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

(Stock Code: 0113)

**GROUP FINAL RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2009**

The board of directors (“the Board”) of Dickson Concepts (International) Limited (“the Company”) announces that the Group’s consolidated final results for the year ended 31st March, 2009 together with last year’s corresponding comparative figures are as follows :-

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2009

	NOTE	Financial year ended 31st March,	
		2009 HK\$'000	2008 HK\$'000
Turnover	2	3,838,693	3,749,809
Cost of sales		<u>(1,652,974)</u>	<u>(1,636,833)</u>
Gross profit		2,185,719	2,112,976
Other income		735	28,882
Selling and distribution expenses		(1,607,426)	(1,507,609)
Administrative expenses		(270,268)	(274,698)
Other operating expenses		<u>(105,465)</u>	<u>(133,569)</u>
Operating profit		203,295	225,982
Impairment loss on fixed assets	7	(116,123)	—
Finance costs		(2,555)	(6,423)
Share of profits less losses of associated companies		<u>16,099</u>	<u>18,071</u>
Profit before taxation	3	100,716	237,630
Taxation	4	<u>(48,899)</u>	<u>(26,981)</u>
Profit for the year		<u>51,817</u>	<u>210,649</u>
Attributable to :-			
Equity shareholders of the Company		51,374	210,576
Minority interests		<u>443</u>	<u>73</u>
Profit for the year		<u>51,817</u>	<u>210,649</u>
Dividends payable to equity shareholders of the Company attributable to the year :-			
- Interim dividend declared and paid during the year	5(a)	11.0 cents	13.8 cents
- Final dividend proposed after the balance sheet date	5(b)	<u>18.0 cents</u>	<u>27.5 cents</u>
		<u>29.0 cents</u>	<u>41.3 cents</u>
Earnings per share (basic and diluted)	6	<u>13.8 cents</u>	<u>62.2 cents</u>

CONSOLIDATED BALANCE SHEET

At 31st March, 2009

	NOTE	2009 HK\$'000	2008 HK\$'000
Non-current assets			
Fixed assets		203,061	411,284
Intangible asset	8	212,241	254,690
Goodwill		13,900	13,900
Associated companies		146,661	140,330
Deferred tax assets		<u>52,106</u>	<u>55,781</u>
		627,969	875,985
Current assets			
Stocks		1,012,056	954,250
Debtors, deposits and prepayments	9	400,512	420,999
Bills receivable		646	226
Tax recoverable		5,828	7,723
Cash and cash equivalents		<u>579,302</u>	<u>687,694</u>
		1,998,344	2,070,892
		-----	-----
Current liabilities			
Bank loans		48,281	97,166
Bills payable		21,170	23,109
Creditors and accruals	10	665,872	797,048
Taxation		<u>24,876</u>	<u>33,346</u>
		760,199	950,669
		-----	-----
Net current assets		<u>1,238,145</u>	<u>1,120,223</u>
Total assets less current liabilities		1,866,114	1,996,208
Non-current liabilities			
Deferred tax liabilities		<u>4,463</u>	<u>6,176</u>
Net assets		<u>1,861,651</u>	<u>1,990,032</u>
Capital and reserves			
Share capital	11	111,693	111,693
Reserves		<u>1,742,586</u>	<u>1,871,573</u>
Total equity attributable to equity shareholders of the Company		1,854,279	1,983,266
Minority interests		<u>7,372</u>	<u>6,766</u>
Total equity		<u>1,861,651</u>	<u>1,990,032</u>

NOTES

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”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies 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”).

The HKICPA has issued a number of new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs has no significant impact on the accounts of the Group and the Company for the years ended 31st March, 2009 and 31st March, 2008.

