



DICKSON CONCEPTS (INTERNATIONAL) LIMITED
迪生創建(國際)有限公司
(incorporated in Bermuda with limited liability)

INTERIM REPORT
2022-2023

Stock Code : 0113



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CORPORATE INFORMATION

Board of Directors :

Group Executive Chairman :

Dickson Poon

Executive Directors :

Poon Dickson Pearson Guanda

(Chief Operating Officer)#

Chan Hon Chung, Johnny Pollux

Lau Yu Hee, Gary

Independent Non-Executive Directors :

Bhanusak Asvaintra

Nicholas Peter Etches

Fung Yue Ming, Eugene Michael

Company Secretary :

Or Suk Ying, Stella

Audit Committee :

Nicholas Peter Etches **(Chairman)**

Bhanusak Asvaintra

Fung Yue Ming, Eugene Michael

Nomination Committee :

Dickson Poon **(Chairman)**

Bhanusak Asvaintra

Nicholas Peter Etches

Remuneration Committee :

Bhanusak Asvaintra **(Chairman)**

Chan Hon Chung, Johnny Pollux

Nicholas Peter Etches

Investment Committee### :

Dickson Poon **(Chairman)**

Poon Dickson Pearson Guanda

Chan Hon Chung, Johnny Pollux

Independent Auditor :

KPMG

Certified Public Accountants

Public Interest Entity Auditor

registered in accordance with the

Financial Reporting Council Ordinance

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

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong.###

Share Registrar in Bermuda :

Conyers Corporate Services (Bermuda) 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>

with effect from 1st September, 2022

with effect from 29th November, 2022

with effect from 15th August, 2022

CHAIRMAN'S STATEMENT

FINANCIAL RESULTS AND INTERIM DIVIDEND

For the six months ended 30th September, 2022, the Group's turnover was HK\$1,008.6 million, an increase of 1.0 per cent. compared to HK\$998.9 million in the same period last year.

Net profit attributable to equity shareholders was HK\$155.3 million, an increase of 14.8 per cent. compared to HK\$135.3 million in the same period last year.

In view of these results, the Board has resolved to declare an interim dividend of HK8 cents (2021: HK8 cents) per ordinary share.

BUSINESS REVIEW

During the period under review, the retail environment in Hong Kong remained extremely difficult as a result of the outbreak of the 5th wave of COVID-19 since January 2022, coupled with very cautious consumer sentiment and a complete lack of tourists' spending in Hong Kong. These factors resulted in the Group recording a 10.9 per cent. decrease in sales turnover despite very aggressive promotional activities.

In Taiwan, the Group successfully overcame the outbreak of the Omicron variant of COVID-19 since April 2022 and managed to achieve a 26.6 per cent. growth in sales turnover and record profits with an increase of 194.8 per cent. during the period. This is a direct result of continued margin improvement and aggressive cost and inventory control.

In China, sales of the Group's retail and wholesale business grew by 2.7 per cent. in local currency terms during the period. This is despite significant impact from COVID-19 related restrictions, which resulted in all of the Group's key stores experiencing periods of temporary closure, alongside significant disruptions to logistics and supply chain, which impacted the Group's online business.

The investment market continued to be very volatile and some of our investment positions were negatively impacted by macro factors driving the global economy and market. The Group managed its investment portfolio cautiously and achieved a profit of HK\$4.7 million during the period under review.

FUTURE PROSPECTS

The Group expects the retail climate in Hong Kong to be very difficult. The downturn in the stock and property markets combined with inflation and increasing interest rates will undoubtedly have a significant and negative impact on consumer spendings. Furthermore, uncertainty over the timing of the opening of the borders with Mainland China adds to the pessimistic outlook.

The Taiwan market was our strongest market during the period with record profits. The Group remains to be cautiously optimistic with the business in Taiwan for the remainder of the year.

In China, the Group is seeing gradual signs of recovery across its physical and digital channels. However, performance for the remainder of the financial year remains highly susceptible to any further COVID-19 restrictions, which can result in significant disruptions and a negative impact on sales and profitability.

