DICKSON

ANNUAL REPORT 2014

Stock Code: 0113

DICKSON

DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司

(incorporated in Bermuda with limited liability)

ANNUAL REPORT 2014

Stock Code: 0113

CONTENTS

Board of Directors :

Group Executive Chairman :
Dickson Poon

Executive Directors :
Raymond Lee **(Deputy Chairman and Chief Executive Officer)** *
Chan Tsang Wing, Nelson **(Chief Operating Officer)**
Chan Hon Chung, Johnny Pollux
Lau Yu Hee, Gary
Ng Chan Lam
Tsang Chi Kin #

Independent Non-Executive Directors :
Bhanusak Asvaintra
Nicholas Peter Etches
Christopher Patrick Langley, OBE
Leung Kai Hung, Michael #

Company Secretary :

Or Suk Ying, Stella

Audit Committee :

Nicholas Peter Etches **(Chairman)**
Bhanusak Asvaintra
Christopher Patrick Langley, OBE
Leung Kai Hung, Michael #

Nomination Committee :

Dickson Poon **(Chairman)**
Bhanusak Asvaintra
Nicholas Peter Etches

Remuneration Committee :

Bhanusak Asvaintra **(Chairman)**
Nicholas Peter Etches
Raymond Lee *
Chan Tsang Wing, Nelson Δ

Independent Auditor :

KPMG
Certified Public Accountants,
Hong Kong.

Appointed on 2nd January, 2014
* *Will resign on 1st July, 2014*
Δ *With effect from 1st July, 2014*

Head Office and Principal Place of Business :

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

Registered Office :

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda.

Principal Bankers :

BNP Paribas
Crédit Agricole Corporate and Investment Bank
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

Share Registrar in Hong Kong :

Tricor Tengis Limited
Level 22,
Hopewell Centre,
183 Queen's Road East,
Hong Kong.

Share Registrar in Bermuda :

Codan Services Limited
Clarendon House,
2 Church 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 Group's profit for the year ended 31st March, 2014 was HK$154.8 million. Excluding the HK$77.6 million the Group received last year for the sale of its American Eagle Outfitters license back to the principal, the profit of HK$154.8 million increased by 2.0 per cent. compared to HK$151.7 million last year, and consistent with the trend in the first half of the financial year.

This performance was achieved despite the absence of the American Eagle Outfitters business during the entire year and lacklustre consumer demand in the Group's markets outside of Hong Kong, highlighting the quality and underlying strength of the Group's core businesses. The solid performance achieved and our continued strong net cash position of HK$1,011.5 million are a strong testament to the Group's business and management strategies.

While global economic activity is showing signs of recovery, the Group is maintaining a cautious outlook especially given the decline in consumer spending in China. Thus the Group will continue to maintain a prudent and disciplined approach to all aspects of its business activities.

Financial Results and Final Dividend

Turnover for the year ended 31st March, 2014 was HK$4,353.4 million, an increase of 5.5 per cent. compared to HK$4,126.2 million in the previous year.

Profit attributable to equity shareholders was HK$154.8 million compared to HK$229.3 million in the previous year, which included HK$77.6 million of one-off non-trading income from the sale of the Group's American Eagle Outfitters license. Excluding this one-off income, the profit of HK$154.8 million increased by 2.0 per cent. compared to HK$151.7 million last year.

In view of these results, the Board is recommending the payment of a final dividend of HK20.0 cents per ordinary share. The final dividend together with the interim dividend of HK11.0 cents per ordinary share amount to a total dividend of HK31.0 cents per ordinary share, unchanged from the previous year.

Shareholders will have an option to receive the final dividend either in cash or wholly or partly in the form of new and fully paid ordinary shares in lieu of cash under the Company's Scrip Dividend Scheme. A circular with details of the Scrip Dividend Scheme and the relevant election form are expected to be despatched to shareholders on or about Friday, 8th August, 2014.

Spring / Summer 2014 fashion at Harvey Nichols.
於「Harvey Nichols」的二零一四年春/夏季時裝。

Cosmetics and skincare products at Beauty Avenue.
於「Beauty Avenue」的化妝及護膚產品。

Fashionwear by Brooks Brothers.
「Brooks Brothers」時裝。

New S.T. Dupont 'THE BLAZON COLLECTION' lighter, writing instruments and leathergoods.
全新的「都彭」「THE BLAZON COLLECTION」打火機、書寫文具及皮具。

Review of Operations

The Group continued to demonstrate its commitment and confidence in its principal markets with the opening of 36 new shops during the year. Its retail network as at 31st March, 2014 totalled 285 shops comprising of 46 shops in Hong Kong, 120 in China, 7 in Macau, 87 in Taiwan and 25 in Singapore and Malaysia.

Geographically, 64 per cent. of sales was generated in Hong Kong, 17 per cent. in Taiwan, 9 per cent. in China and 10 per cent. in the rest of South East Asia.

In Hong Kong, 6 new shops were opened this year, including the world's first Rolex Icon store of 4,900 sq. ft. at the Hong Kong International Airport at Chek Lap Kok in August 2013 and the new 22,000 sq. ft. Beauty Avenue store at Langham Place in October 2013 offering the most comprehensive cosmetics and skincare products from leading international names. Since opening, Beauty Avenue has performed strongly and above our expectations. The Group intends to continue to invest in expanding Beauty Avenue in Hong Kong and China.

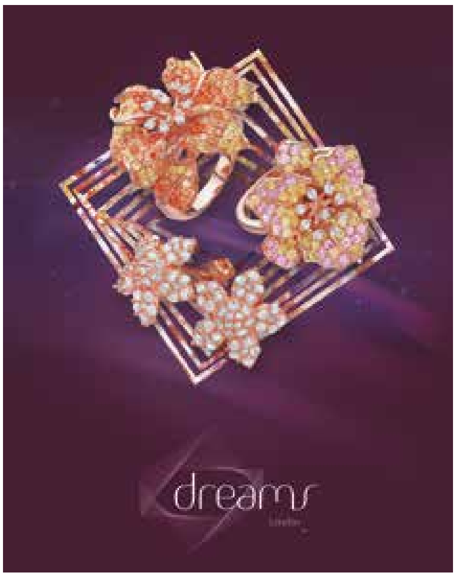
In China, 18 new shops were opened this year, bringing the retail network to 120 shops.

In South East Asia, 10 shops were opened in Taiwan bringing the total number of shops to 87, and 1 store each was added to Singapore and Macau, taking the total number of shops in Singapore and Malaysia and Macau to 25 and 7 respectively.

Fashionwear by Tommy Hilfiger.
「*Tommy Hilfiger*」時裝。

Tod's handbag.
「*Tod's*」手袋。

Ladieswear, leathergoods and shoes by Lanvin.
「Lanvin」女士服裝、皮具及鞋履。



Dreams London fashion jewellery.
「Dreams London」時尚飾物。

Board of Directors and Employees

I would like to take this opportunity to thank my fellow Directors and all the Group's employees for all their commitment and contribution during the year. Without their hard work and dedication, we would not have achieved our solid results this year. After 22 years with the Group, Mr. Raymond Lee has decided to retire with effect from 1st July, 2014. I would like to put on record my personal as well as the Board's recognition and wholehearted thanks to Raymond for his longstanding and major achievements. As Deputy Chairman and Chief Executive Officer, he has spared no effort nor overlooked any opportunity in looking after the business operations, financial affairs and management interests of the Group. Truly, the Group would not be where we are today without his long dedication and countless contributions.

Future Prospects

The Group's proven businesses continue to provide a strong recurring income base and positive cash flow augmenting its substantial balance sheet. The Group plans to open 17 new shops during the current financial year and with its substantial net cash position of HK$1,011.5 million, is well positioned to take advantage of any suitable investment opportunities that arise as well as undertake further investments outside of the Group's principal activities in order to diversify and broaden its earnings base.

Beauty Bazaar by Harvey Nichols store at The ONE, Tsimshatsui, Hong Kong.
位於香港尖沙咀「The ONE」的「Harvey Nichols」之「Beauty Bazaar」店。

Dickson Poon
Group Executive Chairman

Hong Kong, 29th May, 2014

Christofle tableware.
「Christofle」餐具。

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 24th July, 2014 at 11:30 a.m. for the following purposes :-

1. To receive and consider the Reports of the Directors and the Independent Auditor and the Statement of Accounts for the year ended 31st March, 2014.

2. To approve the payment of the final dividend recommended by the Directors in respect of the year ended 31st March, 2014.

3. To re-elect Directors and to fix the Directors' fees.

4. To re-appoint the Independent Auditor for the ensuing year and to authorise the Directors to fix their remuneration.

5. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution :-

   "**THAT** :-

   (A) subject to paragraph 5(C) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

   (B) the approval in paragraph 5(A) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

   (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph 5(A), otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend or similar arrangement pursuant to the New Bye-Laws of the Company from time to time; or (iii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiary companies of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

   (D) for the purpose of this Resolution :-

   "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of :-

   (i) the conclusion of the next Annual General Meeting of the shareholders of the Company;

   (ii) the expiration of the period within which the next Annual General Meeting of the shareholders of the Company is required by law to be held; and

(iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in General Meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares, or any class thereof on the Register of Members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong)."

6. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution :-

"**THAT** :-

(A) subject to paragraph 6(C) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase issued shares in the share capital of the Company subject to and in accordance with all applicable laws be and is hereby generally and unconditionally approved;

(B) the approval in paragraph 6(A) shall be in addition to any other authorisation given to the Directors of the Company;

(C) the aggregate nominal amount of share capital purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph 6(A) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(D) for the purpose of this Resolution :-

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of :-

(i) the conclusion of the next Annual General Meeting of the shareholders of the Company;

(ii) the expiration of the period within which the next Annual General Meeting of the shareholders of the Company is required by law to be held; and

(iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in General Meeting."

7. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution :-

   "THAT conditional upon the passing of the Ordinary Resolutions as set out in paragraphs 5 and 6, the general mandate granted to the Directors of the Company pursuant to paragraph 5(A) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted in paragraph 6, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution."

By Order of the Board

Or Suk Ying, Stella
Company Secretary

Hong Kong, 24th June, 2014

Registered Office :
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda.

Head Office and Principal Place of Business :
4th Floor, East Ocean Centre,
98 Granville Road,
Tsimshatsui East,
Kowloon,
Hong Kong.

Notes :-

1. A shareholder entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him/her. A shareholder may appoint a proxy in respect of part only of his/her holding of ordinary shares in the Company. A proxy need not also be a shareholder of the Company.

2. Where there are joint registered holders of any ordinary share, any one of such persons may vote at the above meeting, either personally or by proxy, in respect of such ordinary share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company in respect of such ordinary share shall alone be entitled to vote in respect thereof.

3. In order to be valid, the completed proxy form, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged with the Company's Hong Kong Branch Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 11:30 a.m. on Tuesday, 22nd July, 2014.

4. For the purpose of ascertaining shareholders' right to attend and vote at the above meeting, the Register of Members of the Company will be closed from Wednesday, 23rd July, 2014 to Thursday, 24th July, 2014, both days inclusive, during which period no transfer of shares will be effected. In order for a shareholder to be eligible to attend and vote at the above meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tricor Tengis Limited, at the address as mentioned in Note 3 above not later than 4:30 p.m. on Tuesday, 22nd July, 2014.

5. For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Thursday, 31st July, 2014 to Friday, 1st August, 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend (subject to shareholders' approval at the above meeting), all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tricor Tengis Limited, at the address as mentioned in Note 3 above not later than 4:30 p.m. on Wednesday, 30th July, 2014.

6. With regard to item 3 of this Notice, details of the four retiring Directors who have offered themselves for re-election at the above meeting are contained in Appendix I to the circular accompanying the 2014 Annual Report of the Company. Separate resolutions will be proposed for the aforesaid re-election.

7. With regard to item 5 of this Notice, the Directors wish to state that, currently, they have no plans to issue any additional new ordinary shares of the Company. The present general mandate given by shareholders pursuant to the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") will expire at the above meeting and, accordingly, a renewal of that general mandate is now being sought.

8. With regard to items 6 and 7 of this Notice, the present general mandate given by shareholders pursuant to the provisions of the Listing Rules and the Code on Share Buy-backs ("the Share Buy-Backs Code") will expire at the above meeting and, accordingly, a renewal of that general mandate is now being sought. In accordance with the Listing Rules and the Share Buy-Backs Code, the terms and conditions upon which such power will be exercised are contained in the circular as mentioned in Note 6 above.

9. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the above meeting (or at any adjournment thereof) if he/she so wishes. In that event, the shareholder's proxy form will be deemed to have been revoked.

10. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions to be proposed at the above meeting will be decided by way of a poll.

11. In the event of typhoon signal No. 8 or above or a "black" rainstorm warning is hoisted/issued and remains hoisted/in issue at any time after 9:00 a.m. on the date of the above meeting, then the above meeting will be postponed. The Company will post an announcement on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dickson.com.hk to notify shareholders of the date, time and place of the rescheduled meeting.

12. In case of any conflict between any translation and the English text hereof, the English text will prevail.

13. As at the date of this Notice, the Board of Directors of the Company comprises :-

Executive Directors :
Dickson Poon *(Group Executive Chairman)*
Raymond Lee *(Deputy Chairman and Chief Executive Officer)*
Chan Tsang Wing, Nelson *(Chief Operating Officer)*
Chan Hon Chung, Johnny Pollux
Lau Yu Hee, Gary
Ng Chan Lam
Tsang Chi Kin

Independent Non-Executive Directors :
Bhanusak Asvaintra
Nicholas Peter Etches
Christopher Patrick Langley, OBE
Leung Kai Hung, Michael

The board of directors ("the Board") has pleasure in presenting the annual report together with the audited accounts for the year ended 31st March, 2014.

Group Activities

The Company's activity is that of investment holding. The principal activity of the Group is the sale of luxury goods.

The analysis of the principal activities and geographical locations of the operations of the Group during the financial year are set out in Note 2 on the accounts.

Accounts

The profit of the Group for the year ended 31st March, 2014 and the financial position of the Company and the Group at that date are set out in the accounts on pages 43 to 96.

Dividends

An interim dividend of HK11.0 cents (2013 : HK11.0 cents) per ordinary share was paid on 17th January, 2014.

The Board recommends the payment of a final dividend of HK20.0 cents (2013 : HK20.0 cents) per ordinary share in respect of the year ended 31st March, 2014. The Board also proposes to offer a scrip dividend alternative to allow shareholders to elect to receive the final dividend wholly or partly in the form of new and fully paid ordinary shares of nominal value HK$0.30 each in the share capital of the Company in lieu of cash.

Share Capital and Reserves

Movements in share capital and reserves during the year are set out in Notes 22 and 23 on the accounts respectively.

Share Option Scheme

Details of the Share Option Scheme of the Company are set out in Note 22 on the accounts.

Share Purchase, Sale and Redemption

At no time during the year was there any purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's ordinary shares.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's New Bye-Laws although there is no restriction against such rights under the laws of Bermuda.

Charitable Donations

Donations made by the Group during the year amounted to HK$791,000.

Fixed Assets

Movements in fixed assets during the year are set out in Note 11 on the accounts.

Borrowings

Bank loans are stated in Note 19 on the accounts.

Retirement Schemes

Retirement schemes operated by the Group during the year are outlined in Notes 1(p), 4, 20 and 25 on the accounts.

Principal Subsidiary and Associated Companies

Particulars of the Company's principal subsidiary and associated companies are set out on pages 92 to 96.

Management Contracts

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Corporate Strategy

The Group's strategy is to cater to the Asian market's demand for quality branded products through a combination of licensed brands, the Group's own brands, and own retail platforms. Our corporate values rest in growing the presence of our existing businesses and identifying new business and investment opportunities not limited to our current businesses in order to deliver value to both our customers and our shareholders. All such opportunities will continue to be diligently and carefully evaluated by the Board with the sole view of further enhancing the Group's financial and market position as well as delivering value to our shareholders. We believe implementing disciplined business strategies and prudent financial management serves this purpose by preserving the longevity and sustainability of our businesses. We also believe in maintaining a conservative balance sheet so we can take advantage of any investment opportunities of exceptional value as and when they arise.

Employment and Remuneration Policies

As at 31st March, 2014, the Group had 2,598 (2013 : 2,882) employees. Total staff costs (including directors' emoluments) amounted to HK$636.2 million (2013 : HK$676.0 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.

Liquidity and Financial Resources

During the year, the Group generated net cash from operating activities of HK$192.0 million (2013 : HK$455.4 million) which included operating cash flow of HK$304.7 million (2013 : HK$397.7 million) less a net increase in working capital and tax payments totalling HK$112.7 million (2013 : a net decrease in working capital less tax payments totalling HK$57.7 million).

