Loss per share	6		
– Basic		(0.28) cents	(1.14) cents
– Diluted		N/A	N/A

	Notes	30 September 2008 HK\$'000 (unaudited)	31 March 2008 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	705	497
CURRENT ASSETS			
Trade and other receivables	9	76,963	2,201
Cash and bank balances		208,323	40,323
		285,286	42,524
CURRENT LIABILITIES			
Trade and other payables	10	760	403,882
Bank and other borrowings		–	171,207
Convertible notes	11	–	4,183
Tax payable		–	3,356
		760	582,628
NET CURRENT ASSETS/ (CURRENT LIABILITIES)		284,526	(540,104)
TOTAL ASSETS LESS CURRENT LIABILITIES		285,231	(539,607)
NON-CURRENT LIABILITIES			
Amounts due to unconsolidated subsidiaries		–	394
NET ASSETS/(LIABILITIES)		285,231	(540,001)
CAPITAL AND RESERVES			
Share capital	12	404,044	16,544
Reserves		(118,813)	(556,545)
TOTAL EQUITY		285,231	(540,001)

Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium	Contributed surplus	Capital and redemption reserves	Translation reserve	Merger reserve	Available- for-sale investments revaluation reserve	Reorganisation reserve	Accumulated losses	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2007 (audited)	16,544	142,131	69,476	109	391	1,650	(680)	-	(795,276)	(565,655)
Exchange difference arising on translation of overseas operations	-	-	-	-	52	-	-	-	-	52
Revaluation of available-for-sale Investments	-	-	-	-	-	-	55,408	-	-	55,408
Non-refundable contribution from a potential investor for proposed issue of shares upon completion on restructuring of the Group	-	-	-	5,000	-	-	-	-	-	5,000
Loss for the period	-	-	-	-	-	-	-	-	(3,788)	(3,788)
At 30 September 2007 (unaudited)	16,544	142,131	69,476	5,109	443	1,650	54,728	-	(799,064)	(508,983)
At 1 April 2008 (audited)	16,544	142,131	69,476	109	475	1,650	-	-	(770,386)	(540,001)
Issue of new shares by way of subscription	300,000	-	-	-	-	-	-	-	-	300,000
Issue of new shares by way of placing	87,500	(2,625)	-	-	-	-	-	-	-	84,875
Transfer to reorganisation reserve	-	-	-	-	-	(1,650)	-	450,748	-	449,098
Exchange differences arising on translation of overseas operation	-	-	-	-	307	-	-	-	-	307
Loss for the Period	-	-	-	-	-	-	-	-	(9,048)	(9,048)
At 30 September 2008 (unaudited)	404,044	139,506	69,476	109	782	-	-	450,748	(779,434)	285,231

The share premium reserve represents the difference between the nominal amount of share capital and amounts received on issue of shares.

The contributed surplus reserve represents the surplus arising on reduction of paid up capital during the year ended 31 March 2004.

The reorganisation reserve represents the carrying amount of net liabilities of subsidiaries, net of expenses, being disposed under the schemes of arrangement under section 166 of the Hong Kong Companies Ordinance (Cap 32 of the Laws of Hong Kong) and section 99 of the Companies Act 1981 of Bermuda (as amended time to time). Both schemes of arrangement were sanctioned by the High Court of Hong Kong and the Supreme Court of Bermuda on 27 May 2008 and 13 June 2008 respectively.

	Six months ended 30 September	
	2008	2007
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash outflow from operating activities	(88,778)	(3,744)
Net cash (outflow)/inflow from investing activities	(128,097)	6
Net cash inflow from financing activities	384,875	7,673
Increase in cash and cash equivalents	168,000	3,935
Cash and cash equivalents at 1 April	40,323	1,853
Cash and cash equivalents at 30 September	208,323	5,788
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	208,323	5,788

1. Basis of preparation

The interim financial statements are unaudited, condensed and have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The preparation of the condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2008, except for the adoption of the new Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) as disclosed in note 2 below. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 March 2008.

A restructuring proposal of the Group was submitted by the Investor and the Liquidators of the Company on 30 August 2007. The restructuring proposal involves cash injection by the Investor through subscription of new shares and placing of new shares of approximately HK\$387.5 million in which the amount of HK\$75 million would be used to settle the creditors of the Company, resulting in discharging and waiving the Group’s indebtedness.

On 23 April 2008, all the resolutions regarding the implementation of the restructuring were duly and unanimously passed by the shareholders of the Company in the special general meeting.

During the Period, following the passing of the Hong Kong Scheme and the Bermuda Scheme by the requisite majorities of creditors of the Company, the Hong Kong Court and the Supreme Court of Bermuda Court sanctioned the Schemes.