On the investment side, the Group will continue to seek new investment opportunities to diversify and broaden its earnings base.

The Group will continue to employ the most conservative approach to manage its retail network and will continue to control costs rigorously at all levels of operation.

With net cash of HK\$2,026.5 million and its strong balance sheet, the Group is in a strong position to cope with the risk of an imminent worldwide recession and the very difficult retail climate.

Dickson Poon

Group Executive Chairman

Hong Kong, 28th November, 2022



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

INTRODUCTION

We have reviewed the interim financial report set out on pages 7 to 25 which comprises the consolidated statement of financial position of Dickson Concepts (International) Limited as of 30th September, 2022 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th September, 2022 is not prepared, in all material respects, in accordance with HKAS 34 “Interim financial reporting”.

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

Hong Kong, 28th November, 2022

The board of Directors (the “**Board**”) of Dickson Concepts (International) Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiary companies (together the “**Group**”) for the six months ended 30th September, 2022 together with the comparative figures are as follows :-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30th September, 2022

	NOTE	Six months ended 30th September,	
		2022	2021
		(unaudited)	(unaudited)
		HK\$'000	HK\$'000
Revenue	2	1,008,621	998,850
Cost of sales		<u>(533,422)</u>	<u>(548,020)</u>
Gross profit		475,199	450,830
Other income / (loss)	3	3,944	(2,465)
Selling and distribution expenses		(207,488)	(198,898)
Administrative expenses		(62,512)	(68,858)
Other operating expenses		<u>(11,265)</u>	<u>(15,866)</u>
Operating profit		197,878	164,743
Finance costs		<u>(19,403)</u>	<u>(13,215)</u>
Profit before taxation	4	178,475	151,528
Tax expense	5	<u>(23,163)</u>	<u>(16,233)</u>
Profit for the period attributable to equity shareholders of the Company		<u>155,312</u>	<u>135,295</u>
Earnings per share (basic and diluted)	6	<u>39.4 cents</u>	<u>34.3 cents</u>

The notes on pages 13 to 25 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 7.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30th September, 2022

Six months ended 30th September,

	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit for the period	155,312	135,295
Other comprehensive income for the period :		
Item that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of financial statements of subsidiary companies outside Hong Kong (Note)	<u>(36,100)</u>	<u>7,276</u>
Total comprehensive income for the period attributable to equity shareholders of the Company	<u>119,212</u>	<u>142,571</u>

Note :-

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

The notes on pages 13 to 25 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th September, 2022

	NOTE	30/9/2022 (unaudited) HK\$'000	31/3/2022 (audited) HK\$'000
Non-current assets			
Property, plant and equipment		76,206	61,267
Right-of-use assets		246,652	260,317
Deposits and prepayments	9	84,921	80,147
Other financial assets	8	<u>1,764,913</u>	<u>1,757,112</u>
		2,172,692	2,158,843
Current assets			
Inventories		162,176	165,678
Debtors, deposits and prepayments	9	150,093	124,971
Tax recoverable		1,534	1,534
Other financial assets	8	88,704	191,773
Cash and bank balances		<u>3,092,780</u>	<u>3,165,356</u>
		3,495,287	3,649,312
Current liabilities			
Bank loans	10	1,066,307	1,120,155
Creditors, accruals and provisions	11	355,769	370,546
Lease liabilities		277,962	285,219
Taxation		<u>117,552</u>	<u>106,209</u>
		1,817,590	1,882,129
Net current assets		1,677,697	1,767,183
Total assets less current liabilities		3,850,389	3,926,026
Non-current liabilities			
Creditors and provisions	11	53,798	56,649
Lease liabilities		465,497	548,771
Deferred tax liabilities		<u>20,484</u>	<u>22,773</u>
Total non-current liabilities		539,779	628,193
Net assets		3,310,610	3,297,833
Capital and reserves			
Share capital	12	118,261	118,261
Reserves		<u>3,192,349</u>	<u>3,179,572</u>
Total equity attributable to equity shareholders of the Company		3,310,610	3,297,833