The net cash from operating activities was utilised in funding the Group's net investing activities during the year which included capital expenditure and other financial assets totalling HK$184.5 million (2013 : HK$220.4 million).

Together with other financing activities including dividend payments of HK$77.0 million (2013 : HK$115.4 million), the net cash utilisation decreased the Group's cash and bank deposits as at 31st March, 2014 to HK$1,107.0 million (2013 : HK$1,120.2 million). The Group's net liquid financial resources as at 31st March, 2014 were HK$1,011.5 million (2013 : HK$1,021.1 million) comprising cash and bank deposits of HK$1,107.0 million less short-term bank borrowings of HK$95.5 million.

Foreign Currency Exposure and Financial Management

Merchandise purchased by the Group is mainly denominated in United States Dollars, Euros, Pounds Sterling and Swiss Francs. Where appropriate, forward foreign exchange contracts are utilised to purchase the relevant currency to settle amounts due and it is the Group's policy that such 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 from funds generated from local sales.

Financial risk management for the Group is the responsibility of the treasury department based in Hong Kong which implements the policies and guidelines issued by the Board. Surplus cash is held mainly in United States Dollars, New Taiwan Dollars, Hong Kong Dollars and Renminbi with the majority placed on short-term deposits with established international banks and invested in debt securities issued by corporations with acceptable credit ratings.

As at 31st March, 2014, the Group's current ratio, being current assets divided by current liabilities, was 3.5 times compared to 2.9 times as at 31st March, 2013. The Group has maintained a net surplus cash position throughout the financial year 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, 2013 : Nil).

Financial Summary

The results, assets and liabilities of the Group for the last five years are summarised on page 97.

Major Customers and Suppliers

During the year, the Group sold less than 30 per cent. of its goods and services to its five largest customers.

The percentages of purchases for the year attributable to the Group's major suppliers are as follows :-

The largest supplier	21 per cent.
Five largest suppliers in aggregate	49 per cent.

Directors

The directors during the year were :-

Dickson Poon	(Group Executive Chairman)
Raymond Lee	(Deputy Chairman and Chief Executive Officer)
Chan Tsang Wing, Nelson	(Executive Director and Chief Operating Officer)
Chan Hon Chung, Johnny Pollux	(Executive Director)
Lau Yu Hee, Gary	(Executive Director)
Ng Chan Lam	(Executive Director)
Tsang Chi Kin	(Executive Director) (Appointed on 2nd January, 2014)
Bhanusak Asvaintra	(Independent Non-Executive Director ("INED"))
Nicholas Peter Etches	(INED)
Christopher Patrick Langley, OBE	(INED)
Leung Kai Hung, Michael	(INED) (Appointed on 2nd January, 2014)

In accordance with Bye-law 111(A) of the Company's New Bye-Laws, Mr. Dickson Poon (an Executive Director) and Mr. Bhanusak Asvaintra and Mr. Christopher Patrick Langley, OBE (both Mr. Asvaintra and Mr. Langley are INEDs) shall retire from office by rotation at the forthcoming annual general meeting of the shareholders of the Company to be held on 24th July, 2014 ("the 2014 AGM"). While, in accordance with Bye-law 102 of the Company's New Bye-Laws, Mr. Tsang Chi Kin and Mr. Leung Kai Hung, Michael, who were appointed as an Executive Director and an INED respectively on 2nd January, 2014, shall hold office until the 2014 AGM and be subject to re-election at the 2014 AGM. Due to his wish to reduce his business activities in Hong Kong and to spend more time with his family, Mr. Langley will not offer himself for re-election and accordingly will cease to be an INED upon the conclusion of the 2014 AGM. Following this, Mr. Langley will also cease to be a member of the Audit Committee of the Company with effect from the conclusion of the 2014 AGM. All the remaining four retiring Directors, being eligible, have offered themselves for re-election. None of the Directors offering themselves for re-election has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Biographies

Mr. Dickson Poon *(Group Executive Chairman)*
Mr. Poon, aged 57, is the founder and a substantial shareholder of the Group. He established the Dickson group business in 1980 and was appointed an Executive Director of the Company in November 1991 and has been the Group Executive Chairman since February 1992. Mr. Poon provides leadership for the Board and ensures that the Board discharges its responsibilities effectively and efficiently. The relationship between Mr. Poon and Dickson Investment Holding (PTC) Corporation which has a notifiable interest in the Company under the provisions of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("the SFO") is mentioned in the "Directors' Interests" and "Substantial Shareholders' and Other Persons' Interests" sections of this report.

Mr. Raymond Lee *(Deputy Chairman and Chief Executive Officer)*
Mr. Lee, aged 64, joined the Group in May 1992 as an Executive Director. He was appointed the Deputy Chairman in April 2000 and the Chief Executive Officer in June 2005. He is a Fellow of The Institute of Chartered Accountants in England and Wales, and prior to joining the Group, held a senior position with a major international financial institution. Mr. Lee provides leadership for the management of the Group to implement the strategies and oversee the realisation of the objectives set by the Board.

Mr. Chan Tsang Wing, Nelson *(Executive Director and Chief Operating Officer)*
Mr. Chan, aged 58, was appointed an Executive Director in February 2000 and the Chief Operating Officer in March 2011. He is a Fellow of The Institute of Chartered Accountants in England and Wales, and was previously chief executive of a major international trading group.

Mr. Chan Hon Chung, Johnny Pollux *(Executive Director)*
Mr. Chan, aged 54, joined the Group in October 1983 and was appointed an Executive Director in September 2011. He is a Fellow of The Hong Kong Institute of Certified Public Accountants and is in charge of the financial reporting function of the Group. Prior to joining the Group, Mr. Chan acquired extensive audit experience in an international audit firm in Hong Kong.

Mr. Lau Yu Hee, Gary *(Executive Director)*
Mr. Lau, aged 60, joined the Group in June 1990 and was appointed an Executive Director in January 2008. Educated in Hong Kong, Mr. Lau started his career as a journalist and later moved on to work for a French company distributing luxury goods in the region before joining the Group. He is currently in charge of the Group's watch and jewellery business in Taiwan.

Mr. Ng Chan Lam *(Executive Director)*
Mr. Ng, aged 65, joined the Group in July 1988 and was appointed an Executive Director in July 1994. A graduate of a university in Montreal, Canada, he acquired extensive trading and administrative experience prior to joining the Group.

Mr. Tsang Chi Kin *(Executive Director)*
Mr. Tsang, aged 48, was appointed an Executive Director in January 2014. He holds a Master of Management from the Kellogg School of Management of Northwestern University, and a Bachelor of Science from the School of Engineering of Cornell University. Prior to joining the Group, Mr. Tsang has been an operating partner of TPG Growth Capital (Asia) Limited ("TPG Growth") since 2007 and leads portfolio management for TPG Growth's North Asia investments. He also serves on the Hong Kong Trade Development Council's Financial Services Advisory Committee.

Mr. Bhanusak Asvaintra *(INED)*
Mr. Asvaintra, aged 69, was appointed an INED in September 2004. A graduate of the University of Pennsylvania and the University of Chicago, he held senior executive positions with the Chase Manhattan Bank group in New York, Hong Kong and Singapore in the 1970s. Mr. Asvaintra joined the Charoen Pokphand group of companies in 1980 and retired as its chief executive officer in 1998.

Mr. Nicholas Peter Etches *(INED)*
Mr. Etches, aged 65, was appointed an INED in June 2004. He has over 34 years auditing experience with clients in a range of industries, also specialising in the fields of banking and finance as well as insolvency and corporate recovery practice. He is a Fellow of The Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants of which he was the President in 1995. Mr. Etches joined one of the leading international accounting firms in London in 1967, transferred to the firm's Hong Kong office in 1975 and became a partner in 1978 until his retirement in 2002.

Mr. Christopher Patrick Langley, OBE *(INED)*
Mr. Langley, aged 69, was appointed an INED in November 2002. He was formerly an executive director of The Hongkong and Shanghai Banking Corporation Limited and continues to maintain close ties with the business community in Hong Kong, holding directorship in one other listed company and one other non-listed company.

Mr. Leung Kai Hung, Michael *(INED)*
Mr. Leung, aged 71, was appointed an INED in January 2014. A graduate of the University of Hong Kong, he is an entrepreneur with extensive international experience in garment manufacturing and trading. Mr. Leung is an executive chairman of the Onwel Group which he formed in 1969 and serves as council members of various schools and association, holding directorship in one other listed company.

Disclosure of Interests

Directors' Interests

As at 31st March, 2014, 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 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 of Hong Kong Limited ("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 Rules Governing the Listing of Securities ("the Listing Rules") on the Stock Exchange were as follows :-

Dickson Concepts (International) Limited

		Ordinary shares of HK$0.30 each					
Name of Director	**Capacity**	**Personal Interests**	**Family Interests**	**Corporate Interests**	**Other Interests**	**Total**	**Percentage**[ii]
Dickson Poon	Beneficial owner and trust founder	14,691	–	–	165,728,525[i]	165,743,216	43.45
Christopher Patrick Langley, OBE	Beneficial owner	50,000	–	–	–	50,000	0.01

Notes :-

(i) These shares are held through two trusts.

(ii) 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 31st March, 2014, 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.

Save as disclosed in the "Continuing Connected Transactions" section of this report, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiary companies was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

As at 31st March, 2014, no share options had been granted to the directors under the old share option scheme which was adopted on 26th August, 2003 and terminated on 18th July, 2013 and the new share option scheme which was adopted on 18th July, 2013.

Save as disclosed above, at no time during the year was the Company or any of its subsidiary companies a party to any arrangements to enable the directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests

As at 31st March, 2014, 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$0.30 each	Percentage[iii]	Capacity
Yu Kwai Chu, Pearl	165,743,216[i]	43.45	Interest of spouse
Dickson Investment Holding (PTC) Corporation ("DIHPTC")	165,728,525[ii]	43.45	Trustee
Paicolex Trust Company (BVI) Limited ("Paicolex BVI")	165,728,525[ii]	43.45	Trustee
Paicolex Trust Management AG ("Paicolex AG")	165,728,525[ii]	43.45	Trustee
Brandes Investment Partners, L.P.	23,677,078	6.21	Investment manager

Notes :-

(i) 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 165,728,525 shares which were disclosed as "Other Interests" of Mr. Dickson Poon in the "Directors' Interests" section of this report. Mr. Dickson Poon is a director of DIHPTC.

(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 31st March, 2014 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.

Continuing Connected Transactions

1. During the year, the Group has on an on-going basis conducted transactions with the S.T. Dupont Group (i.e. S.T. Dupont S.A., a company incorporated in France with limited liability, the shares of which are listed on the Paris Bourse in France and which is owned as to 78.85 per cent. of its issued share capital by a trust established for the benefit of the family members of Mr. Dickson Poon, the Group Executive Chairman, together with its subsidiary companies, which are principally engaged in the manufacture and distribution of luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches and fragrances under the brand name of "S.T. Dupont"). These transactions involve sales and purchases of merchandise, provision of management and supporting services, provision of interior design services, licensing of a sales corner and payment of sublicence fee, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, details of which are set out as follows :-

    (a) On 26th March, 2012, Dickson Concepts Limited ("DCL"), a member of the Group, as seller and S.T. Dupont Marketing Limited ("STDML"), a member of the S.T. Dupont Group, as purchaser entered into a renewal merchandise sale and purchase agreement ("the Agreement No. 1") regarding the sales of certain merchandise by the Group to the S.T. Dupont Group including, but not limited to, luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches as well as fragrances under the brand name of "S.T. Dupont" or names of product lines under "S.T. Dupont" (for that merchandise manufactured in the People's Republic of China ("PRC") only) for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. The selling prices of the obsolete merchandise are set at the Group's purchase cost of the obsolete merchandise while the selling prices of other merchandise are set at the standard wholesale prices of the Group, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days. The maximum annual caps received/receivable by the Group for the sales of merchandise to the S.T. Dupont Group under the Agreement No. 1 for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$33,262,000 and HK$43,241,000 respectively. The sales of merchandise by the Group to the S.T. Dupont Group under the Agreement No. 1 during the year was HK$15,023,000 which was below the maximum annual cap of HK$33,262,000.

    (b) On 26th March, 2012, STDML, a member of the S.T. Dupont Group, as seller and DCL, a member of the Group, as purchaser entered into a renewal merchandise sale and purchase agreement ("the Agreement No. 2") regarding the purchases of certain merchandise by the Group from the S.T. Dupont Group including, but not limited to, luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches as well as fragrances under the brand name of "S.T. Dupont" or names of product lines under "S.T. Dupont" (for that merchandise manufactured outside the PRC only) for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. The purchase prices of the merchandise are at the standard wholesale prices as set by the S.T. Dupont Group, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days. The maximum annual caps paid/payable by the Group for the purchases of merchandise from the S.T. Dupont Group under the Agreement No. 2 for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$23,926,000 and HK$28,711,000 respectively. The purchases of merchandise by the Group from the S.T. Dupont Group under the Agreement No. 2 during the year was HK$6,700,000 which was below the maximum annual cap of HK$23,926,000.

(c) On 26th March, 2012, DCL, a member of the Group, as service provider and STDML, a member of the S.T. Dupont Group, as service receiver entered into a renewal services agreement ("the Agreement No. 3(a)") together with a renewal agreement on personnel ("the Agreement No. 3(b)") regarding the provision of certain management and supporting services by the Group to the S.T. Dupont Group including office and warehouse space, stock management services, centralised administrative and supporting functions including management, stock control and information technology for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Moreover, pursuant to the Agreement No. 3(b), the salaries of employees in charge of marketing and selling of products provided by the S.T. Dupont Group and the Group and supervising exclusive "S.T. Dupont" boutiques in the PRC are to be shared between the Group and the S.T. Dupont Group. The service fee payable by the S.T. Dupont Group is calculated on a cost and/or cost plus (as may be required by the relevant tax or other rulings or regulations) allocation basis, and this service fee shall be payable in cash on a monthly basis with a credit period of up to 30 days. The maximum annual caps received/receivable by the Group for the provision of management and supporting services to the S.T. Dupont Group under the Agreements Nos. 3(a) and 3(b) for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$23,610,000 and HK$28,332,000 respectively. The service fee received by the Group from the S.T. Dupont Group in respect of the provision of management and supporting services to the S.T. Dupont Group under the Agreements Nos. 3(a) and 3(b) during the year was HK$10,849,000 which was below the maximum annual cap of HK$23,610,000.

(d) On 26th March, 2012, Dickson Interior Design Limited, a member of the Group, as service provider and STDML, a member of the S.T. Dupont Group, as service receiver entered into a renewal interior design services agreement ("the Agreement No. 4") regarding the provision of interior design services by the Group to the S.T. Dupont Group relating to its retail outlets and sales corners for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. The interior design service fee payable by the S.T. Dupont Group is charged at a rate of 10 per cent. (which is derived in accordance with industry practice) of the total contract sum for the building and fitting out of any of its freestanding boutiques, department store corners and retail outlets, and this interior design service fee shall be payable in cash on a contract phase completion basis with a credit period of up to 30 days. The maximum annual caps received/receivable by the Group for the provision of interior design services to the S.T. Dupont Group under the Agreement No. 4 for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$792,000 and HK$950,000 respectively. The service fee received by the Group from the S.T. Dupont Group in respect of the provision of interior design services to the S.T. Dupont Group under the Agreement No. 4 during the year was HK$792,000 which was the same as the maximum annual cap.

(e) On 23rd September, 2011, Harvey Nichols (Hong Kong) Limited ("HNHKL"), a member of the Group, as grantor and STDML, a member of the S.T. Dupont Group, as licensee entered into a licence agreement ("the Old Agreement No. 5") regarding the licensing of a sales corner ("the STD HN Corner") by the Group to the S.T. Dupont Group in the Group's Harvey Nichols store at Two Pacific Place, 88 Queensway, Hong Kong ("the PP Harvey Nichols Store") with a total lettable area of about 685 sq. ft. for a period of two years commencing from 7th October, 2011 and ending on 6th October, 2013. The licence fee payable by the S.T. Dupont Group is based on a certain percentage of the monthly gross turnover made at the STD HN Corner but subject to a minimum monthly licence fee payment of HK$219,200, and this licence fee shall be payable in cash within 20 days from the end of each month in arrears. The maximum annual cap received by the Group for the licensing of the STD HN Corner to the S.T. Dupont Group under the Old Agreement No. 5 for the financial year ended 31st March, 2014 is HK$2,437,000 (six months and six days). The licence fee received by the Group from the S.T. Dupont Group in respect of the licensing of the STD HN Corner to the S.T. Dupont Group under the Old Agreement No. 5 during the year was HK$1,358,000 (six months and six days) which was below the maximum annual cap of HK$2,437,000 (six months and six days).