The winding up order against the Company was permanently stayed effective on 23 July 2008 and the Liquidators of the Company were discharged with effect from 23 July 2008.

Upon completion of the restructuring proposal, the entire interest of all the Company’s subsidiaries, except for Dickson Construction Engineering (Guang Dong) Limited, was transferred.

For further details, please refer to the Company’s announcement dated 23 July 2008.

2. Adoption of new and revised Hong Kong financial reporting standards

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's audited financial statements for the year ended 31 March 2008 except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA as discussed below.

HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above new and revised HKFRSs and did not have any significant impact on the Group's results and financial position.

The Group has not early applied the following new standards and revised HKFRSs, that have been issued but are not yet effective in the period covered by these interim condensed consolidated financial statements:

Effective for annual periods beginning on or after

HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (revised)	Borrowing Costs	1 January 2009
HKAS 27 (Revised)	Consolidation and separate financial statements	1 July 2009
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	1 January 2009
HKFRS 8 (Revised)	Operating Segments	1 January 2009
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HK(IFRIC)-Int 13	Customer Loyalty Programmes	1 July 2008
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate	1 January 2009
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008

3. Turnover, revenue and segment information

There was no operation during the period ended 30 September 2008 and 2007, and majority of assets of the Group was located in Hong Kong. Accordingly, no separate geographical segment information is presented.

The Group is engaged in the construction maintenance work business. Revenue recognised during the six months ended 30 September 2008 and 2007 is analysed as follows:

	Six months ended	
	30 September	
	2008	2007
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue:		
Interest income	7	7
Sundry income	359	1,067
Total revenue	366	1,074

4. Loss before tax

	Six months ended	
	30 September	
	2008	2007
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss before tax is arrived at after charging:		
Depreciation	79	–
Directors' remuneration	642	–
Impairment loss on trade receivables	1,180	–
Operating lease payments	1,917	–
Staff costs		
Basic salaries and allowances	2,485	–
Pension and other schemes contributions	93	–

5. Income tax charge

No provision had been made for Hong Kong profits tax as the Group does not have any assessable profit arising in Hong Kong and the PRC during the Period (six months ended 30 September 2007: Nil).

6. Loss per share

The calculation of the basic loss per share is based on the net loss for the Period of approximately HK\$9,048,000 (six months ended 30 September 2007: HK\$3,788,000) and the weighted average number of 3,253,005,450 ordinary shares (six months ended 30 September 2007: 330,874,303 ordinary shares) in issue during the Period.

The diluted loss per share for the six months ended 30 September 2008 and 2007 has not been disclosed as there is no diluting events existed during the Period and the six months ended 30 September 2007.

7. Interim dividend

No payment of interim dividend was recommended for the Period (30 September 2007: Nil).

8. Property, plant and equipment

No impairment losses were recognised in respect of property, plant and equipment for both periods. During the Period, additions to property, plant and equipment amounted to HK\$269,000 (six months ended 30 September 2007: Nil) and there is no disposal of any property, plant and equipment (six months ended 30 September 2007: Nil).

9. Trade and other receivables

	30 September 2008 HK\$'000 (unaudited)	31 March 2008 HK\$'000 (audited)
Trade receivables	–	1,972
Other receivables	76,963	229
	76,963	2,201

Other receivables include a deposit of HK\$75,000,000 paid for the Group's proposed investment in Dubella International Limited (note 15).

10. Trade and other payables

	30 September 2008 HK\$'000 (unaudited)	31 March 2008 HK\$'000 (audited)
Trade payables	–	380,639
Other payables	760	23,243
	760	403,882

11. Convertible notes

As part of the restructuring scheme of the Group, the outstanding liability component of the convertible notes is transferred to reorganisation reserve:

	30 September 2008 HK\$'000 (unaudited)	31 March 2008 HK\$'000 (audited)
Beginning of Period		
Nominal value of convertible notes issued	5,050	5,050
Equity component	(867)	(867)
Written-off under restructuring scheme	(4,183)	–
End of Period	–	4,183

12. Share capital

	No. of shares	Amount HK\$'000
Authorised:		
At 31 March 2008 ordinary shares of HK\$0.05 each	4,000,000,000	200,000
Increase of authorised share capital (<i>Note</i>)	16,000,000,000	800,000
At 30 September 2008	20,000,000,000	1,000,000
Issued and fully paid:		
At 1 April 2008	330,874,303	16,544
Issue of new ordinary shares by way of subscription (<i>Note</i>)	6,000,000,000	300,000
Issue of new ordinary shares by way of placing (<i>Note</i>)	1,750,000,000	87,500
At 30 September 2008	8,080,874,303	404,044

Note:

According to the restructuring scheme of the Group, during the Period the Company increased its authorised share capital to HK\$1,000,000,000 of 20,000,000,000 ordinary shares, 6,000,000,000 new ordinary shares were issued upon completion of the subscription exercise and 1,750,000,000 new ordinary shares were issued upon completion of the placing exercise. The total proceeds of approximately HK\$387.5 million were raised. For further details, please refer to the Company's announcement dated 23 July 2008.