The notes on pages 13 to 25 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September, 2022

	Attributable to equity shareholders of the Company				
	Share capital HK\$'000 (unaudited)	Share premium HK\$'000 (unaudited)	Exchange reserve HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Balance at 1st April, 2022	118,261	502,561	126,050	2,550,961	3,297,833
Dividends approved and paid in respect of prior year (Note 7(b))					
— by means of cash	—	—	—	(106,435)	(106,435)
Profit for the period	—	—	—	155,312	155,312
Other comprehensive income for the period	—	—	(36,100)	—	(36,100)
Balance at 30th September, 2022	118,261	502,561	89,950	2,599,838	3,310,610

The comparative figures for 2021 are set out as follows :-

	Attributable to equity shareholders of the Company				
	Share capital HK\$'000 (unaudited)	Share premium HK\$'000 (unaudited)	Exchange reserve HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Balance at 1st April, 2021	118,261	502,561	132,053	2,488,116	3,240,991
Dividends approved and paid in respect of prior year (Note 7(b))					
— by means of cash	—	—	—	(106,435)	(106,435)
Profit for the period	—	—	—	135,295	135,295
Other comprehensive income for the period	—	—	7,276	—	7,276
Balance at 30th September, 2021	118,261	502,561	139,329	2,516,976	3,277,127

The notes on pages 13 to 25 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30th September, 2022

	Six months ended 30th September,	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Cash generated from operations before changes in working capital (Note a)	257,109	224,030
Increase in inventories	(7,280)	(12,398)
(Increase) / decrease in debtors, deposits and prepayments	(29,354)	71,110
(Increase) / decrease in other financial assets held for trading	(707)	72,057
Decrease in creditors, accruals and provisions	(17,318)	(59,596)
Other changes in working capital	20	(546)
Cash generated from operations	202,470	294,657
Tax paid (net)	(11,312)	(2,245)
Net cash generated from operating activities	191,158	292,412
Payment for purchase of property, plant and equipment	(29,129)	(13,869)
Payment for purchase of other financial assets	(9,538)	(112,646)
Net proceeds from sales / redemption of other financial assets	94,114	24,988
Other cash flows arising from investing activities	14,503	4,438
Net cash generated from / (used in) investing activities	69,950	(97,089)
Net (repayment of) / proceeds from bank loans	(53,848)	284,678
Capital element of lease rentals paid	(127,429)	(148,548)
Interest element of lease rentals paid	(8,242)	(9,250)
Dividends paid	(106,435)	(106,435)
Other cash flows arising from financing activities	(11,265)	(3,980)
Net cash (used in) / generated from financing activities	(307,219)	16,465
Net (decrease) / increase in cash and cash equivalents	(46,111)	211,788
Cash and cash equivalents at 1st April	3,165,356	3,073,538
Effect of foreign exchange rate changes	(26,465)	4,923
Cash and cash equivalents at 30th September (Note b)	3,092,780	3,290,249

Notes :-

- a. Cash generated from operations before changes in working capital is arrived at after adjusting for depreciation (Note 4), net realised and unrealised gain / (loss) on unlisted equity and non-equity securities (Note 3), net realised and unrealised loss on listed equity securities (Note 3), interest income (Note 3) and other non-cash items.
- b. Cash and cash equivalents represent cash and bank balances at the end of the period.

The notes on pages 13 to 25 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) On The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 28th November, 2022.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in Note 1(b).

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board is included on page 6. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31st March, 2022 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

(b) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this financial report.

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

2. REVENUE AND SEGMENTAL INFORMATION

(a) Revenue

The principal activities of the Group are the Sale of Luxury Goods and Securities Investment.

Revenue represents the invoiced value of goods sold less discounts and returns, net income from concession and consignment sales, fair value change on securities held for trading, dividend income, and interest income from debt securities and short-term bank deposits under Securities Investment segment.