On 24th September, 2013, the Old Agreement No. 5 was renewed and a new licence agreement ("the New Agreement No. 5") was entered into regarding the licensing of the STD HN Corner by the Group to the S.T. Dupont Group for a further period of two years commencing from 7th October, 2013 and ending on 6th October, 2015 which superseded the Old Agreement No. 5 upon its expiry on 6th October, 2013. The licence fee payable by the S.T. Dupont Group is based on a certain percentage of the monthly gross turnover made at the STD HN Corner but subject to a minimum monthly licence fee payment of HK$230,160, and this licence fee shall be payable in cash within 20 days from the end of each month in arrears. The maximum annual caps received/receivable by the Group for the licensing of the STD HN Corner to the S.T. Dupont Group under the New Agreement No. 5 for the financial years ended/ending 31st March, 2014, 31st March, 2015 and 31st March, 2016 are HK$1,466,000 (five months and twenty-five days), HK$3,635,000 and HK$2,252,000 (six months and six days) respectively. The licence fee received by the Group from the S.T. Dupont Group in respect of the licensing of the STD HN Corner to the S.T. Dupont Group under the New Agreement No. 5 during the year was HK$1,336,000 (five months and twenty-five days) which was below the maximum annual cap of HK$1,466,000 (five months and twenty-five days).

(f) On 26th March, 2012, STDML, a member of the S.T. Dupont Group, as licensor and Bondwood Investments Limited, a member of the Group, as licensee entered into a renewal sublicence agreement ("the Agreement No. 6") regarding the granting of a sublicence by the S.T. Dupont Group to the Group for the use of various "S.T. Dupont" trademarks and logos under which "S.T. Dupont" products are marketed, sold and manufactured within the limits of the PRC (excluding Hong Kong) and Taiwan in its capacity as both retailer and wholesaler for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. The sublicence fee is calculated based on certain percentages (which is in line with market practice) on each of the retail and wholesale turnover (excluding sales of imported products purchased from the S.T. Dupont Group) of "S.T. Dupont" products per year, and this sublicence fee shall be payable in cash on a quarterly basis with a credit period of up to 45 days. The maximum annual caps paid/payable by the Group for the payment of sublicence fee to the S.T. Dupont Group in respect of the "S.T. Dupont" products distributed by the Group in the PRC (excluding Hong Kong) and Taiwan under the Agreement No. 6 for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$43,782,000 and HK$52,538,000 respectively. The sublicence fee paid by the Group to the S.T. Dupont Group in respect of the distribution of "S.T. Dupont" products by the Group in the PRC (excluding Hong Kong) and Taiwan under the Agreement No. 6 during the year was HK$21,370,000 which was below the maximum annual cap of HK$43,782,000.

2. During the year, the Group has on an on-going basis conducted transactions with the Artland Group (i.e. Artland Watch Company Limited ("AWCL") and Precision Watch Company Limited ("PWCL"), both of which are indirectly wholly-owned by Mr. Dickson Poon, together with their subsidiary companies, which are principally engaged in the sale of watches and jewellery). These transactions involve sales and purchases of merchandise and licensing of a sales corner, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, details of which are set out as follows :-

(a) On 26th March, 2012, Castlereagh Limited, a member of the Group, as seller and AWCL and PWCL, both of which are members of the Artland Group, as purchasers entered into a renewal merchandise sale and purchase agreement ("the Agreement No. 7") regarding the sales of certain merchandise by the Group to the Artland Group including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. The selling prices of the merchandise are equal to the retail prices less normal trade discounts, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 90 days. The maximum annual caps received/receivable by the Group for the sales of merchandise to the Artland Group under the Agreement No. 7 for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$9,219,000 and HK$11,063,000 respectively. The sales of merchandise by the Group to the Artland Group under the Agreement No. 7 during the year was HK$3,964,000 which was below the maximum annual cap of HK$9,219,000.

(b) On 26th March, 2012, AWCL and PWCL, both of which are members of the Artland Group, as sellers and DCL, a member of the Group, as purchaser entered into a renewal merchandise sale and purchase agreement ("the Agreement No. 8") regarding the purchases of certain merchandise by the Group from the Artland Group including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. The purchase prices of the merchandise are equal to the retail prices less normal trade discounts, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 30 days. The maximum annual caps paid/payable by the Group for the purchases of merchandise from the Artland Group under the Agreement No. 8 for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$2,083,000 and HK$2,500,000 respectively which were subsequently revised to HK$16,668,000 and HK$20,000,000 respectively, reflecting the revised projection for the total purchases of certain merchandise by the Group from the Artland Group ("the Revision"). The Revision was disclosed in the announcement of the Company dated 26th March, 2013 pursuant to Rule 14A.36(1) of the Listing Rules. The purchases of merchandise by the Group from the Artland Group under the Agreement No. 8 during the year was HK$14,775,000 which was below the revised maximum annual cap of HK$16,668,000.

(c) On 23rd September, 2011, HNHKL, a member of the Group, as grantor and PWCL, a member of the Artland Group, as licensee entered into a licence agreement ("the Old Agreement No. 9") regarding the licensing of a sales corner ("the PW HN Corner") by the Group to the Artland Group in the PP Harvey Nichols Store with a total lettable area of about 4,095 sq. ft. for a period of two years commencing from 7th October, 2011 and ending on 6th October, 2013 at a monthly licence fee payment of HK$1,310,400, to be paid in cash within 20 days from the end of each month in arrears. The maximum annual cap received by the Group for the licensing of the PW HN Corner to the Artland Group under the Old Agreement No. 9 for the financial year ended 31st March, 2014, based on the monthly licence fee of HK$1,310,400, is HK$8,117,000 (six months and six days). The licence fee received by the Group from the Artland Group in respect of the licensing of the PW HN Corner to the Artland Group under the Old Agreement No. 9 during the year was HK$8,116,000 (six months and six days) which was below the maximum annual cap of HK$8,117,000 (six months and six days).

On 24th September, 2013, the Old Agreement No. 9 was renewed and a new licence agreement ("the New Agreement No. 9") was entered into regarding the licensing of the PW HN Corner by the Group to the Artland Group for a further period of three years commencing from 7th October, 2013 and ending on 6th October, 2016 which superseded the Old Agreement No. 9 upon its expiry on 6th October, 2013 at a monthly licence fee payment of HK$1,375,000, to be paid in cash within 20 days from the end of each month in arrears. The maximum annual caps received/receivable by the Group for the licensing of the PW HN Corner to the Artland Group under the New Agreement No. 9 for the financial years ended/ending 31st March, 2014, 31st March, 2015, 31st March, 2016 and 31st March, 2017, based on the monthly licence fee of HK$1,375,000, are HK$7,984,000 (five months and twenty-five days), HK$16,500,000, HK$16,500,000 and HK$8,517,000 (six months and six days) respectively. The licence fee received by the Group from the Artland Group in respect of the licensing of the PW HN Corner to the Artland Group under the New Agreement No. 9 during the year was HK$7,984,000 (five months and twenty-five days) which was the same as the maximum annual cap.

3. During the year, the Group has on an on-going basis conducted transactions with Dickson Communications Limited ("Dickson Communications") (which is indirect wholly-owned by Mr. Dickson Poon and is principally engaged in the provision of advertising, marketing and promotion services). These transactions involve provision of advertising, marketing and promotion services, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, details of which are set out as follows :-

   On 26th March, 2012, Dickson Communications as service provider and DCL, a member of the Group, as service receiver entered into a renewal promotional services agreement ("the Agreement No. 10") regarding the provision of certain advertising, marketing and promotion services by Dickson Communications to the Group for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. The Group pays a monthly retainer fee and a handling service fee at a rate of 10 per cent. (which was derived in accordance with the industry practice) of the media or other costs incurred and paid by the Group to any third party media specialists, agents or independent contractors in connection with the provision of these services to the Group and this handling service fee shall be payable in cash on a monthly basis with a credit period of up to 30 days. The maximum annual caps paid/payable by the Group for the receipt of advertising, marketing and promotion services from Dickson Communications under the Agreement No. 10 for the financial years ended/ending 31st March, 2014 and 31st March, 2015 are HK$15,100,000 and HK$18,120,000 respectively. The retainer fee and the handling service fee paid by the Group to Dickson Communications in respect of the receipt of advertising, marketing and promotion services from Dickson Communications under the Agreement No. 10 during the year was HK$14,453,000 which was below the maximum annual cap of HK$15,100,000.

4. During the year, the Group has on an on-going basis conducted a transaction with the Singapore Group (i.e. Dickson Investment (Singapore) Pte. Ltd. ("DISPL") (which is direct wholly-owned by Mr. Dickson Poon) together with its group companies, which are principally engaged in the importing, exporting, sale of fashion consumer goods, investment holding and provision of management and supporting services). This transaction involves leasing of a shop space which is conducted on normal commercial terms and in the ordinary and usual course of business of the Group, details of which are set out as follows :-

   On 21st September, 2012, DISPL, a member of the Singapore Group, as lessor and Dickson Stores Pte Ltd, a member of the Group, as lessee entered into and renewed a lease agreement ("the Agreement No. 11") regarding the leasing of a shop space ("the Shop Space") by the Singapore Group to the Group in a shopping mall at #01-05/06, Centrepoint, No. 176 Orchard Road, Singapore with a total retailing area of about 689 sq. ft. for a period of one year commencing from 1st November, 2012 and ending on 31st October, 2013. The monthly rental payable by the Group is S$34,450 (about HK$212,000), to be paid in cash on the first day of each month in advance. The maximum annual cap paid by the Group for the leasing of the Shop Space by the Singapore Group to the Group under the Agreement No. 11 for the financial year ended 31st March, 2014, based on the said monthly rental of S$34,450 (about HK$212,000), is S$242,000 (about HK$1,490,000) (seven months). The rental paid by the Group to the Singapore Group in respect of the leasing of the Shop Space by the Singapore Group under the Agreement No. 11 during the year was S$241,150 (about HK$1,484,000) (seven months) which was below the maximum annual cap of S$242,000 (about HK$1,490,000) (seven months). The Agreement No. 11 was expired on 31st October, 2013.

The above continuing connected transactions have been reviewed by the directors (including the INEDs). The INEDs hereby confirm that during the year the above continuing connected transactions have been entered into :-

(i) in the ordinary and usual course of business of the Group;
(ii) on normal commercial terms or, where there is no available comparison, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In accordance with the requirement of Rule 14A.38 of the Listing Rules, the Company has engaged the independent auditor of the Company to conduct certain procedures in respect of the continuing connected transactions of the Group. The work performed by the independent auditor is in accordance with Hong Kong Standard on Assurance Engagements 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and with reference to Practice Note 740, *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules*, issued by the Hong Kong Institute of Certified Public Accountants. Based on the results of procedures performed and in accordance with the aforesaid Listing Rules, the independent auditor has provided a letter to the Board confirming that :-

(i) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board;
(ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
(iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
(iv) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the maximum aggregate annual value disclosed in the announcements of the Company dated 23rd September, 2011, 26th March, 2012, 21st September, 2012, 26th March, 2013 and 24th September, 2013 in respect of each of the continuing connected transactions.

Director's Interest in Competing Business

The following director is considered to have interests in the following business, which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules :-

Mr. Dickson Poon, the Group Executive Chairman, is a director of AWCL and PWCL and the ultimate shareholder of the Artland Group which is engaged in the sale of watches and jewellery. These businesses are deemed as competing with the retail business of the Group. However, the Artland Group targets its own specific customer base which is attracted by its unique history, reputation and image. Given the distinct features of the Artland Group's customer base, the Group considers that its interests are adequately safeguarded. The day-to-day operations of the Group and the Artland Group are managed by two distinct management teams except for Mr. Dickson Poon who as aforementioned is one of the four board members of AWCL and one of the five board members of PWCL.

In order to further safeguard the interests of the Group, those directors not interested in this competing business review on a regular basis the businesses and operations of the Group to ensure that its businesses are run on the basis that they are independent of, and at arm's length from, the Artland Group.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained the prescribed amount of public float as required under the Listing Rules at all times up to the date of this report.

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 applied the principles and complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the year ended 31st March, 2014. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report on pages 29 to 40.

Independent Auditor

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as independent auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Dickson Poon
Group Executive Chairman

Hong Kong, 28th May, 2014

This report describes the Company's corporate governance practices and explains the application of the principles in the Corporate Governance Code ("the CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("the Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") throughout the year ended 31st March, 2014 and includes any significant subsequent events for the period up to the date of this report.

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 applied the principles and complied with all the code provisions of the CG Code throughout the year ended 31st March, 2014.

Directors' Securities Transaction

The Company has adopted 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 as the code for securities transactions by the Directors. Amendments will be made to the Directors' Model Code from time to time in order to conform with any new amendments made to Appendix 10 of the Listing Rules.

Reminders are issued half-yearly to all Directors to remind them not to deal in the ordinary shares of the Company during the "Black Out Period" specified in the Directors' Model Code.

Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard as set out in the Directors' Model Code throughout the year ended 31st March, 2014.

Board of Directors

The Board of Directors ("the Board") of the Company currently comprises of the following Directors :-

Executive Directors

Mr. Dickson Poon *(Group Executive Chairman)*
Mr. Raymond Lee *(Deputy Chairman and Chief Executive Officer)*
Mr. Chan Tsang Wing, Nelson *(Chief Operating Officer)*
Mr. Chan Hon Chung, Johnny Pollux
Mr. Lau Yu Hee, Gary
Mr. Ng Chan Lam
Mr. Tsang Chi Kin (Appointed on 2nd January, 2014)

Independent Non-Executive Directors ("INEDs")

Mr. Bhanusak Asvaintra
Mr. Nicholas Peter Etches
Mr. Christopher Patrick Langley, OBE
Mr. Leung Kai Hung, Michael (Appointed on 2nd January, 2014)

Mr. Tsang Chi Kin was appointed as an Executive Director while Mr. Leung Kai Hung, Michael was appointed as an INED and a member of the Audit Committee of the Company, all with effect from 2nd January, 2014 and the same was disclosed in the announcement of the Company dated 30th December, 2013.

The biographical details of the Directors and the relevant relationships among them, if any, are set out in the Report of the Directors on pages 18 and 19.

The Board meets regularly and Board Meetings are held at least four times a year at approximately quarterly intervals. Regular Board Meetings of the year are scheduled in advance and at least 14 days' notice is given to Directors so as to give them an opportunity to attend. All Directors are given an opportunity to include matters in the agenda for Board Meetings. The Directors may attend a meeting in person or may participate by means of a conference telephone or similar communication equipments by means of which all persons participating in the meeting are capable of hearing each other in accordance with the New Bye-Laws of the Company ("the New Bye-Laws").

Four regular and one ad hoc Board Meetings and an Annual General Meeting were held during the year ended 31st March, 2014. The attendance record of each Director at the said meetings during the year ended 31st March, 2014 is set out below :-

	Number of Meetings Attended/Held	
Directors	**Board Meetings**	**Annual General Meeting**
Executive Directors		
Mr. Dickson Poon *(Group Executive Chairman)*	5/5	1/1
Mr. Raymond Lee*(Deputy Chairman and Chief Executive Officer)*	5/5	1/1
Mr. Chan Tsang Wing, Nelson *(Chief Operating Officer)*	5/5	0/1
Mr. Chan Hon Chung, Johnny Pollux	5/5	1/1
Mr. Lau Yu Hee, Gary	5/5	0/1
Mr. Ng Chan Lam	5/5	1/1
Mr. Tsang Chi Kin (Appointed on 2nd January, 2014)	1/1	—
INEDs		
Mr. Bhanusak Asvaintra	5/5	0/1
Mr. Nicholas Peter Etches	5/5	0/1
Mr. Christopher Patrick Langley, OBE	4/5	0/1
Mr. Leung Kai Hung, Michael (Appointed on 2nd January, 2014)	1/1	—

The Board is ultimately accountable for the activities of the Company and its subsidiary companies (together "the Group") and responsible for determining those matters that are to be retained for full Board sanction including, but not limited to, overall strategy and long-term objectives, new business activities, annual budgets, business plans and financial statements, interim and final results announcements, material acquisitions and disposals of assets, investments, capital projects and commitments, annual internal control assessment, major treasury, funding and risk management policies as well as material connected transactions.

The Board has delegated the day-to-day responsibility in respect of management and administrative functions to management including, but not limited to, implementing and achieving the strategies and objectives set by the Board as well as overseeing the performance of different business units/departments and monitoring and implementing proper internal controls and systems.

To ensure Directors' contribution to the Board remains informed and relevant, the Company encourages Directors to participate in continuous professional development to develop and refresh their knowledge and skills and understanding of the business and markets in which the Group operates. Directors are also provided with monthly performance and position updates of the Group, and information such as performance and key operational highlights to enable the Board as a whole as well as each Director to discharge their duties. In addition, the Company has arranged two in-house trainings on regulatory update for the year ended 31st March, 2014.