13. Commitments

(a) Operating lease commitments

At the balance sheet date, the total future minimum lease payments under non-cancellable operating leases are analysed as follows:

	30 September 2008 HK\$'000 (unaudited)	31 March 2008 HK\$'000 (audited)
Within one year	4,020	–
After one year but within five years	3,144	–
	7,164	–

(b) Capital commitments

At the balance sheet date, the Group had the following capital commitments:

	30 September 2008 HK\$'000 (unaudited)	31 March 2008 HK\$'000 (audited)
Capital expenditure contracted for but not provided in the financial statements		
– acquisition of a subsidiary (note 15)	194,000	–
– capital injection to a subsidiary	–	30,169

14. Contingent liabilities

At the balance sheet date, the Group did not have any contingent liabilities:

	30 September 2008 HK\$'000 (unaudited)	31 March 2007 HK\$'000 (audited)
Guarantee given to bank to guarantee banking facilities of certain group companies and a financial institution to guarantee a performance bond in respect of a property services contract undertaken by a jointly controlled entity	–	5,300

15. Post balance sheet event

- (a) On 11 September 2008, the Company entered into an acquisition agreement with an independent third parties to acquire the entire issued share capital and shareholder's loan of Dubella International Limited, a company incorporated in the British Virgin Islands with limited liability, which has an effective 35% interest in Huzhou Huachuang, a wholly foreign-owned enterprise holding the contractual interest in Huzhou Land. The Deposit of HK\$75 million has been paid by the Company as part of the consideration.

On 15 October 2008, due to the unexpected change of circumstances, the Company and the vendor entered into the termination agreement to terminate the acquisition agreement. The Deposit will be returned to the Company, together with any interest accrued at 3% per annum calculated from the date of payment of the Deposit to the date of repayment of the Deposit, within 3 months from the date of signing of the termination agreement. The payment of the Deposit constitutes an advance to an entity pursuant to Rule 13.13 of the Listing Rules.

- (b) On 4 December 2008, the Company announced that there would be a mandatory conditional general offer (the "Offer") to be undertaken. As at the date of this report, the Offer has not yet been completed.

Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures

As at 30 September 2008, the interests of the directors, the chief executives and their associates, in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies, were as follows:

Long positions

Ordinary shares of HK\$0.05 each of the Company

Name of director	Capacity	Number of issued ordinary shares held/ interested	Percentage of the issued share capital of the Company
PANG Yuet (Note 1)	Held by controlled corporation	4,800,000,000	59.40%
WONG Kin Fai (Note 2)	Held by his spouse	30,000	Less than 0.01%

Note:

- High Trend Investments Limited is wholly owned by Mr. Pang Yuet. High Trend Investments Limited is interested in 40% of the issued share capital of Hua Long Chuang Fa Limited, which in turn holds 100% Beijing Capital Investments (Hong Kong) Limited. Beijing Capital Investments (Hong Kong) Limited wholly owns Richly Field Group Limited, the registered holder of 4,800,000,000 shares. Each of Mr. Pang Yuet, High Trend Investments Limited, Hua Long Chuang Fa Limited and Beijing Capital Investments (Hong Kong) Limited is deemed to be interested in 4,800,000,000 shares under the SFO.
- Mr. Wong Kin Fai is deemed to be interested in 30,000 shares held by his spouse under the SFO.

Save as disclosed above, none of the directors, the chief executive and their associates, had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies as at 30 September 2008.

Substantial Shareholders

As at 30 September 2008, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO:

Long positions

Ordinary shares of HK\$0.05 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held/interested	Percentage of the issued share capital of the Company
High Trend Investments Limited (Note 1)	Held by controlled corporation	4,800,000,000	59.40%
Hua Long Chuang Fa Limited (Note 1)	Held by controlled corporation	4,800,000,000	59.40%
Beijing Capital Investments (Hong Kong) Limited (Note 1)	Held by controlled corporation	4,800,000,000	59.40%
Richly Field Group Limited (Note 1)	Registered owner	4,800,000,000	59.40%
Beijing Capital Co., Limited (Note 2)	Held by controlled corporation	1,200,000,000	14.85%
Beijing Capital (Hong Kong) Limited (Note 2)	Registered owner	1,200,000,000	14.85%