The amount of each significant category of revenue is as follows :-

	Six months ended 30th September,	
	2022	2021
	HK\$'000	HK\$'000
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	487,468	543,779
Cosmetics and beauty products	250,364	255,935
Fashion and accessories	239,015	214,782
	976,847	1,014,496
Revenue from Securities Investment		
Dividend income	4,108	4,147
Fair value change on securities held for trading	(7,030)	(48,343)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	34,696	28,550
	31,774	(15,646)
	1,008,621	998,850

Information about major customers

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

(b) Segment reporting

The Group manages its businesses by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following two reportable segments :-

Sale of Luxury Goods business : The sale of luxury goods to retail and wholesale customers and net income from concession and consignment sales.

Securities Investment business : The investment in listed and unlisted securities.

(i) Segment results

Information regarding the Group's reportable segments for the six months ended 30th September, 2022 and 30th September, 2021 respectively is set out below.

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	<u>Six months ended 30th September, 2022</u>		<u>Six months ended 30th September, 2021</u>		<u>Six months ended 30th September, 2022</u>	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>976,847</u>	1,014,496	<u>31,774</u>	(15,646)	<u>1,008,621</u>	998,850
Reportable segment revenue	<u>976,847</u>	<u>1,014,496</u>	<u>31,774</u>	<u>(15,646)</u>	<u>1,008,621</u>	<u>998,850</u>
Reportable segment profit / (loss)	150,628	165,432	4,684	(30,137)	155,312	135,295

Revenue and expenses are allocated to the reportable segments with reference to the sales generated and expenses incurred by those segments. The measure used for reporting segment profit is profit after taxation.

(ii) Reconciliations of reportable segment revenue and profit or loss

Revenue and profit

No reconciliation of revenue and profit after taxation is required as the total reportable segments' figures are equal to the Group's consolidated figures.

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment and right-of-use assets. The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets.

	<u>Revenues from external customers</u>		<u>Specified non-current assets</u>	
	Six months ended 30th September,			
	2022	2021	30/9/2022	31/3/2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	682,323	765,518	248,494	282,749
Taiwan	249,389	196,935	67,282	29,387
Other territories	45,135	52,043	7,082	9,448
	294,524	248,978	74,364	38,835
Revenue from sales of luxury goods and net income from concession and consignment sales	976,847	1,014,496	—	—
Revenue from securities investment	31,774	(15,646)	—	—
Total	1,008,621	998,850	322,858	321,584

3. OTHER INCOME / (LOSS)

	Six months ended 30th September,	
	2022	2021
	HK\$'000	HK\$'000
Net realised and unrealised loss on listed equity securities at fair value through profit or loss	—	(34,706)
Net realised and unrealised (loss) / gain on unlisted equity and non-equity securities	(16,780)	26,300
Realised gain on listed debt securities measured at amortised cost	874	—
Impairment loss on listed debt securities measured at amortised cost written back / (recognised)	1,469	(465)
Interest income	14,503	4,411
Loss on disposal of property, plant and equipment	—	(319)
Net foreign exchange gain	3,878	2,314
	3,944	(2,465)

4. PROFIT BEFORE TAXATION

Six months ended 30th September,
2022 2021
HK\$'000 HK\$'000

Profit before taxation is arrived at after charging :-

Depreciation		
— property, plant and equipment	12,107	9,036
— right-of-use assets	50,814	46,110
Interest on bank loans	11,265	3,980
Interest on lease liabilities	8,138	9,235
	<u>8,138</u>	<u>9,235</u>

5. TAXATION

Six months ended 30th September,
2022 2021
HK\$'000 HK\$'000

Current tax — Hong Kong Profits Tax		
Provision for the period	17,127	16,763
Over-provision in respect of prior years	—	(4,157)
	<u>17,127</u>	<u>12,606</u>
Current tax — Outside Hong Kong		
Provision for the period	6,006	1,985
Under-provision in respect of prior years	30	1,702
	<u>6,036</u>	<u>3,687</u>
Deferred tax		
Origination and reversal of temporary differences	—	(60)
Total income tax expense	<u>23,163</u>	<u>16,233</u>

Taxation in the consolidated statement of profit or loss includes provision for Hong Kong Profits Tax at 16.5 per cent. (2021 : 16.5 per cent.) on the estimated assessable profits for the period after deducting tax losses brought forward from previous years.