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

2. TURNOVER / SEGMENTAL INFORMATION

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

Business segment

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

Geographical segments

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

	Financial year ended 31st March, 2009		
	Turnover	Capital expenditure	Total assets
	HK\$'000	HK\$'000	HK\$'000
Hong Kong	2,104,383	32,217	1,434,504
China	767,403	25,231	447,391
Taiwan	615,553	25,623	414,557
Other territories (Mainly Asia)	<u>351,354</u>	<u>8,157</u>	<u>183,200</u>
	<u>3,838,693</u>	<u>91,228</u>	2,479,652
Associated companies			<u>146,661</u>
Total assets			<u>2,626,313</u>

	Financial year ended 31st March, 2008		
	Turnover	Capital expenditure	Total assets
	HK\$'000	HK\$'000	HK\$'000
Hong Kong	2,055,913	51,380	1,484,581
China	606,678	34,115	619,968
Taiwan	718,381	33,447	497,054
Other territories (Mainly Asia)	<u>368,837</u>	<u>13,344</u>	<u>204,944</u>
	<u>3,749,809</u>	<u>132,286</u>	2,806,547
Associated companies			<u>140,330</u>
Total assets			<u>2,946,877</u>

3. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
Profit before taxation is arrived at after charging /(crediting) :-		
Amortisation of intangible asset	42,449	42,449
Depreciation	176,921	130,049
Interest income	(6,919)	(9,798)
Interest on bank overdrafts and loans repayable within five years	2,555	6,423
Share of associated companies' taxation	<u>4,922</u>	<u>6,787</u>

4. TAXATION

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	—	—
Under / (over)-provision in respect of prior years	<u>679</u>	<u>(1,365)</u>
	<u>679</u>	<u>(1,365)</u>
	-----	-----
Current tax - Overseas		
Provision for the year	52,538	51,089
(Over) / under-provision in respect of prior years	<u>(3,807)</u>	<u>1,393</u>
	<u>48,731</u>	<u>52,482</u>
	-----	-----
Deferred tax		
Origination and reversal of temporary differences	<u>(511)</u>	<u>(24,136)</u>
	<u>48,899</u>	<u>26,981</u>

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5 per cent. (2008 : 17.5 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.

5. DIVIDENDS

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
(a) Interim dividend declared and paid of 11.0 cents (2008 : 13.8 cents) per ordinary share	<u>40,954</u>	<u>51,379</u>
(b) Final dividend proposed after the balance sheet date of 18.0 cents (2008 : 27.5 cents) per ordinary share	<u>67,016</u>	<u>102,386</u>

6. 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\$51,374,000 (2008 : HK\$210,576,000) and the weighted average number of 372,311,338 ordinary shares (2008 : 338,431,556 ordinary shares) in issue during the year.

7. IMPAIRMENT LOSS ON FIXED ASSETS

During the year ended 31st March, 2009, management performed an impairment assessment on certain fixed assets of the Group's more recent retail store investments. Based on the assessment, impairment loss of HK\$116,123,000 was recognised in respect of the respective fixed assets and charged to the consolidated profit and loss account. The recoverable amounts of these fixed assets were determined based on the forecast future cash flows generated from these retail store investments. The pre-tax discount rate used in estimating the recoverable amounts was 10.0 per cent..

8. INTANGIBLE ASSET

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
Cost :-		
At 1st April and 31st March	<u>322,607</u>	<u>322,607</u>
Accumulated amortisation :-		
At 1st April	67,917	25,468
Amortisation for the year	<u>42,449</u>	<u>42,449</u>
At 31st March	<u>110,366</u>	<u>67,917</u>
Net book value :-		
At 31st March	<u>212,241</u>	<u>254,690</u>

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

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

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
Trade debtors	145,001	182,776
Less: allowance for doubtful debts	<u>(21,844)</u>	<u>(29,356)</u>
	123,157	153,420
Other debtors	<u>277,355</u>	<u>267,579</u>
	<u>400,512</u>	<u>420,999</u>

All debtors, deposits and prepayments of the Group, apart from certain rental deposits totalling HK\$138,378,000 (2008 : HK\$135,504,000), 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 as at the balance sheet date :-