All Directors have participated in appropriate continuous professional development and provided the Company with their records of training they received during the year ended 31st March, 2014.

The records of training the Directors received during the year ended 31st March, 2014 are as follows :-

Directors	**Attending Conferences, Forums and/or Seminars**	**Reading Newspapers, Journals and/or Updates**
Executive Directors		
Mr. Dickson Poon *(Group Executive Chairman)*	✓	✓
Mr. Raymond Lee *(Deputy Chairman and Chief Executive Officer)*	✓	✓
Mr. Chan Tsang Wing, Nelson *(Chief Operating Officer)*	✓	✓
Mr. Chan Hon Chung, Johnny Pollux	✓	✓
Mr. Lau Yu Hee, Gary	✓	✓
Mr. Ng Chan Lam	✓	✓
Mr. Tsang Chi Kin (Appointed on 2nd January, 2014)	✓	✓
INEDs		
Mr. Bhanusak Asvaintra	✓	✓
Mr. Nicholas Peter Etches	✓	✓
Mr. Christopher Patrick Langley, OBE	✓	✓
Mr. Leung Kai Hung, Michael (Appointed on 2nd January, 2014)	✓	✓

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties under the Terms of Reference of Corporate Governance Functions of the Board. Given below are the main corporate governance duties of the Board :-

(i) to develop and review the Company's policies and practices on corporate governance and make recommendations;

(ii) to review and monitor the Company's corporate governance policies and practices to ensure compliance with legal and regulatory requirements;

(iii) to review the Company's compliance with the CG Code and other related rules and disclosure in the Corporate Governance Report;

(iv) to develop, review and monitor the implementation of the Shareholders' Communication Policy to ensure its effectiveness and make recommendations where appropriate to enhance shareholder relationship with the Company;

(v) to monitor and respond to emerging corporate governance issues and make recommendations where appropriate to further the Company's corporate governance performance; and

(vi) to conform to any requirement and regulation contained in the New Bye-Laws or imposed from time to time by legislation.

The corporate governance duties performed by the Board for the year ended 31st March, 2014 were in accordance with the Terms of Reference of the Corporate Governance Functions of the Board and are summarised below :-

(i) reviewed the Company's corporate governance policies (including the Inside Information Policy ("the Inside Information Policy")) and practices to ensure compliance with legal and regulatory requirements;

(ii) reviewed the Company's compliance with (a) the CG Code and other related rules; and (b) the mandatory disclosure requirements in respect of the Corporate Governance Report as set out in Appendix 14 of the Listing Rules;

(iii) reviewed the training and continuous professional development of the Directors and senior management; and

(iv) reviewed the Shareholders' Communication Policy and its implementation to ensure its effectiveness.

Directors' Responsibilities for Preparing Consolidated Accounts

The Directors acknowledge their responsibilities to prepare consolidated accounts for each half and full financial year which give a true and fair view of the state of affairs of the Group. The Directors' responsibilities for preparing consolidated accounts are set out in the Independent Auditor's Report on pages 41 and 42. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue its operational existence for the foreseeable future and thus it is appropriate to adopt the going concern basis in preparing the consolidated accounts.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer ("CEO") are separate and are performed by different individuals so as to ensure a clear division between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Company's business. Currently, Mr. Dickson Poon is the Group Executive Chairman and Mr. Raymond Lee is the CEO of the Company. A list setting out the respective responsibilities of the Chairman and the CEO has been adopted by the Company. The list has been reviewed periodically by the Audit Committee and the Board respectively.

INEDs

There are currently four INEDs. The terms of office of all the INEDs, subject to earlier determination or retirement by rotation and re-election at the annual general meeting of the shareholders of the Company in accordance with the New Bye-Laws and/or applicable laws and regulations, are fixed for one year renewable on an annual basis.

The Company has received from each of the INEDs their annual confirmation of independence and considered that each of the INEDs is independent in accordance with the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules.

Remuneration Committee

The Remuneration Committee comprises three members and is chaired by Mr. Bhanusak Asvaintra, an INED, with Mr. Nicholas Peter Etches, an INED, and Mr. Raymond Lee, the Deputy Chairman and CEO, as members.

The Terms of Reference of the Remuneration Committee adopted by the Company is aligned with the code provisions of the CG Code. Given below are the main duties of the Remuneration Committee :-

(i) to recommend to the Board on the Company's policy and structure for all Directors' and senior management's remuneration;

(ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(iii) to recommend to the Board on the remuneration packages of individual Executive Directors and senior management;

(iv) to recommend to the Board on the remuneration of Non-Executive Directors;

(v) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment; and

(vi) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct.

A Remuneration Committee Meeting was held during the year ended 31st March, 2014. The attendance record of each member at the Remuneration Committee Meeting during the year ended 31st March, 2014 is set out below :-

Remuneration Committee Members	Number of Meetings Attended/Held
Mr. Bhanusak Asvaintra *(Chairman)*	1/1
Mr. Nicholas Peter Etches	1/1
Mr. Raymond Lee	1/1

The work performed by the Remuneration Committee for the year ended 31st March, 2014 was in accordance with the Terms of Reference of the Remuneration Committee and is summarised below :-

(i) reviewed the existing remuneration policy (structure and procedure) for all Directors' and senior management's remuneration;

(ii) reviewed and approved the management's and the Group's remuneration proposals with reference to the Board's corporate goals and objectives;

(iii) assessed the performance of Executive Directors and recommended the remuneration packages of individual Executive Directors and senior management;

(iv) considered Directors' fees paid by comparable companies and recommended the amount of Director's fees to be paid to each Executive Director for the year ended 31st March, 2014 and reviewed the amount of Director's fees to be paid to each INED for the year ended 31st March, 2014 for shareholders' approval at the forthcoming Annual General Meeting of the shareholders of the Company to be held on 24th July, 2014; and

(v) considered the grant of share options to Directors and senior management, if any.

The primary aim of the remuneration policy is to enable the Company to motivate and retain Executive Directors and senior management by comparing their performance against corporate goals and objectives when determining appropriate compensation to them. The principal elements of the remuneration package include basic salary, discretionary bonus, retirement scheme contributions and share options. In determining guidelines for each compensation element, the Company refers to the comparable remuneration standard in the market.

INEDs are compensated with the primary aim to fairly represent their efforts and time dedicated to the Board and the Committee Meetings. The fees of INEDs are recommended by the Remuneration Committee and reviewed by the Board for shareholders' approval at the annual general meeting.

In determining the level of Director's fees of INEDs, account is taken of factors such as directors' fees paid by comparable companies, and time commitment and responsibilities of the INEDs.

The amount of remuneration paid to each Director for the year ended 31st March, 2014 is set out in Note 5 on the accounts.

Nomination Committee

The Nomination Committee comprises three members and is chaired by Mr. Dickson Poon, the Group Executive Chairman, with Mr. Bhanusak Asvaintra and Mr. Nicholas Peter Etches, both INEDs, as members.

The Terms of Reference of the Nomination Committee adopted by the Company is aligned with the code provisions of the CG Code. Given below are the main duties of the Nomination Committee :-

(i) to determine nomination policy, procedures and criteria for nomination of Directors for the Board's consideration;

(ii) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy;

(iii) to identify and nominate individuals suitably qualified to become additional Directors or to fill casual vacancies of the Board and make recommendations to the Board on the selection of individuals nominated for directorships;

(iv) to assess the independence of INEDs and review the INEDs' annual confirmations on their independence; and

(v) to recommend to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Group Executive Chairman and the CEO.

One regular and one ad hoc Nomination Committee Meetings were held during the year ended 31st March, 2014. The attendance record of each member at the said meetings during the year ended 31st March, 2014 is set out below :-

Nomination Committee Members	**Number of Meetings Attended/Held**
Mr. Dickson Poon *(Chairman)*	2/2
Mr. Bhanusak Asvaintra	2/2
Mr. Nicholas Peter Etches	2/2

The work performed by the Nomination Committee for the year ended 31st March, 2014 was in accordance with the Terms of Reference of the Nomination Committee and is summarised below :-

(i) reviewed the Board Diversity Policy (a summary of which is set out in the section headed "Board Diversity Policy" below) and recommended the adoption of the same by the Board;

(ii) reviewed the nomination policy, procedures and criteria for nomination of Directors;

(iii) reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board to implement the Company's corporate strategy;

(iv) assessed the independence of INEDs and reviewed the INEDs' annual confirmations on their independence and considered that each of the INEDs is independent as each of them has met the independence guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules;

(v) recommended to the Board on the re-appointment of the retiring Directors who have offered themselves for re-election at the 2013 Annual General Meeting of the shareholders of the Company held on 18th July, 2013 and considered succession planning for Directors; and

(vi) recommended election of Mr. Tsang Chi Kin as an Executive Director and Mr. Leung Kai Hung, Michael as an INED to the Board for approval by the Board.

Board Diversity Policy

The Company adopted the Board Diversity Policy at the Board Meeting held on 21st May, 2013. The policy aims to set out the approach to Board diversity and to ensure that there is broad experience and diversity on the Board.

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to, gender, age, cultural and educational background, regional and business / professional experience, skills, knowledge and length of service. All Board appointments will be based on merit against objective criteria with due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspective, including but not limited to, gender, age, cultural and educational background, regional and business / professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit in the context of the Company's businesses and strategies, and contribution that the selected candidates will bring to the Board.

The Nomination Committee shall lead the process for Board appointments and monitor the implementation of the policy. During the year, the Nomination Committee considered that Mr. Tsang Chi Kin and Mr. Leung Kai Hung, Michael were suitably qualified candidates for election as an Executive Director and an INED respectively to the Board and the said appointments have broadened the diversity of experiences and viewpoints among the Directors.

Audit Committee

The Audit Committee comprises four members and is chaired by Mr. Nicholas Peter Etches, an INED, with Mr. Bhanusak Asvaintra, Mr. Christopher Patrick Langley, OBE and Mr. Leung Kai Hung, Michael, all INEDs, as members.

The Terms of Reference of the Audit Committee adopted by the Company is aligned with the code provisions of the CG Code. Given below are the main duties of the Audit Committee :-

(i) to recommend to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to answer any questions of resignation or dismissal of those auditors;

(ii) to monitor the integrity of the Company's financial statements, annual report and accounts and half-year report and to review any significant financial reporting judgments contained therein before submission to the Board, with particular focus on :-

— any changes in accounting policies and practices;
— major judgmental areas;
— significant adjustments resulting from audit;
— the going concern assumptions and any qualifications;
— compliance with accounting standards; and
— compliance with the Listing Rules and legal requirements in relation to financial reporting;

(iii) to review the contents of the representation letter to the external auditor prior to submission to the Board;

(iv) to review the Company's financial controls, internal control and risk management systems;

(v) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(vi) to ensure co-ordination between the internal and external auditors and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and

(vii) to review the Group's financial and accounting policies and practices.

Four Audit Committee Meetings were held during the year ended 31st March, 2014. The attendance record of each member at the Audit Committee Meetings during the year ended 31st March, 2014 is set out below :-

Audit Committee Members	**Number of Meetings Attended/Held**
Mr. Nicholas Peter Etches *(Chairman)*	4/4
Mr. Bhanusak Asvaintra	4/4
Mr. Christopher Patrick Langley, OBE	3/4
Mr. Leung Kai Hung, Michael (Appointed on 2nd January, 2014)	1/1

The work performed by the Audit Committee for the year ended 31st March, 2014 was in accordance with the Terms of Reference of the Audit Committee and is mainly summarised below :-

(i) reviewed and discussed with KPMG, the Independent Auditor of the Company ("the Independent Auditor"), before submission to the Board the Company's Annual Report and accounts, Interim Report and any significant financial reporting judgments contained therein together with the relevant draft Letters of Representation/Letter of Engagement addressed to/from the Independent Auditor;

(ii) reviewed the announcements of the Company regarding (a) the Group's final results for the year ended 31st March, 2013; and (b) the Group's interim results for the six months ended 30th September, 2013;

(iii) reviewed the Company's quarterly operating results and financial highlights for the three months ended 30th June, 2013 and nine months ended 31st December, 2013 respectively;

(iv) reviewed the effectiveness of the internal control system of the Group covering material controls for financial, operational, compliance and risk management;

(v) considered the Compliance Certificates for the year ended 31st March, 2013 received from the heads of business units/departments and countersigned by the Head of Internal Audit Department;

(vi) considered the Corporate Governance Report for the year ended 31st March, 2013 as endorsed by the Head of Internal Audit Department;

(vii) reviewed the quarterly reports from the Head of Internal Audit Department;

(viii) considered the internal and external audit plans for 2014/2015 from the Head of Internal Audit Department and the Independent Auditor respectively;

(ix) reviewed the respective responsibilities of the Group Executive Chairman and the CEO of the Company; and

(x) considered matters relating to two continuing connected transactions with private group companies.

Auditor's Remuneration

During the year ended 31st March, 2014, the fees charged to the accounts of the Group for the Group's statutory audit services amounted to HK$5,107,000 (2013 : HK$5,213,000), and in addition HK$78,000 (2013 : HK$58,000) for other non-statutory audit services such as advisory services.

Independent Auditor's Reporting Responsibilities

The reporting responsibilities of the Independent Auditor are set out in the Independent Auditor's Report on pages 41 and 42.

Internal Controls

The Board has the overall responsibility for maintaining sound and effective internal controls to safeguard the shareholders' investment and the Group's assets. The Group's internal control systems are designed to provide reasonable assurance that material misstatement or loss can be avoided, and to manage and minimise risks of failure in operational systems.

Apart from annual review of the effectiveness of the Group's internal control system by the Board, it delegates such responsibility of reviewing the effectiveness of the Group's internal control systems to the Audit Committee which monitors the Group's internal control systems through the Internal Audit Department. The Internal Audit Department performs regular independent reviews of all material controls, including financial, operational and compliance controls and risk management functions of the Group and evaluates their adequacy and effectiveness on a continuing basis. The annual audit plan is discussed and agreed every year with the Audit Committee. A report of major audit findings is submitted quarterly to the members of the Audit Committee and discussed at the Audit Committee Meetings. The audit reports are then followed up by the Internal Audit Department to ensure corrective actions have been taken in respect of findings previously identified and that they have been properly resolved. Internal audits are designed to provide the Board with reasonable assurance that sound and effective internal control systems of the Group are implemented for protecting the Group's assets and identifying business risks.

Apart from the regular independent reviews by the Internal Audit Department, there is an annual compliance review by all the business units/departments of the Company. For the year under review, various Compliance Certificates were received from the heads of business units/departments of the Company countersigned by the Head of Internal Audit Department confirming that the internal control systems have been assessed and compliance reviews have been conducted by the relevant business units/departments (with the relevant disclosure of matters arising and remedial action taken, if any) and reviewed by the Internal Audit Department. These certificates also included confirmation that the internal control procedures of the relevant business units/departments have been complied with and their internal control systems with the relevant risk assessment are effective and in compliance with all the relevant statutory requirements and regulations.

A model code for securities transactions by relevant employees ("the Relevant Employees' Model Code") has been adopted by the Company which sets out the securities dealing and confidentiality requirements for compliance by all Relevant Employees (as defined in the Relevant Employees' Model Code) of the Company which is on no less exacting terms than the Directors' Model Code. Amendments will be made to the Relevant Employees' Model Code from time to time in order to conform with any new amendments made to Appendix 10 of the Listing Rules. Among the requirements under the Relevant Employees' Model Code, the Relevant Employees who have knowledge of unpublished price-sensitive information should take extra care and treat such information in the strictest confidence. Moreover, the Inside Information Policy has been adopted by the Company which sets out guidelines to the employees of the Group to ensure inside information is to be disseminated to the public in equal, timely and effective manner in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Listing Rules and all other applicable rules and regulations. In addition, the Company will issue memoranda half-yearly and through the head of each business unit/department to remind the Relevant Employees of the Company to observe the said securities dealing and confidentiality requirements under the Relevant Employees' Model Code and the Inside Information Policy respectively.

The Board has reviewed the effectiveness of the Group's internal control system covering all material controls, including financial, operational, compliance and risk management for the year under review and in view of the above, it considered that the Group's internal control systems are effective, adequate and in compliance with the code provisions on internal control of the CG Code.

Shareholders' Rights

Pursuant to Bye-law 70 of the New Bye-Laws, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition ("the Written Requisition"), specifying the proposed resolution ("the Proposed Resolution") accompanied by a statement in respect of the matter referred to in the Proposed Resolution, to the Board or the Company Secretary of the Company at its Head Office, to request the Board to include the Proposed Resolution in the agenda for the annual general meeting or to require a special general meeting to be convened by the Board for transaction of any business specified in such Written Requisition.