Taxation for subsidiary companies outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions outside Hong Kong.

6. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to ordinary equity shareholders of the Company of HK\$155,312,000 (2021 : HK\$135,295,000) and the weighted average number of 394,202,808 ordinary shares (2021 : 394,202,808 ordinary shares) in issue during the period.

7. DIVIDENDS

	Six months ended 30th September,	
	2022	2021
	HK\$'000	HK\$'000
(a) Interim dividend declared after the interim period end : HK8 cents (2021 : HK8 cents) per ordinary share	<u>31,536</u>	<u>31,536</u>
(b) Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK27 cents (for the year ended 31st March, 2021 : HK27 cents) per ordinary share	<u>106,435</u>	<u>106,435</u>

8. OTHER FINANCIAL ASSETS

	30/9/2022	31/3/2022
	HK\$'000	HK\$'000
Non-current assets		
Unlisted equity and non-equity securities designated at fair value through profit or loss	525,244	521,356
Listed debt securities measured at amortised cost net of loss allowance	<u>1,239,669</u>	<u>1,235,756</u>
	<u>1,764,913</u>	<u>1,757,112</u>
Current assets		
Listed equity and non-equity securities held for trading at fair value	85,531	87,997
Investment in securities held for trading at fair value	3,173	1,007
Unlisted equity securities designated at fair value through profit or loss	—	65,682
Listed debt securities measured at amortised cost net of loss allowance	<u>—</u>	<u>37,087</u>
	<u>88,704</u>	<u>191,773</u>
	<u>1,853,617</u>	<u>1,948,885</u>

9. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors (net of loss allowance) with the following ageing analysis based on due date as at the end of the reporting period :-

	30/9/2022	31/3/2022
	HK\$'000	HK\$'000
Current	<u>57,479</u>	<u>49,711</u>

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

All debtors, deposits and prepayments of the Group, apart from certain deposits and prepayments totalling HK\$84,921,000 (as at 31st March, 2022 : HK\$80,147,000), are expected to be recovered or recognised as an expense within one year.

10. BANK LOANS

At the end of the reporting period, the bank loans were repayable within one year and secured as follows :-

	30/9/2022 HK\$'000	31/3/2022 HK\$'000
Secured	<u>1,066,307</u>	<u>1,120,155</u>

At 30th September, 2022, the banking facilities of subsidiary companies were secured by charges over certain debt and equity securities with total carrying value of HK\$1,709,503,000 (as at 31st March, 2022 : HK\$1,737,745,000).

The effective borrowing interest rate at 30th September, 2022 for the Group was 3.58 per cent. (as at 31st March, 2022 : 0.98 per cent.) per annum.

11. CREDITORS, ACCRUALS AND PROVISIONS

	30/9/2022 HK\$'000	31/3/2022 HK\$'000
Trade creditors	132,444	141,053
Contract liabilities	17,977	19,650
Other creditors, accruals and provisions	<u>259,146</u>	<u>266,492</u>
	409,567	427,195
Less : non-current portion of creditors and provisions	<u>(53,798)</u>	<u>(56,649)</u>
	<u>355,769</u>	<u>370,546</u>

Included in creditors, accruals and provisions are trade creditors with the following ageing analysis based on due date as at the end of the reporting period :-

	30/9/2022 HK\$'000	31/3/2022 HK\$'000
Current	132,444	140,839
1 to 30 days overdue	<u>—</u>	<u>214</u>
	<u>132,444</u>	<u>141,053</u>

12. SHARE CAPITAL

	30/9/2022		31/3/2022	
	Number of shares Thousands	Nominal value HK\$'000	Number of shares Thousands	Nominal value HK\$'000
Authorised :-				
Ordinary shares of HK\$0.30 each	<u>518,000</u>	<u>155,400</u>	<u>518,000</u>	<u>155,400</u>
Issued and fully paid :-				
Ordinary shares of HK\$0.30 each				
Balance brought forward and carried forward	<u>394,203</u>	<u>118,261</u>	<u>394,203</u>	<u>118,261</u>