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
Current	114,012	135,993
	-----	-----
1 to 30 days overdue	4,377	12,535
31 to 60 days overdue	2,280	3,025
Over 60 days overdue	<u>2,488</u>	<u>1,867</u>
Amounts overdue	9,145	17,427
	-----	-----
	<u>123,157</u>	<u>153,420</u>

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

10. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK\$177,887,000 (2008 : HK\$254,647,000) and their ageing analysis is as follows :-

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
Current	155,402	232,069
1 to 30 days overdue	12,487	14,897
31 to 60 days overdue	7,322	4,378
Over 60 days overdue	<u>2,676</u>	<u>3,303</u>
	<u>177,887</u>	<u>254,647</u>

11. SHARE CAPITAL

	Financial year ended 31st March,			
	2009		2008	
	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>404,000</u>	<u>121,200</u>
Issued and fully paid :-				
Ordinary shares of HK\$0.30 each				
Balance brought forward	372,311	111,693	310,311	93,093
Shares issued	<u>—</u>	<u>—</u>	<u>62,000</u>	<u>18,600</u>
Balance carried forward	<u>372,311</u>	<u>111,693</u>	<u>372,311</u>	<u>111,693</u>

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.

Notes :-

By an ordinary resolution passed at the annual general meeting held on 21st August, 2008, the Company's authorised share capital was increased to HK\$155,400,000 by the creation of 114,000,000 additional ordinary shares of HK\$0.30 each, ranking pari passu with the then existing issued shares of the Company.

A placing of 62,000,000 existing ordinary shares of nominal value of HK\$0.30 each in the share capital of the Company at a price of HK\$7.37 per ordinary share was made by a shareholder to independent investors on 11th October, 2007. The same number of new ordinary shares were subscribed for on 18th October, 2007 by the shareholder of the aforesaid placing at approximately HK\$7.26 per new ordinary share which was equivalent to the placing price after deduction of commission and related expenses net of interest income earned.

12. CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2009 not provided for in the accounts were as follows :-

	Financial year ended 31st March,	
	2009	2008
	HK\$'000	HK\$'000
Contracted for	24,321	20,449
Authorised but not contracted for	<u>—</u>	<u>174</u>
	<u>24,321</u>	<u>20,623</u>

13. CONTINGENT LIABILITIES

At 31st March, 2009, the Company had the following contingent liabilities in respect of :-

- (a) Guarantees of HK\$979,543,000 (2008 : HK\$1,011,450,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$158,107,000 (2008 : HK\$183,626,000) at the balance sheet date.
- (b) Guarantees given to licensors to guarantee the performance by certain subsidiary companies of obligations under certain agreements. The amount due under the agreements was HK\$11,264,000 (2008 : HK\$29,198,000) at the balance sheet date.

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. No provision was therefore made in this respect at 31st March, 2009 and 31st March, 2008.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

The year ended 31st March, 2009 proved to be one of the most challenging years for the Group in its history.

Although the Group's operations made a positive start to the year, the global credit crisis around the world resulted in a sharp decline in consumer sentiment. This slowdown affected consumers around the world, and regional markets were particularly affected due to their reliance on both domestic and international consumers.

Despite the economic slowdown, the Group's established businesses performed satisfactorily. However, the Group's earnings for the financial year ended 31st March, 2009 were significantly reduced as a result of losses arising from the impairment of fixed assets of the Group's recent investments in retail stores. These impairment losses are non-cash in nature and do not affect the Group's cash flow. Consequently, the Group's balance sheet and net cash position continue to be extremely strong.

FINANCIAL RESULTS AND FINAL DIVIDEND

Turnover for the year was HK\$3,838.7 million, an increase of 2.4 per cent. over last year.

Profit for the year was HK\$51.8 million, a decrease of 75.4 per cent. compared with last year. Excluding the impact of the impairment losses, operating profit was HK\$203.3 million, a reduction of 10.0 per cent. compared with last year.

As the impairment losses do not affect the Group's cash flow, and based on the operating profit achieved and the Group's strong net cash position, the Board is recommending the payment of a final dividend of 18.0 cents per ordinary share.