Shareholders and other stakeholders may at any time send their written enquiries and concerns by post or by fax to the Board by addressing them to the Company Secretary of the Company at its Head Office as follows :-

The Company Secretary
Dickson Concepts (International) Limited
4th Floor, East Ocean Centre,
98 Granville Road,
Tsimshatsui East,
Kowloon,
Hong Kong.
Fax No.: +852 2301 0315

Investor Relations and Communication with Shareholders

The Company has established a range of communication channels to ensure fair disclosure and comprehensive and transparent reporting of its performance and activities. These include announcements and notices, Interim Reports, Annual Reports and circulars which are sent to the shareholders from time to time. Moreover, institutional investors and/or analysts briefings and/or one-to-one meetings are arranged as appropriate to keep them abreast of the Company's development. In order to promote effective communication, the Company maintains its website at www.dickson.com.hk on which press releases, announcements and notices, Memorandum of Association and New Bye-Laws, procedures for shareholders to put forward proposals for election of a person (other than the Retiring Director) as a Director, financial and other information relating to the Company and its businesses are disclosed.

All shareholders are encouraged to attend the general meetings of the Company. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the general meeting will therefore exercise his right under Bye-law 78 of the New Bye-Laws to demand a poll for each resolution to be proposed at the general meeting. The poll results will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dickson.com.hk ("the Websites") in accordance with Rule 2.07C of the Listing Rules as soon as possible after conclusion of the general meeting, but in any event not later than the time that is 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day following the general meeting. The Directors and the Independent Auditor will also attend the annual general meetings to answer shareholders' questions, if any.

Constitutional Documents

The Company's Memorandum of Association and New Bye-Laws, in both English and Chinese, is available on the Websites. There is no change to the Memorandum of Association and New Bye-Laws of the Company during the year ended 31st March, 2014.

By Order of the Board

Dickson Poon
Group Executive Chairman

Hong Kong, 28th May, 2014

To the Shareholders of Dickson Concepts (International) Limited *(incorporated in Bermuda with limited liability)*

We have audited the consolidated accounts of Dickson Concepts (International) Limited (the "Company") and its subsidiary companies (together the "Group") set out on pages 43 to 96, which comprise the consolidated and company balance sheets as at 31st March, 2014, and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Accounts

The directors of the Company are responsible for the preparation of the consolidated accounts that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated accounts based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated accounts that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2014 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

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

Hong Kong, 28th May, 2014

	NOTE	**2014** *HK$'000*	2013 *HK$'000*
Turnover	2	**4,353,361**	4,126,217
Cost of sales		**(2,126,698)**	(1,894,662)
Gross profit		**2,226,663**	2,231,555
Other income	3	**16,285**	106,061
Selling and distribution expenses		**(1,682,861)**	(1,697,608)
Administrative expenses		**(282,776)**	(267,996)
Other operating expenses		**(105,190)**	(106,467)
Operating profit		**172,121**	265,545
Finance costs		**(1,430)**	(1,962)
Share of profits less losses of associated companies		**(1,525)**	4,253
Profit before taxation	4	**169,166**	267,836
Taxation	7	**(14,336)**	(38,559)
Profit for the year attributable to equity shareholders of the Company	8 & 23	**154,830**	229,277
Earnings per share (basic and diluted)	10	**41.0 cents**	61.6 cents

The notes on pages 49 to 96 form part of these accounts. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 9.

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**154,830**	229,277
Other comprehensive income for the year :		
Items that will not be reclassified to profit or loss :		
Remeasurement of net defined benefit liability (after tax)	**(159)**	—
Items that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of accounts of overseas subsidiary and associated companies (Note)	**874**	(4,744)
Other comprehensive income for the year	**715**	(4,744)
Total comprehensive income for the year attributable to equity shareholders of the Company	**155,545**	224,533

Note :-

There is no tax effect relating to this component of the other comprehensive income.

The notes on pages 49 to 96 form part of these accounts.

	NOTE	The Group 2014 HK$'000	The Group 2013 HK$'000	The Company 2014 HK$'000	The Company 2013 HK$'000
Non-current assets					
Fixed assets	11	**305,795**	381,868	**–**	–
Intangible asset	12	**94,330**	113,196	**–**	–
Goodwill		**–**	13,900	**–**	–
Subsidiary companies	13	**–**	–	**1,832,818**	1,832,818
Associated companies	14	**49,117**	57,807	**–**	–
Deferred tax assets	21(a)	**4,729**	6,363	**–**	–
Other financial assets	15	**224,443**	219,751	**–**	–
		678,414	792,885	**1,832,818**	1,832,818
Current assets					
Inventories	16	**968,299**	904,163	**–**	–
Debtors, deposits and prepayments	17	**356,674**	462,960	**169**	169
Tax recoverable	7(c)	**3,816**	1,993	**–**	–
Other financial assets	15	**291,624**	184,780	**–**	–
Cash and cash equivalents	18	**1,106,999**	1,120,215	**16,900**	15,025
		2,727,412	2,674,111	**17,069**	15,194
Current liabilities					
Bank loans	19	**95,453**	99,078	**–**	–
Bills payable		**17,194**	20,235	**–**	–
Creditors and accruals	20	**651,035**	783,444	**166**	173
Taxation	7(c)	**17,938**	22,673	**–**	–
		781,620	925,430	**166**	173
Net current assets		**1,945,792**	1,748,681	**16,903**	15,021
Total assets less current liabilities		**2,624,206**	2,541,566	**1,849,721**	1,847,839
Non-current liabilities					
Deferred tax liabilities	21(a)	**42,949**	40,950	**–**	–
Amount due to associated companies	14	**32,827**	30,752	**–**	–
Amount due to a subsidiary company	13	**–**	–	**780,375**	1,051,828
Net assets		**2,548,430**	2,469,864	**1,069,346**	796,011
Capital and reserves					
Share capital	22	**114,439**	111,693	**114,439**	111,693
Reserves	23	**2,433,991**	2,358,171	**954,907**	684,318
Total equity attributable to equity shareholders of the Company		**2,548,430**	2,469,864	**1,069,346**	796,011

Approved and authorised for issue by the Board of Directors on 28th May, 2014.

Dickson Poon
Group Executive Chairman

Raymond Lee
Deputy Chairman and Chief Executive Officer

The notes on pages 49 to 96 form part of these accounts.

	Attributable to equity shareholders of the Company				
	Share capital *HK$'000* (Note 22)	**Share premium** *HK$'000* (Note 23(a)(i))	**Exchange reserve** *HK$'000* (Note 23(a)(ii))	**Retained profits** *HK$'000*	**Total** *HK$'000*
At 1st April, 2013	**111,693**	**431,200**	**139,747**	**1,787,224**	**2,469,864**
Dividends approved / paid in respect of prior year (Note 9(b))					
- by means of cash	**–**	**–**	**–**	**(35,018)**	**(35,018)**
- by means of scrip dividend (Note 22)	**2,746**	**36,698**	**–**	**(39,444)**	**–**
Dividends declared / paid in respect of the current year (Note 9(a))					
- by means of cash	**–**	**–**	**–**	**(41,961)**	**(41,961)**
Profit for the year	**–**	**–**	**–**	**154,830**	**154,830**
Other comprehensive income for the year	**–**	**–**	**874**	**(159)**	**715**
At 31st March, 2014	**114,439**	**467,898**	**140,621**	**1,825,472**	**2,548,430**

The comparative figures for 2013 are set out as follows :-

	Attributable to equity shareholders of the Company				
	Share capital *HK$'000* (Note 22)	Share premium *HK$'000* (Note 23(a)(i))	Exchange reserve *HK$'000* (Note 23(a)(ii))	Retained profits *HK$'000*	Total *HK$'000*
At 1st April, 2012	111,693	431,200	144,491	1,673,364	2,360,748
Dividends approved / paid in respect of prior year (Note 9(b))					
- by means of cash	–	–	–	(74,462)	(74,462)
Dividends declared / paid in respect of the current year (Note 9(a))					
- by means of cash	–	–	–	(40,955)	(40,955)
Profit for the year	–	–	–	229,277	229,277
Other comprehensive income for the year	–	–	(4,744)	–	(4,744)
At 31st March, 2013	111,693	431,200	139,747	1,787,224	2,469,864

The notes on pages 49 to 96 form part of these accounts.

	2014		2013	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Operating activities				
Profit before taxation	**169,166**		267,836	
Adjustments for :-				
Depreciation	**133,904**		141,359	
Impairment loss on fixed assets written back	**(20,720)**		—	
Impairment loss on goodwill	**13,900**		—	
Amortisation of intangible asset	**18,866**		18,866	
Interest income	**(11,088)**		(8,780)	
Interest expenses	**1,430**		1,962	
Share of profits less losses of associated companies	**1,525**		(4,253)	
Loss on disposal of fixed assets	**9,986**		4,533	
Net gains from financial assets designated at fair value through profit or loss	**(12,232)**		(23,786)	
Operating profit before changes in working capital	**304,737**		397,737	
(Increase) / decrease in inventories	**(64,136)**		27,595	
Decrease / (increase) in debtors, deposits and prepayments	**105,178**		(72,256)	
Decrease in bills payable	**(3,041)**		(7,565)	
(Decrease) / increase in creditors and accruals	**(131,771)**		109,912	
Increase in amount due to associated companies	**2,075**		24,002	
Effect of foreign exchange rate changes	**(3,764)**		(2,665)	
Cash generated from operations	**209,278**		476,760	
Hong Kong profits tax paid (net)	**(3,207)**		(1,373)	
Overseas tax paid (net)	**(14,060)**		(19,975)	
Net cash generated from operating activities		**192,011**		455,412
Investing activities				
Payment for purchase of fixed assets	**(98,852)**		(144,699)	
Payment for purchase of other financial assets	**(315,392)**		(75,738)	
Proceeds from sale of fixed assets	**49,938**		569	
Proceeds from redemption of other financial assets	**179,856**		—	
Interest received	**49,068**		40,453	
Dividend received from an associated company	**7,650**		1,579	
Net cash used in investing activities		**(127,732)**		(177,836)

	2014		2013	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financing activities				
Repayment of bank loans	**(68,628)**		—	
Proceeds from new bank loans	**66,500**		23,121	
Interest paid	**(1,430)**		(1,962)	
Dividends paid	**(76,979)**		(115,417)	
Net cash used in financing activities		**(80,537)**		(94,258)
Net (decrease) / increase in cash and cash equivalents		**(16,258)**		183,318
Cash and cash equivalents at 1st April		**1,120,215**		937,948
Effect of foreign exchange rate changes		**3,042**		(1,051)
Cash and cash equivalents at 31st March (Note a)		**1,106,999**		1,120,215

Note :-

a. Cash and cash equivalents at 31st March

Cash and cash equivalents represent cash at bank and on hand at the end of the year.

The notes on pages 49 to 96 form part of these accounts.

1. PRINCIPAL ACCOUNTING POLICIES

These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These accounts also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These accounts also comply 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"). A summary of the principal accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Group and the Company. The adoption of the new and revised HKFRSs has no significant impact to the consolidated accounts of the Group for the years ended 31st March, 2014 and 31st March, 2013 respectively.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 31).

(a) Basis of preparation of the accounts

The consolidated accounts for the year ended 31st March, 2014 comprise the Company and its subsidiary companies (together referred to as "the Group") and the Group's interest in associated companies.

The measurement basis used in the preparation of the accounts is the historical cost basis except the financial assets designated at fair value through profit or loss (Note 1(e)), available-for-sale equity securities (Note 1(e)) and derivative financial instruments (Note 1(f)).

The preparation of accounts in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the accounts and estimates are discussed in Note 30.

1. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

(b) Subsidiary companies and non-controlling interests

Subsidiary companies are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary company is consolidated into the consolidated accounts from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated accounts. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary company not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interest either at fair value or at their proportionate share of the subsidiary company's net identifiable assets.

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated profit and loss account and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary company that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary company, it is accounted for as a disposal of the entire interest in that subsidiary company, with a resulting gain or loss being recognised in the consolidated profit and loss account. Any interest retained in that former subsidiary company at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 1(e)) or, when appropriate, the cost on initial recognition of an investment in an associated company (see Note 1(c)).

In the Company's balance sheet an investment in a subsidiary company is stated at cost less impairment losses (see Note 1(i)).

(c) Associated companies

An associated company is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

1. *PRINCIPAL ACCOUNTING POLICIES* *(cont'd)*

(c) Associated companies *(cont'd)*

An investment in an associated company is accounted for in the consolidated accounts under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 1(d) and (i)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated profit and loss account, whereas the Group's share of the post-acquisition, post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associated company, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associated company.

Unrealised profits and losses resulting from transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated profit and loss account.

When the Group ceases to have significant influence over an associated company, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the consolidated profit and loss account. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 1(e)).

(d) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in the consolidated profit and loss account as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 1(i)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

(e) Other financial assets

The Group's other financial assets represent financial assets designated at fair value through profit or loss, and available-for-sale financial assets.

Other financial assets are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets.

Financial instruments are designated at fair value through profit or loss upon initial recognition when the assets or liabilities are managed, evaluated and reported internally on a fair value basis. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividends or interest earned on these investments.

Financial instruments which do not fall into the above category are classified as available-for-sale financial assets. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. Dividend income from these investments is recognised in profit or loss. When the investments are derecognised or impaired, the cumulative gain or loss recognised in equity is reclassified to profit or loss.

Other financial assets are recognised / derecognised on the date the Group commits to purchase / sell the investments or they expire.

(f) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in the consolidated profit and loss account, except where the derivative financial instruments qualify for cash flow hedge accounting, in which case any resultant gain or loss is recognised in other comprehensive income and accumulated separately in equity to the extent that the hedge is effective and until the hedged transaction occurs. The ineffective portion of any gain or loss and any other changes in fair value of derivative financial instruments are recognised in the consolidated profit and loss account.

(g) Fixed assets and depreciation

Fixed assets are stated at cost less aggregate depreciation and impairment losses (see Note 1(i)).

Depreciation is calculated to write off the cost of items of fixed assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows :-

Leasehold land and buildings	50 years or the remaining lease term whichever is shorter
Leasehold improvements	4 - 10 years or the remaining lease term whichever is shorter
Furniture, fixtures, equipment and others	3 - 10 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the consolidated profit and loss account on the date of retirement or disposal.

Restoration costs are provided for and included in fixed assets and charged to the consolidated profit and loss account on a straight-line basis over the lease terms.

1. *PRINCIPAL ACCOUNTING POLICIES* *(cont'd)*

(h) Intangible asset

Intangible asset acquired by the Group is stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 1(i)).

Amortisation of intangible asset with a finite useful life is charged to the consolidated profit and loss account on a straight-line basis over the asset's estimated useful life. The intangible asset, being the exclusive distribution rights, with finite useful life is amortised from the date it is available for use. On 31st March, 2010, the remaining useful life of the exclusive distribution rights was extended from 4 years to 9 years.

(i) Impairment of assets

(i) Impairment of trade and other receivables and other financial assets

Trade and other receivables that are stated at cost or amortised cost and other financial assets that are classified as available-for-sale financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events :-

— significant financial difficulty of the debtor, issuer or obligor;
— a breach of contract, such as a default or delinquency in interest or principal payments;
— it becoming probable that the debtor, issuer or obligor will enter bankruptcy or other financial reorganisation;
— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor, issuer or obligor; and
— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, the impairment loss for trade and other receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the consolidated profit and loss account. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

The impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the consolidated profit and loss account.

For available-for-sale financial assets, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

1. *PRINCIPAL ACCOUNTING POLICIES* *(cont'd)*

(i) Impairment of assets *(cont'd)*

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased :-

— fixed assets;
— intangible asset;
— investments in subsidiary and associated companies; and
— goodwill.

If any such indication exists, the recoverable amount of the asset is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in the consolidated profit and loss account if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the carrying amount of the asset that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated profit and loss account in the year in which the reversals are recognised.

1. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

(i) Impairment of assets *(cont'd)*

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 1(i)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the FIFO method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

1. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

(k) Leased assets *(cont'd)*

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the consolidated profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the consolidated profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the consolidated profit and loss account in the accounting period in which they are incurred.