13. 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 :-

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

	Six months ended 30th September,	
	2022 HK\$'000	2021 HK\$'000
Sales of goods	344	4,449
Purchases of goods	19,281	13,704
Income from the provision of management and supporting service	3,950	3,002
Rental income	3,921	4,059
Advertising and promotion service expenses	3,022	3,020
Commission expenses	1,561	5,791
Net proceeds from e-Commerce	<u>1,625</u>	<u>1,590</u>

The amounts due from these companies at 30th September, 2022 amounted to HK\$1,103,000 (at 31st March, 2022 : HK\$1,316,000) and the amounts due to these companies at 30th September, 2022 amounted to HK\$7,859,000 (at 31st March, 2022 : HK\$5,765,000), which are interest free, unsecured and have repayment terms ranging from 20 days to 90 days. The amounts due from these companies are included in debtors, deposits and prepayments (Note 9) and the amounts due to these companies are included in creditors, accruals and provisions (Note 11).

14. CAPITAL COMMITMENTS

Capital commitments outstanding at 30th September, 2022 not provided for in the consolidated financial statements were as follows :-

	30/9/2022 HK\$'000	31/3/2022 HK\$'000
Contracted for	—	9,037
Authorised but not contracted for	<u>—</u>	<u>3,041</u>
	<u>—</u>	<u>12,078</u>

15. CONTINGENT LIABILITIES

At 30th September, 2022, the Company had the following contingent liabilities in respect of :-

- (a) Guarantees of HK\$790,698,000 (at 31st March, 2022 : HK\$808,590,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$71,952,000 (at 31st March, 2022 : HK\$72,672,000) at the end of the reporting period.
- (b) Guarantees given to licensors and landlords to guarantee the performance by certain subsidiary companies of obligations under certain agreements. There was no amount due under the agreements at the end of the reporting period (at 31st March, 2022 : HK\$168,000).

As at the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. No provision was therefore made in this respect at 30th September, 2022 and 31st March, 2022.

16. FAIR VALUE MEASUREMENT

(a) Other financial assets carried at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows :-

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30th September, 2022				
Recurring fair value measurements				
Other financial assets				
Listed equity and non-equity securities held for trading at fair value	85,531	—	—	85,531
Investment in securities held for trading at fair value	—	3,173	—	3,173
Unlisted equity and non-equity securities designated at fair value through profit or loss	—	—	525,244	525,244
	<u>85,531</u>	<u>3,173</u>	<u>525,244</u>	<u>613,948</u>
At 31st March, 2022				
Recurring fair value measurements				
Other financial assets				
Listed equity and non-equity securities held for trading at fair value	87,997	—	—	87,997
Investment in securities held for trading at fair value	—	1,007	—	1,007
Unlisted equity and non-equity securities designated at fair value through profit or loss	—	65,682	521,356	587,038
	<u>87,997</u>	<u>66,689</u>	<u>521,356</u>	<u>676,042</u>

During the six months ended 30th September, 2022, there were no transfers among different levels of fair value hierarchy.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of the Group's Level 2 financial instruments is based on valuation techniques taking into account the market closing prices of the underlying securities and volatilities, which are observable market data, at the end of the reporting period.

(iii) Information about Level 3 fair value measurements

The Group's Level 3 financial instruments represent unlisted equity and non-equity securities which their fair values are based on unobservable inputs. The directors of the Group perform the valuation on Level 3 financial instruments for financial reporting purposes. Their fair values have been determined using adjusted recent financing approach, with reference to the pricing of the recent transactions, or valuation supplied by fund managers. These valuations are measured by the percentage of ownership of the net asset value, which is an unobservable input. The fund managers apply appropriate valuation techniques such as latest transaction price, discounted cash flow, or comparison with publicly-traded comparable companies and after applying a liquidity discount.