Note:

- 1) High Trend Investments Limited is wholly owned by Mr. Pang Yuet. High Trend Investments Limited is interested in 40% of the issued share capital of Hua Long Chuang Fa Limited, which in turn holds 100% Beijing Capital Investments (Hong Kong) Limited. Beijing Capital Investments (Hong Kong) Limited wholly owns Richly Field Group Limited, the registered holder of 4,800,000,000 shares. Each of Mr. Pang Yuet, High Trend Investments Limited, Hua Long Chuang Fa Limited and Beijing Capital Investments (Hong Kong) Limited is deemed to be interested in 4,800,000,000 shares under the SFO.
- 2) Beijing Capital (Hong Kong) Limited is wholly owned by Beijing Capital Co., Limited which is a company listed on the Shanghai Stock Exchange.

Other than as disclosed above, the Company has not notified of any other relevant interests or short positions in the issued share capital of the Company or any other interests representing 5% or more of the issued share capital of the Company as at 30 September 2008.

Directors' Rights to Acquire Shares or Debentures

At no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' Interest in Contracts of Significance and Connected Party Transactions

Having made all reasonable enquiries and based on the available books and records, the Board was not aware of any material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

Directors' Interests in Competing Business

As at the date of this report, none of the directors, the shareholders of the Company and their respective associates had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

Management Contracts

The Board was not aware of any contract during the Period entered into with the management and administration of the whole or any substantial part of the business of the Company.

Audit Committee

The Company set up an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group on 23 July 2008. The Audit Committee is comprised of three independent non-executive directors, namely, Mr. Yue Kwai Wa, Ken (Chairman), Mr. Lei Jian and Mr. Hei Xue Yan. The primary duties of the Audit Committee include the review and supervision of the Group’s financial reporting process and internal control systems, the review of the Group’s financial information and the monitoring of the appointment and function of the Group’s external auditor.

The Group’s unaudited consolidated financial statements for the six months ended 30 September 2008 have been reviewed by the Audit Committee.

Remuneration Committee

The remuneration committee (the “Remuneration Committee”) was set up on 23 July 2008 and consists of one executive director, Mr Pang Yuet (Chairman), and three independent non-executive directors, Mr. Yue Kwai Wa, Ken, Mr. Lei Jian and Mr. Hei Xue Yan.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company’s remuneration policy for directors and senior management, and overseeing the remuneration packages of the executive directors and senior management.

Compliance with the Code on Corporate Governance Practices

The period from 1 April 2008 to 23 July 2008 was under the control of Liquidators, the Board is unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules (the “CG Code”) throughout that period.

After 23 July 2008 up to 30 September 2008, the Company has complied with the CG Code as set out with the following deviations:

Code Provision A.2.1

This provision states that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Pang Yuet assumes the role of chairman, and there is no other person designated as chief executive officer. The Board believes that this structure helps maintain strong and effective leadership and leads to a highly efficient decision making process. The Board will review this situation periodically.

Code Provision E.1.2

This provision requires the chairman of the Board to attend the annual general meeting (the “AGM”) and arrange for the chairman of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee to be available to answer questions at the AGM.

The chairman of the Board had not attended the AGM held on 29 August 2008 as he was engaged in an important business meeting overseas. The said AGM was chaired by an executive director.

Compliance with the Model Code

The period from 1 April 2008 to 23 July 2008 was under the control of Liquidators, the Board is unable to confirm that all the resigned directors have complied with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the “Model Code”) throughout that period.

The Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Model Code after 23 July 2008 up to 30 September 2008.

Resumption of Trading

Trading in the shares of the Company on the Main Board of the Stock Exchange has been suspended since 30 December 2005, and resumed for trading on 28 July 2008.

Purchase, Sale or Redemption of Securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Period.

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the directors, the percentage of the Company's shares which are in the hands of the public is not less than 25% of the Company's total number of issued shares.

Publication of Interim Results and Interim Report

This interim results announcement and interim report are available for viewing on the website of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.equitynet.com.hk/dickson

Board of Directors

The directors of the Company as at the date of this report are Mr. Pang Yuet (Chairman), Mr. He Guang, Mr. Sun Peng, Mr. Wong Kin Fai and Mr. Zhang Yi being executive directors, Mr. Ge Zemin being non-executive director and Mr. Yue Kwai Wa, Ken, Mr. Lei Jian and Mr. Hei Xue Yan being independent non-executive directors.

By Order of the Board

Dickson Group Holdings Limited

Pang Yuet

Chairman

Hong Kong, 22 December 2008