(l) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using effective interest method less allowance for impairment of doubtful debts (see Note 1(i)(i)), except where the receivables are interest free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated profit and loss account over the period of the borrowings, together with any interest and fee payable, using the effective interest method.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(p) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement schemes

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement schemes, including those payable in China, Taiwan and Hong Kong under relevant legislation, and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

(p) Employee benefits *(cont'd)*

(ii) Defined benefit retirement scheme obligations

The Group's net obligation in respect of defined benefit retirement schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine the present value and the fair value of any scheme assets is deducted. The calculation is performed by an independent qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognised in profit or loss and allocated by function as part of "selling and distribution expenses" or "administrative expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(q) Income tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the consolidated profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly to equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

(ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

(q) Income tax *(cont'd)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (providing they are not part of a business combination), and temporary differences relating to investments in subsidiary companies to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met :-

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either :-

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1. PRINCIPAL ACCOUNTING POLICIES *(cont'd)*

(r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specific payments to reimburse the beneficiary of the guarantee ("the holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within creditors and accruals. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's accounting policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the consolidated profit and loss account on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in the consolidated profit and loss account over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 1(r)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee; and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in creditors and accruals in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated profit and loss account as follows :-

(i) Sales of goods and income from sale of concession and consigned goods

Revenue and income are recognised when goods are sold and the related risks and rewards of ownership of the goods have been transferred to the customers. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Royalty income

Royalty income is accrued on a time proportioned basis over the term of the royalty agreement.

(iv) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

1. *PRINCIPAL ACCOUNTING POLICIES* *(cont'd)*

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange differences are recognised in the consolidated profit and loss account.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the closing foreign exchange rates at the balance sheet date. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to consolidated profit and loss account when the profit or loss on disposal is recognised.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

1. *PRINCIPAL ACCOUNTING POLICIES (cont'd)*

(v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person :-

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies :-

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary company is related to the others);

(ii) one entity is an associated company or joint venture of the other entity (or an associated company or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associated company of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

An operating segment is a component of the Group that engages in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. For the periods presented, management has determined that the Group has a single reportable segment as the Group is only engaged in the sale of luxury goods.

1. *PRINCIPAL ACCOUNTING POLICIES* *(cont'd)*

(x) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's accounts :-

- Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income
- HKFRS 10, Consolidated financial statements
- HKFRS 13, Fair value measurement
- Revised HKAS 19, Employee benefits

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these accounts has been modified accordingly.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and Hong Kong (SIC) Interpretation 12 *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1st April, 2013.

1. *PRINCIPAL ACCOUNTING POLICIES* *(cont'd)*

(x) Changes in accounting policies *(cont'd)*

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments.

The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Revised HKAS 19, Employee benefits

Revised HKAS 19 introduces a number of amendments to the accounting for defined benefit plans. Among them, revised HKAS 19 eliminates the "corridor method" under which the recognition of actuarial gains and losses relating to defined benefit schemes could be deferred and recognised in profit or loss over the expected average remaining service lives of employees. Under the revised standard, all actuarial gains and losses are required to be recognised immediately in other comprehensive income. Revised HKAS 19 also changed the basis for determining income from plan assets from expected return to interest income calculated at the liability discount rate, and requires immediate recognition of past service cost, whether vested or not.

The adoption of revised HKAS 19 does not have any material impact on the Group's net defined benefit retirement obligation.

2. *TURNOVER / SEGMENTAL INFORMATION*

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are set out on pages 92 to 96.

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 reportable segment which is the sale of luxury goods. Accordingly, the segment information for this sole operating segment is equivalent to the consolidated figures.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

	2014	2013
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**2,768,429**	2,473,854
Taiwan	**736,477**	725,224
China	**394,922**	507,850
Singapore / Malaysia	**351,882**	332,306
Other territories (Mainly Asia)	**101,651**	86,983
	1,584,932	1,652,363
Total	**4,353,361**	4,126,217

The following table sets out information about the geographical location of the Group's fixed assets, intangible asset, goodwill and interests in associated companies. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets, the location of the operation to which they are allocated, in the case of intangible asset and goodwill, and the location of operations, in the case of interests in associated companies.

	2014	2013
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**304,417**	386,256
Taiwan	**65,148**	87,493
China	**51,979**	61,920
Singapore / Malaysia	**23,455**	29,410
Other territories (Mainly Asia)	**4,243**	1,692
	144,825	180,515
Total	**449,242**	566,771

Information about major customers

The Group sells goods to numerous individual customers without concentration of reliance. There is no disclosable information of major customers under HKFRS 8, *Operating segments*.

3. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Interest income	**11,088**	8,780
Loss on disposal of fixed assets	**(9,986)**	(4,533)
Net foreign exchange gain	**2,951**	448
Realised and unrealised gains from financial assets designated at fair value through profit or loss :-		
— interest income	**21,470**	22,132
— net fair value (loss) / gain	**(9,238)**	1,654
Other income (Note)	**–**	77,580
	16,285	106,061

Note :-

Other income in prior year represented an amount received by the Group for the sale of an apparel and accessories distribution licence back to the principal.

4. PROFIT BEFORE TAXATION

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation is arrived at after charging / (crediting) :-		
Amortisation of intangible asset (Note 12)	**18,866**	18,866
Auditors' remuneration		
— audit services	**5,107**	5,213
— other services	**78**	58
Cost of inventories (Note 16)	**2,132,766**	1,899,869
Depreciation (Note 11)	**133,904**	141,359
Impairment loss on fixed assets written back on disposal (Note 11)	**(20,720)**	–
Impairment loss on trade debtors (written back) / recognised (Note 17(b))	**(727)**	920
Impairment loss on goodwill (Note)	**13,900**	–
Interest on bank overdrafts and loans repayable within five years	**1,430**	1,962
Operating lease charges for hire of plant and machinery, and other assets	**2,958**	2,394
Operating lease charges in respect of land and buildings		
— minimum lease payments	**599,410**	551,298
— contingent rent	**219,809**	201,337
Staff costs	**598,599**	638,914
Including :-		
Contributions to defined contribution retirement schemes	**30,212**	29,687
Expenses recognised in respect of defined benefit retirement scheme	**212**	284

Note :-

Impairment loss on goodwill of HK$13,900,000 was recognised and charged to the consolidated profit and loss account in respect of a business which ceased operations during the year ended 31st March, 2014.

5. *DIRECTORS' REMUNERATION*

Directors' remuneration disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows :-

	Directors' fees *HK$'000*	**Salaries, allowances and benefits in kind** *HK$'000*	**Discretionary bonuses** *HK$'000*	**Retirement scheme contributions** *HK$'000*	**2014 Total** *HK$'000*
Executive directors					
Dickson Poon	**10**	**5,191**	**4,000**	**15**	**9,216**
Raymond Lee	**10**	**4,117**	**6,250**	**15**	**10,392**
Chan Tsang Wing, Nelson	**10**	**4,004**	**5,600**	**15**	**9,629**
Chan Hon Chung, Johnny Pollux	**10**	**1,507**	**1,590**	**15**	**3,122**
Lau Yu Hee, Gary	**10**	**2,026**	**222**	**15**	**2,273**
Ng Chan Lam	**10**	**870**	**550**	**8**	**1,438**
Tsang Chi Kin	**–**	**828**	**–**	**4**	**832**
Independent non-executive directors					
Bhanusak Asvaintra	**225**	**–**	**–**	**–**	**225**
Nicholas Peter Etches	**225**	**–**	**–**	**–**	**225**
Christopher Patrick Langley, OBE	**223**	**–**	**–**	**–**	**223**
Leung Kai Hung, Michael	**–**	**–**	**–**	**–**	**–**
	733	**18,543**	**18,212**	**87**	**37,575**

	Directors' fees *HK$'000*	Salaries, allowances and benefits in kind *HK$'000*	Discretionary bonuses *HK$'000*	Retirement scheme contributions *HK$'000*	2013 Total *HK$'000*
Executive directors					
Dickson Poon	10	4,977	5,000	15	10,002
Raymond Lee	10	3,979	6,250	15	10,254
Chan Tsang Wing, Nelson	10	3,835	6,200	15	10,060
Chan Hon Chung, Johnny Pollux	–	1,249	1,400	15	2,664
Lau Yu Hee, Gary	10	1,941	55	15	2,021
Ng Chan Lam	10	822	550	15	1,397
Independent non-executive directors					
Bhanusak Asvaintra	225	–	–	–	225
Nicholas Peter Etches	225	–	–	–	225
Christopher Patrick Langley, OBE	225	–	–	–	225
	725	16,803	19,455	90	37,073

6. *REMUNERATION OF THE FIVE HIGHEST PAID INDIVIDUALS*

Among the five highest paid individuals, four (2013 : three) are directors whose remuneration is disclosed in Note 5. Details of the remuneration of the other (2013 : two) highest paid individual are as follows :-

	2014	2013
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**1,926**	4,431
Discretionary bonuses	**1,909**	2,601
Retirement scheme contributions	**15**	29
	3,850	7,061

The remuneration of the one (2013 : two) individual falls within the following bands :-

	2014	2013
	Number of individuals	*Number of individuals*
HK$3,000,001 – 3,500,000	**–**	1
HK$3,500,001 – 4,000,000	**1**	1
	1	2

7. *TAXATION*

(a) Taxation in the consolidated profit and loss account represents :-

	2014	2013
	HK$'000	*HK$'000*
Current tax - Hong Kong Profits Tax		
Provision for the year	**4,444**	13,993
Over-provision in respect of prior years	**(4,783)**	(341)
	(339)	13,652
Current tax - Overseas		
Provision for the year	**10,863**	18,906
Under-provision in respect of prior years	**270**	53
	11,133	18,959
Deferred tax		
Origination and reversal of temporary differences	**3,542**	5,948
Total income tax expense	**14,336**	38,559

The provision for Hong Kong Profits Tax for 2014 is calculated at 16.5 per cent. (2013 : 16.5 per cent.) of the estimated assessable profits for the year.

Taxation for overseas subsidiary companies is charged at the appropriate current rates of taxation ruling in the relevant countries.

7. *TAXATION* *(cont'd)*

(b) Reconciliation between tax expense and accounting profit at applicable tax rates :-

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation	**169,166**	267,836
Notional tax on accounting profit calculated at applicable tax rates	**29,746**	43,719
Tax effect of non-deductible expenses	**5,995**	20,599
Tax effect of non-taxable revenue	**(28,227)**	(26,535)
Tax effect of prior years' tax losses utilised this year	**(20,208)**	(20,034)
Tax effect of temporary differences not recognised	**5,969**	1,781
Tax effect of unused tax losses not recognised	**25,574**	19,317
Over-provision in prior years	**(4,513)**	(288)
Actual tax expenses	**14,336**	38,559

(c) None of the taxation payable / recoverable in the balance sheet is expected to be settled after more than one year.

8. *PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY*

The consolidated profit attributable to equity shareholders of the Company includes a profit of HK$114,000 (2013 : HK$82,000) which has been dealt with in the accounts of the Company.

9. *DIVIDENDS*

(a) Dividends payable to equity shareholders of the Company attributable to the year :-

	2014	2013
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK11.0 cents (2013 : HK11.0 cents) per ordinary share	**41,961**	40,955
Final dividend proposed after the balance sheet date of HK20.0 cents (2013 : HK20.0 cents) per ordinary share	**76,293**	74,462

The final dividend proposed after the balance sheet date have not been recognised as liabilities at the balance sheet date.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year :-

	2014	2013
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK20.0 cents (2012 : HK20.0 cents) per ordinary share	**74,462**	74,462

10. *EARNINGS PER SHARE*

The calculation of basic and diluted earnings per share in the current year is based on the profit attributable to ordinary equity shareholders of the Company of HK$154,830,000 (2013 : HK$229,277,000) and the weighted average number of 377,676,990 ordinary shares (2013 : 372,311,338 ordinary shares) in issue during the year.

Weighted average number of ordinary shares

	2014	2013
	Number of shares	Number of shares
	Thousands	*Thousands*
Issued ordinary shares at 1st April	**372,311**	372,311
Effect of scrip dividend (Note 22)	**5,366**	—
Weighted average number of ordinary shares at 31st March	**377,677**	372,311

11. *FIXED ASSETS*

The Group

	Land and buildings *HK$'000*	Leasehold improvements *HK$'000*	Furniture, fixtures, equipment and others *HK$'000*	Total *HK$'000*
Cost :-				
At 1st April, 2013	**108,872**	**515,630**	**360,407**	**984,909**
Exchange difference	**–**	**(2,344)**	**69**	**(2,275)**
Additions	**–**	**67,011**	**31,841**	**98,852**
Disposals	**–**	**(100,970)**	**(61,441)**	**(162,411)**
At 31st March, 2014	**108,872**	**479,327**	**330,876**	**919,075**
Aggregate depreciation :-				
At 1st April, 2013	**43,461**	**325,109**	**234,471**	**603,041**
Exchange difference	**–**	**(1,950)**	**52**	**(1,898)**
Charge for the year	**2,586**	**90,159**	**41,159**	**133,904**
Impairment loss written back on disposal	**–**	**(20,199)**	**(521)**	**(20,720)**
Written back on disposals	**–**	**(58,564)**	**(42,483)**	**(101,047)**
At 31st March, 2014	**46,047**	**334,555**	**232,678**	**613,280**
Net book value :-				
At 31st March, 2014	**62,825**	**144,772**	**98,198**	**305,795**
Cost :-				
At 1st April, 2012	108,872	483,618	291,137	883,627
Exchange difference	–	(523)	(327)	(850)
Additions	–	59,835	84,864	144,699
Disposals	–	(27,300)	(15,267)	(42,567)
At 31st March, 2013	108,872	515,630	360,407	984,909
Aggregate depreciation :-				
At 1st April, 2012	40,875	249,692	209,148	499,715
Exchange difference	–	(316)	(252)	(568)
Charge for the year	2,586	100,195	38,578	141,359
Written back on disposals	–	(24,462)	(13,003)	(37,465)
At 31st March, 2013	43,461	325,109	234,471	603,041
Net book value :-				
At 31st March, 2013	65,411	190,521	125,936	381,868

11. *FIXED ASSETS* *(cont'd)*

Net book value of land and buildings comprises :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Long-term leases in Hong Kong	**30,796**	32,294
Medium-term lease in Hong Kong	**32,029**	33,117
	62,825	65,411

12. *INTANGIBLE ASSET*

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Cost :-		
At 1st April and 31st March	**322,607**	322,607
Accumulated amortisation :-		
At 1st April	**209,411**	190,545
Amortisation for the year	**18,866**	18,866
At 31st March	**228,277**	209,411
Net book value :-		
At 31st March	**94,330**	113,196

The intangible asset represents the exclusive distribution rights for "Tommy Hilfiger" apparel and other approved merchandise in Hong Kong, Taiwan, Singapore, Malaysia and Macau.

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

13. SUBSIDIARY COMPANIES

	The Company	
	2014	2013
	HK$'000	*HK$'000*
Unlisted shares, at cost	**1,863,753**	1,863,753
Less : impairment loss	**(30,935)**	(30,935)
	1,832,818	1,832,818

Particulars of principal subsidiary companies are set out on pages 92 to 96.

Amount due to a subsidiary company is interest free, unsecured and has no fixed term of repayment.

14. ASSOCIATED COMPANIES

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Share of net assets	**49,117**	57,807

Aggregate information of associated companies that are not individually material :

	The Group	
	2014	2013
	HK$'000	HK$'000
Aggregate carrying amount of individually immaterial associated company in the consolidated accounts	**49,117**	57,807
Aggregate amounts of the Group's share of those associated companies		
Profit or loss from continuing operations	**(816)**	4,253
Post-tax profit or loss from discontinued operations	**(709)**	–
Dividend received	**(7,650)**	–
Other comprehensive income	**485**	–
Total comprehensive income	**(1,040)**	4,253

Particulars of a principal associated company are set out on pages 92 to 96.

Amount due to associated companies is interest free, unsecured and has no fixed term of repayment.

15. *OTHER FINANCIAL ASSETS*

Other financial assets comprise :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Non-current assets		
Listed debt securities designated at fair value through profit or loss	**69,249**	219,751
Unlisted available-for-sale equity securities	**155,194**	—
	224,443	219,751
Current assets		
Listed debt securities designated at fair value through profit or loss	**291,624**	184,780
	516,067	404,531

16. *INVENTORIES*

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Inventories comprise :-		
Finished goods	**951,943**	888,390
Raw materials	**16,356**	15,773
	968,299	904,163

The analysis of the amount of inventories recognised as an expense is as follows :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**2,126,698**	1,894,662
Write-down of inventories	**6,068**	5,207
	2,132,766	1,899,869

The write-down of inventories made during the year was due to a decrease in net realisable value of certain merchandise held for sale as a result of a change in consumer preferences.

17. DEBTORS, DEPOSITS AND PREPAYMENTS

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Trade debtors	**147,815**	196,187
Less : allowance for doubtful debts (Note 17(b))	**(14,648)**	(16,567)
	133,167	179,620
Other debtors	**223,507**	283,340
	356,674	462,960

All debtors, deposits and prepayments of the Group, apart from certain rental deposits totalling HK$156,276,000 (2013 : HK$149,607,000), are expected to be recovered or recognised as an expense within one year.