The movement during the period in the balance of these Level 3 fair value measurements is as follows :-

	2022	2021
	HK\$'000	HK\$'000
Unlisted equity securities :		
At 1st April	521,356	139,968
Payment for purchases	9,538	—
Net unrealised (loss) / gains recognised in profit or loss	<u>(5,650)</u>	<u>180</u>
At 30th September	<u><u>525,244</u></u>	<u><u>140,148</u></u>

(b) Fair value of other financial assets carried at other than fair value

For other financial instruments carried at amortised cost as at 30th September, 2022 and 31st March, 2022, their carrying amounts and fair value and level of fair value hierarchy are disclosed below :-

	Carrying amount as at 30th September, 2022 HK\$'000	Fair value as at 30th September, 2022 HK\$'000	Fair value Measurements as at 30th September, 2022 categorised into Level 1 HK\$'000
Listed and unlisted debt and non-equity securities measured at amortised cost	1,239,669	1,145,050	1,145,050

	Carrying amount as at 31st March, 2022 HK\$'000	Fair value as at 31st March, 2022 HK\$'000	Fair value Measurements as at 31st March, 2022 categorised into Level 1 HK\$'000
Listed and unlisted debt and non-equity securities measured at amortised cost	1,272,843	1,250,185	1,250,185

17. GOVERNMENT SUBSIDIES

During the period ended 30th September, 2022, the Group recognised subsidies of HK\$10,555,000 (2021 : Nil) under the Hong Kong SAR government's Employment Support Scheme in the consolidated statement of profit or loss. The subsidies were deducted from operating expenses.

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS

As at 30th September, 2022, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Directors’ Model Code”) as set out in Appendix 10 of the Listing Rules were as follows :-

Dickson Concepts (International) Limited

Name of Director	Capacity	Personal Interests	Ordinary shares of HK\$0.30 each			Total	Percentage ⁽ⁱⁱ⁾
			Family Interests	Corporate Interests	Other Interests		
Dickson Poon	Beneficial owner and trust founder	17,361	—	—	233,464,065 ⁽ⁱ⁾	233,481,426	59.23
Poon Dickson Pearson Guanda	Beneficial owner and beneficiary of a discretionary trust	83,000	—	—	233,464,065 ⁽ⁱ⁾	233,547,065	59.25

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, Sir Dickson Poon and Mr. Poon Dickson Pearson Guanda are deemed to be interested in the share capital of all the subsidiary and associated companies of the Company by virtue of their interests in the Company.

Save as referred to above, as at 30th September, 2022, none of the directors had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept by the Company under Section 352 of the SFO or which are notified to the Company and the Stock Exchange pursuant to the Directors’ Model Code.

As at 30th September, 2022, no share options had been granted to the directors under the Share Option Scheme.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30th September, 2022, 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	233,481,426 ⁽ⁱ⁾	59.23	Interest of spouse
Dickson Investment Holding (PTC) Corporation (“DIHPTC”)	233,464,065 ⁽ⁱⁱ⁾	59.22	Trustee
Paicolex Trust Company (BVI) Limited (“Paicolex BVI”)	233,464,065 ⁽ⁱⁱ⁾	59.22	Trustee
Paicolex Trust Management AG (“Paicolex AG”)	233,464,065 ⁽ⁱⁱ⁾	59.22	Trustee

Notes :-

- (i) These shares refer to the family interest attributable to Sir 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 233,464,065 shares which were disclosed as “Other Interests” of Sir Dickson Poon and Mr. Poon Dickson Pearson Guanda in the “Directors’ Interests” section of this report. Sir 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 30th September, 2022 which is required to be notified to the Company pursuant to Part XV of the SFO or which is recorded in the register required to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION

EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2022, the Group had 740 (2021 : 748) employees. Total staff costs (including directors' emoluments) amounted to HK\$114.2 million (2021 : HK\$126.8 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee in respect of directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates. Details of the share option scheme (the "Share Option Scheme") were disclosed in the Company's 2022 annual report (the "2022 Annual Report"). No share options were granted or exercised under the Share Option Scheme during the period under review.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's net liquid financial resources as at 30th September, 2022 stood at HK\$2,026.5 million (as at 31st March, 2022 : HK\$2,045.2 million), represented by cash and bank balances of HK\$3,092.8 million (as at 31st March, 2022 : HK\$3,165.4 million) less short-term bank borrowings of HK\$1,066.3 million (as at 31st March, 2022 : HK\$1,120.2 million).