(a) Ageing analysis

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

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Current	**124,477**	171,390
1 to 30 days overdue	**1,849**	2,436
31 to 60 days overdue	**369**	2,576
Over 60 days overdue	**6,472**	3,218
Amounts overdue	**8,690**	8,230
	133,167	179,620

Trade debtors are due within 30 to 90 days from the date of billing. Further details on the Group's credit policy are set out in Note 28(a).

17. DEBTORS, DEPOSITS AND PREPAYMENTS *(cont'd)*

(b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see Note 1(i)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
At 1st April	**16,567**	15,739
Exchange difference	**74**	(92)
Impairment loss (written back) / recognised	**(727)**	920
Bad debts written off	**(1,266)**	—
At 31st March	**14,648**	16,567

At 31st March, 2014, the Group's trade debtors of HK$14,648,000 (2013 : HK$16,567,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that none or only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of HK$14,648,000 (2013 : HK$16,567,000) were recognised. The Group does not hold any collateral over these balances.

(c) Trade debtors that are not impaired

The ageing analysis of trade debtors that are overdue but neither individually nor collectively considered to be impaired are as follows :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
1 to 30 days overdue	**1,849**	2,436
31 to 60 days overdue	**369**	2,576
Over 60 days overdue	**6,472**	3,218
	8,690	8,230

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

18. CASH AND CASH EQUIVALENTS

The effective deposit interest rates at the balance sheet date for the Group and the Company are 1.04 per cent. (2013 : 0.89 per cent.) and Nil (2013 : Nil) respectively. Their refixing dates are all within one year.

19. BANK LOANS

At the balance sheet date, the bank loans were repayable within one year and were secured as follows : -

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Secured	**44,958**	–
Unsecured	**50,495**	99,078
	95,453	99,078

At the balance sheet date, the banking facilities of a subsidiary company were secured by a charge over certain debt securities with carrying value of HK$69,038,000 (2013 : Nil).

The effective borrowing interest rate at the balance sheet date for the Group is 1.37 per cent. (2013 : 1.97 per cent.) and its refixing date is within one year.

20. CREDITORS AND ACCRUALS

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Trade creditors	**213,967**	265,572
Amount due to an associated company	**583**	1,768
Net defined benefit liability	**1,527**	1,285
Other creditors and accruals	**434,958**	514,819
	651,035	783,444

Included in creditors and accruals are trade creditors with the following ageing analysis based on due date as at the balance sheet date :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Current	**205,578**	251,603
1 to 30 days overdue	**4,452**	7,677
31 to 60 days overdue	**2,571**	4,128
Over 60 days overdue	**1,366**	2,164
	213,967	265,572

The amount of the Group's creditors and accruals expected to be settled after more than one year is HK$54,131,000 (2013 : HK$42,829,000).

21. *DEFERRED TAXATION*

(a) Net deferred tax (assets) / liabilities recognised in the consolidated balance sheet :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Deferred tax assets	**(4,729)**	(6,363)
Deferred tax liabilities	**42,949**	40,950
	38,220	34,587

The Group

The components of deferred tax (assets) / liabilities recognised in the consolidated balance sheet and the movements during the year are as follows :-

Deferred tax arising from :-	**Depreciation allowances in excess of the related depreciation** ***HK$'000***	**Future benefit of tax losses** ***HK$'000***	**Undistributed profits of subsidiary and associated companies** ***HK$'000***	**Other temporary differences** ***HK$'000***	**Total** ***HK$'000***
At 1st April, 2013	**137**	**(250)**	**38,447**	**(3,747)**	**34,587**
Exchange difference	**–**	**–**	**–**	**102**	**102**
Charged / (credited) to the consolidated profit and loss account	**2,760**	**111**	**1,760**	**(1,089)**	**3,542**
Credited to reserve	**–**	**–**	**–**	**(11)**	**(11)**
At 31st March, 2014	**2,897**	**(139)**	**40,207**	**(4,745)**	**38,220**
At 1st April, 2012	660	(229)	36,615	(8,450)	28,596
Exchange difference	–	–	–	43	43
Charged / (credited) to the consolidated profit and loss account	(523)	(21)	1,832	4,660	5,948
At 31st March, 2013	137	(250)	38,447	(3,747)	34,587

21. DEFERRED TAXATION *(cont'd)*

(b) Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Deductible temporary differences	**11,970**	10,063
Future benefit of tax losses	**165,372**	166,564
	177,342	176,627

The Group has not recognised deferred tax assets in respect of tax losses of certain subsidiary companies as it is not probable that the subsidiary companies will generate sufficient future taxable profits against which the accumulated tax losses may be offset in the foreseeable future. HK$103,266,000 (2013 : HK$93,603,000) future benefit of tax losses will expire within a range of 1 to 6 years from 1st April, 2014. The remaining balance of tax losses has no expiry date under current tax legislation.

(c) Deferred tax liabilities not recognised

At 31st March, 2014, temporary differences relating to the undistributed profits of a subsidiary company amounted to HK$248,835,000 (2013 : HK$248,408,000). Deferred tax liabilities of HK$23,952,000 (2013 : HK$23,955,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of this subsidiary company and that it is probable that retained profits will not be distributed in the foreseeable future.

22. SHARE CAPITAL

	2014		2013	
	Number of shares	**Nominal value**	Number of shares	Nominal value
	Thousands	***HK$'000***	*Thousands*	*HK$'000*
Authorised :-				
Ordinary shares of HK$0.30 each	**518,000**	**155,400**	518,000	155,400
Issued and fully paid :-				
Ordinary shares of HK$0.30 each				
Balance brought forward	**372,311**	**111,693**	372,311	111,693
New ordinary shares issued under scrip dividend scheme	**9,152**	**2,746**	–	–
Balance carried forward	**381,463**	**114,439**	372,311	111,693

During the year ended 31st March, 2014, 9,151,696 new fully paid ordinary shares were issued and allotted at HK$4.31 per share to the shareholders who elected to receive new ordinary shares in lieu of cash pursuant to the scrip dividend scheme in relation to the final dividend for the year ended 31st March, 2013.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. SHARE CAPITAL *(cont'd)*

Notes :-

At no time during the year ended 31st March, 2014 was there any purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's ordinary shares.

On 26th August, 2003 ("the Old Adoption Date"), the Company adopted a share option scheme ("the Old Share Option Scheme"). In view of the expiration of the Old Share Option Scheme on 25th August, 2013 and in order to enable the continuity of the share option scheme of the Company, the Company adopted a new share option scheme ("the New Share Option Scheme") and terminated the Old Share Option Scheme by an ordinary resolution passed at the annual general meeting of the Company held on 18th July, 2013 ("the New Adoption Date").

Pursuant to the Old Share Option Scheme and the New Share Option Scheme (together "the Schemes"), the board of directors ("the Board") may offer to grant an option to any current employee (including executive directors, non-executive directors and independent non-executive directors) of the Company and / or any of its subsidiary companies ("the Participant") to subscribe for shares of the Company. The Schemes serve to recognise the contribution of the employees to the growth of the Group and to provide incentives for their contribution to the future success of the Group.

The total number of shares which may be issued upon exercise of all options to be granted under the Old Share Option Scheme or the New Share Option Scheme and any other schemes of the Company (excluding options lapsed in accordance with any other schemes of the Company) must not in aggregate exceed 10 per cent. of the shares in issue at the Old Adoption Date or the New Adoption Date respectively. The aforesaid 10 per cent. limit may be increased to 30 per cent. of the shares in issue from time to time by refreshment and separate approval by the shareholders of the Company in general meeting.

The total number of shares issued and to be issued upon exercise of the options granted to each Participant (included exercised, cancelled and outstanding options) under the Old Share Option Scheme or the New Share Option Scheme in any 12-month period must not exceed 1 per cent. of the shares in issue unless approved by the shareholders of the Company in general meeting.

Under the Old Share Option Scheme or the New Share Option Scheme, an option may be exercised at any time during such option period as the Board may in its absolute discretion determine, save that such period shall not expire later than 10 years after the date of grant of the option. The Old Share Option Scheme was terminated on 18th July, 2013. The New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the New Adoption Date, i.e. until 17th July, 2023.

The Board may at its discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto additional to those set forth in the Old Share Option Scheme or the New Share Option Scheme as it may think fit (to be stated in the letter containing the offer of the grant of the option). Unless otherwise specified in the letter offering the grant of an option, no performance target is required to be achieved and no minimum period for which an option must be held before an option or part thereof can be exercised.

An offer of the grant of an option under the Old Share Option Scheme or the New Share Option Scheme shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the relevant Participant together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company.

Under the Old Share Option Scheme or the New Share Option Scheme, the subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but shall be at least the higher of :-

(a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of grant of the option;

(b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and

(c) the nominal value of the shares.

As at 31st March, 2014, no share options had been granted to any of the directors or employees of the Company or any of its subsidiary companies under the Old Share Option Scheme or the New Share Option Scheme respectively.

23. *CAPITAL AND RESERVES*

The Group

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity on page 46.

The Company

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below :-

	Share capital *HK$'000*	Share premium *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 1st April, 2013	**111,693**	**431,200**	**253,118**	**796,011**
Dividends approved / paid in respect of prior year (Note 9(b))				
- by means of cash	**–**	**–**	**(35,018)**	**(35,018)**
- by means of scrip dividend (Note 22)	**2,746**	**36,698**	**(39,444)**	**–**
Dividends declared / paid in respect of the current year (Note 9(a))				
- by means of cash	**–**	**–**	**(41,961)**	**(41,961)**
Profit for the year (Note 8)	**–**	**–**	**350,314**	**350,314**
At 31st March, 2014	**114,439**	**467,898**	**487,009**	**1,069,346**
At 1st April, 2012	111,693	431,200	368,453	911,346
Dividends approved / paid in respect of prior year (Note 9(b))				
- by means of cash	–	–	(74,462)	(74,462)
Dividends declared / paid in respect of the current year (Note 9(a))				
- by means of cash	–	–	(40,955)	(40,955)
Profit for the year (Note 8)	–	–	82	82
At 31st March, 2013	111,693	431,200	253,118	796,011

(a) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Bermuda Companies Act 1981 and the New Bye-Laws of the Company.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the accounts of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 1(t).

(b) Distributability of reserves

The distributable reserves of the Company at 31st March, 2014 amounted to HK$487,009,000 (2013 : HK$253,118,000).

23. CAPITAL AND RESERVES *(cont'd)*

(c) Capital management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern as well as maximising returns for shareholders and benefits for other stakeholders.

The Group's strategy is to maintain a prudent gearing ratio and a solid base to support the operations and development of its business in the long term. No changes were made in the objectives, policies or processes during the years ended 31st March, 2014 and 31st March, 2013 respectively.

At 31st March, 2014, the Group had bank loans amounting to HK$95,453,000 (2013 : HK$99,078,000). The gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is Nil (as at 31st March, 2013 : Nil).

The Group's capital structure is as follows :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Total equity	**2,548,430**	2,469,864

Neither the Company nor any of its subsidiary companies are subject to externally imposed capital requirements.

24. 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 :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Purchases of goods	**19,302**	8,589
Income from the provision of management and supporting service	**–**	190

There were no amount due from these associated companies at 31st March, 2014 (2013 : Nil) and the amount due to these associated companies at 31st March, 2014 amounted to HK$33,411,000 (2013 : HK$32,520,000), which is interest free and unsecured. Except for the amount of HK$32,827,000 (2013 : HK$30,752,000) which has no fixed term of repayment, the balance has repayment term of 30 days.

24. *MATERIAL RELATED PARTY TRANSACTIONS* *(cont'd)*

(b) Transactions with companies in which a director of the Company has beneficial interests :-

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Sales of goods	**18,986**	28,144
Purchases of goods	**21,475**	5,566
Management and supporting service expenses	**77**	112
Income from the provision of management and supporting service	**11,698**	14,337
Rental expenses	**1,484**	2,583
Rental income	**18,887**	18,338
Advertising and promotion service expenses	**14,453**	12,118
Commission expenses	**21,370**	24,316

The amount due from these companies at 31st March, 2014 amounted to HK$10,145,000 (2013 : HK$14,716,000) and the amount due to these companies at 31st March, 2014 amounted to HK$13,122,000 (2013 : HK$9,463,000), which are interest free, unsecured and have repayment terms ranging from 20 days to 90 days.

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of Note 24(b) above that constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules and required disclosures under Chapter 14A of the Listing Rules are provided in "Continuing Connected Transactions" section of the Report of the Directors on pages 22 to 27.

25. *EMPLOYEE RETIREMENT BENEFITS*

(a) Defined benefit retirement scheme

The Group makes contributions to a defined benefit retirement scheme which covers certain employees of the Group's Taiwan operation. The scheme is administered by independent trustees with their assets held separately from those of the Group. The scheme is funded by contributions from the Group as determined and approved by the relevant government authorities. The latest independent actuarial valuation of the scheme was at 31st March, 2014 and was prepared by Dr. Magic Lin, Actuary, EA, A.S.A., FAIRC, Ph.D.. The Group has contributed HK$107,000 (2013 : HK$116,000) to the scheme.

The present value of obligations under the scheme is HK$13,722,000 (2013 : HK$14,535,000) with HK$12,194,000 (2013 : HK$13,250,000) covered by plan assets carried at fair value, which are mainly composed of bank deposits.

Current service cost, including net interest on the scheme, of HK$212,000 (2013 : HK$284,000) was charged to profit or loss, with actuarial differences of HK$159,000 (2013 : Nil) recognised in other comprehensive income. Discount rate of 2.0 per cent. (2013 : 1.5 per cent.) and future salary increase of 3.8 per cent. (2013 : 3.3 per cent.) are used by the Group as significant actuarial assumptions for the valuations. Sensitivity analysis on significant actuarial assumptions is not performed as the changes in actuarial assumptions would not have a material effect on the Group's result for the year.

(b) Defined contribution retirement scheme

The Group operates a Mandatory Provident Fund Scheme ("the MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement scheme. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5 per cent. of the employees' relevant income, subject to a cap of monthly relevant income of HK$25,000 (HK$20,000 prior to June 2012). Contributions to the scheme vest immediately.

Employees of the Group's subsidiary companies in China are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. The Group's subsidiary companies contribute funds which are calculated on certain percentage of the payroll to the schemes to fund the retirement benefits of the employees. Contributions to the schemes vest immediately.

A subsidiary company and branches of subsidiary companies of the Group in Taiwan have a defined contribution scheme governed by the Taiwan Labor Pension Act. Under the scheme, a subsidiary company and branches of subsidiary companies of the Group in Taiwan contribute monthly to the Bureau of Labour Insurance 6 per cent. of the payroll of the employees who choose to participate in the scheme. Contributions to the scheme vest immediately.

26. COMMITMENTS

(a) Capital commitments outstanding at 31st March, 2014 not provided for in the accounts were as follows :-

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Contracted for	**13,454**	5,603	**–**	–
Authorised but not contracted for	**1,210**	686	**–**	–
	14,664	6,289	**–**	–

(b) At 31st March, 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**595,714**	628,623	**–**	–
After one year but within five years	**1,157,307**	1,474,313	**–**	–
After five years	**36,817**	274,951	**–**	–
	1,789,838	2,377,887	**–**	–

The leases run for an initial period of 1 to 10 years, with an option to renew the lease when all terms are renegotiated. In addition to the minimum rental payments disclosed above, the Group has a commitment to pay additional rent of a proportion of turnover for certain leased properties if the turnover generated from those leased properties exceeds the predetermined levels. Contingent rentals are not included in the above commitments as it is not possible to estimate the amounts which may be payable.

27. *CONTINGENT LIABILITIES*

At 31st March, 2014, the Company had the following contingent liabilities in respect of :-

(a) Guarantees of HK$1,077,213,000 (2013 : HK$1,097,338,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK$154,352,000 (2013 : HK$199,616,000) 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$9,013,000 (2013 : HK$8,994,000) 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 31st March, 2014 and 31st March, 2013 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.

28. *FINANCIAL RISK MANAGEMENT*

The Group's activities exposed the Group mainly to credit, liquidity, interest rate and foreign exchange risks. The Group's overall risk management programme seeks to minimise potential adverse effects of these financial risks on the Group's financial performance.

(a) Credit risk

The Group's credit risk is primarily attributable to cash at banks, bank deposits, debt securities and debtors, deposits and prepayments. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash at banks and bank deposits are placed with major financial institutions. The Group monitors the exposure to each single financial institution.

The Group made transactions with counterparties with acceptable credit quality in conformance to the Group treasury policies to minimise credit exposure. Acceptable credit ratings from reputable credit rating agencies is an important criterion in the selection of counterparties. The credit quality of counterparties will be closely monitored over the life of the transaction. The Group reviews its financial counterparties periodically in order to reduce credit risk concentrations relative to the underlying size and credit strength of each counterparty.