The Group also maintains substantial uncommitted short-term loan facilities with selected international banks for day-to-day requirements and funding flexibility. Utilisation of these facilities over and above prevailing levels during the second half of the current financial year is not anticipated given the Group's net cash position.

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.

As at 30th September, 2022, the Group's current ratio, being current assets divided by current liabilities, was 1.9 times (as at 31st March, 2022 : 1.9 times). The Group has maintained a net surplus cash position throughout the period under review and its gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is Nil (as at 31st March, 2022 : Nil).

INTERIM DIVIDEND

In view of the results, the Board has resolved to declare an interim dividend of HK8 cents (2021 : HK8 cents) per ordinary share. The interim dividend represents a dividend payout ratio of 20.31 per cent. (2021 : 23.31 per cent.) and will absorb a total of about HK\$31.54 million (2021 : HK\$31.54 million). Shareholders whose names appear in the Register of Members of the Company on Friday, 6th January, 2023 will be entitled to the interim dividend which will be paid on Friday, 20th January, 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' entitlement to the interim dividend, the Register of Members of the Company will be closed from Thursday, 5th January, 2023 to Friday, 6th January, 2023, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 4th January, 2023.

SHARE PURCHASE, SALE AND REDEMPTION

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

SHARE OPTION SCHEME

As at 30th September, 2022, no share options had been granted to any of the directors or employees of the Company or any of its subsidiary companies under the Share Option Scheme.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance including promotion of the Company's sustainable development. 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 New CG Code (as hereinafter defined) throughout the period under review except code provision C.2.1 of the New CG Code as the functions of Chief Executive Officer are now performed by Sir Dickson Poon, the Group Executive Chairman.

The Company noted that amendments had been made to the Corporate Governance Code (the "New CG Code") as set out in Appendix 14 to the Listing Rules which came into effect on 1st January, 2022 and the requirements under the New CG Code will apply to the Corporate Governance Report of the Company for the financial year commencing on or after 1st January, 2022. The Company has not applied any new amendments to the Corporate Governance Code that is not yet effective for the period under review. The Company will continue to observe and enhance its corporate governance practices to ensure compliance with the New CG Code and align with the latest regulatory developments.

Detailed information on the Company's other corporate governance practices was set out in the Corporate Governance Report included in the 2022 Annual Report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Directors' Model Code as set out in Appendix 10 to the Listing Rules as the code for securities transactions by the directors. 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 period under review.

CHANGES IN DIRECTORS' INFORMATION

There has been a change in directors' information since the date of the 2022 Annual Report that is required to be disclosed pursuant to Rules 13.51B(1) and 13.51(B)(2) of the Listing Rules is as follows :-

Mr. Poon Dickson Pearson Guanda was appointed as Chief Operating Officer of the Company with effect from 1st September, 2022, the details of which were disclosed in the announcement of the Company dated 30th August, 2022.

Save as disclosed above, there was no change of directors' information since the date of the 2022 Annual Report that is required to be disclosed pursuant to Rules 13.51B(1) and 13.51B(2) of the Listing Rules.

REVIEW OF GROUP INTERIM RESULTS

The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30th September, 2022 with the Board.

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

Executive Directors:

Dickson Poon (*Group Executive Chairman*)
Poon Dickson Pearson Guanda
(*Chief Operating Officer*)
Chan Hon Chung, Johnny Pollux
Lau Yu Hee, Gary

Independent Non-Executive Directors:

Bhanusak Asvaintra
Nicholas Peter Etches
Fung Yue Ming, Eugene Michael

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

Hong Kong, 28th November, 2022