For debtors, deposits and prepayments, credit checks are part of the normal operating process and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amounts of debtors, deposits and prepayments at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. Sales to retail customers are made in cash or via major credit cards.

The Group has no significant concentration of credit risk with exposure spread over a number of counterparties and customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

Further quantitative disclosure in respect of the Group's exposure to credit risk arising from debtors, deposits and prepayments are set out in Note 17.

28. *FINANCIAL RISK MANAGEMENT* *(cont'd)*

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain pre-determined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient cash and an adequate amount of credit facilities from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables detail the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay.

The Group

	Carrying amount *HK$'000*	**Total contractual undiscounted cashflow** *HK$'000*	**Within one year or on demand** *HK$'000*	**More than one year but less than five years** *HK$'000*	**More than five years** *HK$'000*
At 31st March, 2014					
Creditors and accruals	**651,035**	**651,035**	**596,904**	**37,246**	**16,885**
Bills payable	**17,194**	**17,194**	**17,194**	**–**	**–**
Amount due to associated companies	**32,827**	**32,827**	**–**	**32,827**	**–**
Bank loans	**95,453**	**95,562**	**95,562**	**–**	**–**
	796,509	**796,618**	**709,660**	**70,073**	**16,885**
At 31st March, 2013					
Creditors and accruals	783,444	783,444	740,615	25,944	16,885
Bills payable	20,235	20,235	20,235	–	–
Amount due to an associated company	30,752	30,752	–	30,752	–
Bank loans	99,078	99,562	99,562	–	–
	933,509	933,993	860,412	56,696	16,885

28. *FINANCIAL RISK MANAGEMENT* *(cont'd)*

(b) Liquidity risk *(cont'd)*

The Company

	Carrying amount *HK$'000*	Total contractual undiscounted cashflow *HK$'000*	Within one year or on demand *HK$'000*	More than one year but less than five years *HK$'000*	More than five years *HK$'000*
At 31st March, 2014					
Creditors and accruals	**166**	**166**	**166**	**–**	**–**
Amount due to a subsidiary company	**780,375**	**780,375**	**–**	**780,375**	**–**
	780,541	**780,541**	**166**	**780,375**	**–**
Financial guarantees issued :-					
Maximum amount guaranteed (Note 27)	**–**	**163,365**	**163,365**	**–**	**–**
At 31st March, 2013					
Creditors and accruals	173	173	173	–	–
Amount due to a subsidiary company	1,051,828	1,051,828	–	1,051,828	–
	1,052,001	1,052,001	173	1,051,828	–
Financial guarantees issued :-					
Maximum amount guaranteed (Note 27)	–	208,610	208,610	–	–

(c) Interest rate risk

Except for the short-term bank borrowings of HK$95,453,000 (2013 : HK$99,078,000) held at effective interest rate of 1.37 per cent. (2013 : 1.97 per cent.), the Group has no significant interest bearing liabilities. The short-term bank borrowings at floating rate expose the Group to cash flow interest rate risk which is insignificant to the Group. The Group's exposure to changes in interest rates also relates to bank deposits and debt securities and the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulting from changes in interest rates.

28. *FINANCIAL RISK MANAGEMENT* *(cont'd)*

(d) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions, recognised assets and liabilities and net investments in foreign operations.

As at the year end, the foreign exchange risk of the Group arising from commercial transactions, recognised assets and liabilities is considered to be insignificant. This is due to the Group's transactions being generally denominated in the functional currencies of the respective group entities, while balances denominated in currencies other than the functional currency of the relevant group entity are generally settled promptly leaving minimal outstanding foreign currency position as at the balance sheet date.

To manage foreign exchange risk arising from commercial transactions, recognised assets and liabilities, companies in the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated. There were no outstanding forward contracts as at 31st March, 2014 (2013 : Nil).

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operation such as Singapore is managed partially through borrowings denominated in their relevant foreign currencies.

(e) Price risk

The Group is exposed to equity price risk because investments held by the Group are classified on the consolidated balance sheet as financial assets designated at fair value through profit or loss and available-for-sale financial assets.

At 31st March, 2014, if there had been a 1 per cent. (2013 : 1 per cent.) change in the fair value of financial assets designated at fair value through profit or loss and available-for-sale financial assets with all other valuables held constant, the Group's equity would have increased / decreased by HK$5,161,000 (2013 : HK$4,045,000) and the Group's profit after tax would have increased / decreased by HK$3,609,000 (2013 : HK$4,045,000).

29. *FAIR VALUE MEASUREMENT*

Other financial assets are stated at fair value. Fair values are measured based on quoted prices in active markets, value inputs that are observable either directly or indirectly and / or value inputs that are not based on observable market data.

An analysis of the Group's other financial assets based on the degree to which their fair values are observable is as follows :-

Level 1: quoted prices in active markets
Level 2: value inputs, other than quoted prices, that are observable either directly or indirectly
Level 3: value inputs that are not based on observable market data

The Group

	Level 1 *HK$'000*	**Level 2** *HK$'000*	**Level 3** *HK$'000*	**Total** *HK$'000*
At 31st March, 2014				
Recurring fair value measurements				
Other financial assets				
Listed debt securities designated at fair value through profit or loss	**360,873**	**–**	**–**	**360,873**
Unlisted available-for-sale equity securities	**–**	**–**	**155,194**	**155,194**
	360,873	**–**	**155,194**	**516,067**
At 31st March, 2013				
Recurring fair value measurements				
Other financial assets				
Listed debt securities designated at fair value through profit or loss	404,531	–	–	404,531

The Group acquired the unlisted available-for-sale equity securities from unrelated third parties within the second half of the financial year. The directors are of the opinion that the transaction prices of the acquisitions represent the fair values of the investments as of 31st March, 2014. Subsequent valuation for the relevant investments may involve valuation techniques and inputs that are applicable for unlisted equity valuation. Sensitivity analysis on significant unobservable inputs is not performed given the transaction-based valuation as of 31st March, 2014.

During the years ended 31st March, 2014 and 31st March, 2013, there were no transfers among different levels of fair value hierarchy.

30. *ACCOUNTING ESTIMATES AND JUDGEMENTS*

Note 28 contains information about the assumptions and their risk factors relating to financial risk management. Other estimates and judgements are discussed below :-

(a) Recognition of deferred tax assets

As explained in Note 21, the Group recognises deferred tax assets in respect of tax losses based on the management's estimation of future taxable profits against which the accumulated tax losses may be offset in the foreseeable future for each individual subsidiary company. It is possible that certain assumptions adopted in the preparation of the profit forecasts for these operations may not be indicative of future taxable profits against which the accumulated tax losses may be offset. Any increase or decrease in the provision for deferred taxation would affect the Group's net asset value.

(b) Depreciation

Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation expense for future periods is adjusted if there are material changes from previous estimates.

(c) Inventories

The Group evaluates the carrying value of inventories based on their estimated net realisable value. It is possible that the actual net realisable value may be different from that estimated due to changes in consumer preference and retail market environment.

(d) Assessment of impairment of other non-current assets (excluding goodwill)

The Group conducts impairment reviews of other non-current assets that are subject to depreciation and amortisation whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management assesses the recoverable amount of each non-current asset based on its value in use or on its fair value less costs to sell (by reference to market prices), depending upon the anticipated future plans for the assets. These calculations require the use of judgements and estimates.

31. *POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH, 2014*

Up to the date of issue of these accounts, the HKICPA has issued a few amendments and a new standard which are not yet effective for the year ended 31st March, 2014 and which have not been adopted in these accounts.

The Group is in the process of making an assessment of what the impact of these amendments and new standard 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 requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Company's first financial year commencing after 3rd March, 2014 (i.e. the Company's financial year which began on 1st April, 2014) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of the expected impact of the changes in the new Hong Kong Companies Ordinance on the consolidated accounts in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated accounts.

Name	Issued share capital/Registered capital	Effective percentage shareholding Directly	Effective percentage shareholding Indirectly	Principal activities	Place of incorporation/ operation
PRINCIPAL SUBSIDIARY COMPANIES :-					
Ambrose China Limited	US$1	–	100	Sale of watches, leather goods and fashion products	British Virgin Islands/ Hong Kong
Bertolucci Retail Limited	HK$2	–	100	Sale of watches	Hong Kong
* Bertolucci SA	CHF4,700,000	–	100	Sale of watches	Switzerland
Bestway Holdings Limited 裕宏集團有限公司	HK$2	–	100	Investment holding	Hong Kong
Bondwood Investments Limited 寶活投資有限公司	HK$2	–	100	Sale of leather goods and fashion products	Hong Kong
Castlereagh Limited	US$2	100	–	Investment holding	British Virgin Islands
* D Marketing Japan K.K.	YEN35,000,000	–	100	Sale of watches	Japan
Dickson Concepts Limited 廸生創建有限公司	HK$1,000	–	100	Investment holding and provision of management consultancy and professional services	Hong Kong
Dickson Concepts (Retail) Limited	HK$2	–	100	Sale of watches and fashion products	Hong Kong
Dickson Concepts (Wholesale) Limited	HK$10,000	–	100	Sale of watches and fashion products	Hong Kong
* Dickson Cyber Ventures Holdings Limited	US$1	–	100	Investment holding	British Virgin Islands
Dickson Interior Design Limited 廸生室內設計有限公司	HK$2	–	100	Provision of interior design services	Hong Kong

Name	Issued share capital/Registered capital	Effective percentage shareholding Directly	Effective percentage shareholding Indirectly	Principal activities	Place of incorporation/ operation
PRINCIPAL SUBSIDIARY COMPANIES *(cont'd)* **:-**					
Dickson Investments (H.K.) Limited	HK$2	–	100	Sale of luxury tableware	Hong Kong
* Dickson Licensing Limited	US$1	100	–	Trademarks agency	British Virgin Islands
* Dickson Macau Limited	MOP25,000	–	100	Sale of fashion products	Macau
* Dickson (Shanghai) Company Limited	US$200,000	–	100 foreign-owned enterprise	Sale of watches and fashion products	China
Dickson Stores Pte Ltd	S$700,000	–	100	Sale of watches and fashion products	Singapore
Dickson Trading (Asia) Company Limited 廸生貿易(亞洲)有限公司	HK$1,000,000	–	100	Sale of fashion products	Hong Kong/ Taiwan
Dickson Warehousing Limited 廸生倉務有限公司	HK$2	–	100	Operation of warehouses	Hong Kong
* Ever Success Consultancy (Shenzhen) Limited	HK$1,000,000	–	100 foreign-owned enterprise	Provision of management consultancy and professional services	China
Ever Success Management Limited 永盛管理有限公司	HK$2	–	100	Provision of management consultancy and professional services	Hong Kong
* Goldlux Management Limited	US$1	100	–	Investment holding	British Virgin Islands

Name	Issued share capital/Registered capital	Effective percentage shareholding Directly	Indirectly	Principal activities	Place of incorporation/ operation
PRINCIPAL SUBSIDIARY COMPANIES *(cont'd)* **:-**					
Harmonious Time Limited	HK$2	–	100	Investment holding	Hong Kong
Harvey Nichols (Hong Kong) Limited	HK$10,000,000	–	100	Operation of Harvey Nichols stores and sale of fashion products	Hong Kong
Hong Kong Seibu Enterprise Company Limited 香港西武企業有限公司	HK$392,000,000	–	100	Operation of a Seibu store	Hong Kong
Hong Kong Stores Co. Ltd.	US$10	100	–	Sale of fashion jewellery products	British Virgin Islands/ Hong Kong
Hong Kong Stores (LP) Limited	HK$20	–	100	Sale of fashion products	Hong Kong
* Leading Way Apparel Shanghai Limited	US$200,000	–	100 foreign-owned enterprise	Sale of watches, leather goods and fashion products	China
* Kinford International Limited	US$1	100	–	Investment holding	British Virgin Islands
Mighty Achievements Investments Limited	HK$2	–	100	Property investment	Hong Kong
Mighty Leader Limited 霸令有限公司	HK$2	–	100	Arrangement of property tenancy agreements	Hong Kong
Pui Chak Enterprises Limited 培澤企業有限公司	HK$24,000	–	100	Property investment	Hong Kong

Name	Issued share capital/Registered capital	Effective percentage shareholding Directly	Effective percentage shareholding Indirectly	Principal activities	Place of incorporation/ operation
PRINCIPAL SUBSIDIARY COMPANIES *(cont'd)* **:-**					
* Raglan Resources Limited	US$1	–	100	Investment holding	British Virgin Islands
* Shenzhen Dickson Retail Limited	HK$3,500,000	–	100 foreign-owned enterprise	Sale of fashion products	China
The Dickson Shop Sdn. Bhd.	RM3	–	100	Sale of fashion products	Malaysia
The Dickson Trading (Taiwan) Co., Ltd.	NTD200,000,000	–	100	Sale of watches and fashion products	Taiwan
Tommy Hilfiger Asia-Pacific Limited	US$2	–	100	Sale of fashion products	British Virgin Islands/ Taiwan
Top Creation Limited	HK$2	–	100	Sale of fashion products	Hong Kong
* 联彩国际贸易 (深圳) 有限公司	RMB1,000,000	–	100 foreign-owned enterprise	Provision of import services	China

Name	Issued share capital/Registered capital	Effective percentage shareholding Directly	Effective percentage shareholding Indirectly	Principal activities	Place of incorporation/ operation
PRINCIPAL ASSOCIATED COMPANY :-					
* Chopard Hong Kong Distribution Limited	HK$30,000,000	–	45	Sale of watches	Hong Kong

All the issued share capital of the above principal subsidiary and associated companies consist of ordinary shares.

* Companies not audited by KPMG

	2014	2013	2012	2011	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CONSOLIDATED PROFIT AND LOSS ACCOUNT					
Turnover	**4,353,361**	4,126,217	3,985,304	3,403,861	3,633,639
Profit before taxation	**169,166**	267,836	252,190	417,780	372,833
Taxation	**(14,336)**	(38,559)	(63,298)	(70,841)	(69,099)
Profit for the year	**154,830**	229,277	188,892	346,939	303,734
Attributable to :-					
Equity shareholders of the Company	**154,830**	229,277	186,706	346,835	304,219
Non-controlling interests	**–**	–	2,186	104	(485)
Profit for the year	**154,830**	229,277	188,892	346,939	303,734
CONSOLIDATED BALANCE SHEET					
Fixed assets	**305,795**	381,868	383,912	253,327	192,869
Intangible asset	**94,330**	113,196	132,062	150,928	169,793
Goodwill	**–**	13,900	13,900	13,900	13,900
Associated companies	**49,117**	57,807	54,955	132,534	122,176
Deferred tax assets	**4,729**	6,363	10,399	22,414	23,256
Other financial assets	**224,443**	219,751	337,902	346,532	192,081
Net current assets	**1,945,792**	1,748,681	1,473,375	1,424,115	1,386,500
Total assets less current liabilities	**2,624,206**	2,541,566	2,406,505	2,343,750	2,100,575
Deferred tax liabilities	**42,949**	40,950	38,995	32,710	11,816
Amount due to associated companies	**32,827**	30,752	6,750	6,750	6,750
Net assets	**2,548,430**	2,469,864	2,360,760	2,304,290	2,082,009
Share capital	**114,439**	111,693	111,693	111,693	111,693
Reserves	**2,433,991**	2,358,171	2,249,055	2,185,241	1,963,408
Total equity attributable to equity shareholders of the Company	**2,548,430**	2,469,864	2,360,748	2,296,934	2,075,101
Non-controlling interests	**–**	–	12	7,356	6,908
Total equity	**2,548,430**	2,469,864	2,360,760	2,304,290	2,082,009
OTHER FINANCIAL DATA					
Earnings per share (HK cents)	**41.0**	61.6	50.1	93.2	81.7
Dividend per share (HK cents)	**31.0**	31.0	33.0	33.0	49.0
Dividend cover	**1.3**	2.0	1.5	2.8	1.7

Various store / boutiques / corner opened or renovated by the Group during the year.

Beauty Avenue store at Langham Place, Mongkok, Hong Kong.
位於香港旺角朗豪坊的「Beauty Avenue」店。

Newly renovated Brooks Brothers boutique at ifc mall, Central, Hong Kong.
位於香港中環國際金融中心商場新裝修的「Brooks Brothers」精品店。

Brooks Brothers Fleece corner at Sogo Department Store, Causeway Bay, Hong Kong.
位於香港銅鑼灣崇光百貨店內的「Brooks Brothers Fleece」專櫃。

Alviero Martini 1ª Classe boutique at Grand Century Place, Mongkok, Hong Kong.
位於香港旺角新世紀廣場的「Alviero Martini 1ª Classe」精品店。