The final dividend together with the interim dividend of 11.0 cents per ordinary share amounts to a total annual dividend of 29.0 cents per ordinary share compared with 41.3 cents per ordinary share paid out last year.

REVIEW OF OPERATIONS

At the commencement of the year, the Group was looking forward to achieving strong continued turnover and profits growth. However, as the year progressed, the Group's performance was adversely affected by the rapid deterioration in economic conditions resulting from the global credit crisis.

As economic conditions were expected to deteriorate, the Group took further measures to contain costs, maintain healthy inventory levels and implement strict buying budgets.

The Group's retail network at 31st March, 2009 totalled 495 shops. This comprised 70 in Hong Kong, 268 in China, 3 in Macau, 114 in Taiwan and 40 in Singapore, Malaysia and the Philippines.

Geographically, Hong Kong represented 55 per cent. of sales, China was 20 per cent., Taiwan was 16 per cent. and the rest of South East Asia was 9 per cent.

The Group announced in February 2009 that its license to sell, manufacture and import certain licensed products under the 'Polo' and 'Ralph Lauren' trademarks had been extended by one year to 31st December, 2009. And Polo Ralph Lauren Corporation would pay the Group US\$18.2 million upon such expiration.

While Polo/Ralph Lauren has been a significant contributor to the Group's turnover and profits, it was well known that Polo Ralph Lauren Corporation intended to take control of their international operations as evidenced by taking control of their European and Japanese operations some years ago. The Group feels that it has negotiated the best exit possible as the combination of an additional year's operating profit and a cash receipt of US\$18.2 million has ensured that there will be no negative financial impact on the Group in the immediate future.

Excluding the Polo Ralph Lauren shops, the Group will still have a meaningful retail network of in excess of 400 shops throughout the region.

New brands introduced during the year for which shops were opened include 12 shops for Vertu, 7 shops for Alexandre de Paris, an Alviero Martini shop, and the Group's first exclusive Rolex shop.

FUTURE PROSPECTS

The global economic crisis has had an unprecedented negative impact on trading conditions around the world. Moreover, it remains unclear when the global economy will recover, and there is also the negative impact that the global H1N1 pandemic will have on international travel and consumer sentiment. Due to all this uncertainty, the Group will adopt a cautious approach to the further development and expansion of its businesses.

However, the Group will continue to illustrate its unswerving commitment to the retail industry by investing in new representations and opening additional stores around the region should prime locations become available on attractive terms. This will enable the Group to enhance shareholder value in the longer term and demonstrate to brand principals the Group's ability to develop and maximize the potential of its brands at all times and under all circumstances.

With a net cash position of HK\$531.0 million and a strong balance sheet, the Group is confident that it is in a strong financial position to weather the global credit crisis, exploit any future recovery in economic conditions and take advantage of any investment opportunities of exceptional value.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2009, the Group had 3,303 (2008 : 3,178) employees. Total staff costs (including directors' emoluments) amounted to HK\$590.1 million (2008 : HK\$560.1 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee in respect of directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates. Details of the share option scheme are set out in the Company's 2009 annual report ("the 2009 Annual Report") which will be despatched to the shareholders in due course. No share options were granted or exercised during the year.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group generated net cash from operating activities of HK\$145.5 million (2008 : HK\$329.6 million) being operating cash flow of HK\$417.2 million (2008 : HK\$390.7 million) less changes in working capital and net tax payments totalling HK\$271.7 million (2008 : HK\$61.1 million).

The net cash from operating activities funded the Group's capital expenditure and repayment of certain short-term bank borrowings totalling HK\$110.8 million with the balance of HK\$34.7 million utilised towards dividend payments totalling HK\$143.3 million.

This resulted in a net cash utilisation over inflow of HK\$108.6 million reducing the Group's net liquid financial resources as at 31st March, 2009 to HK\$531.0 million (2008 : HK\$590.5 million) comprising cash and bank deposits of HK\$579.3 million and short-term bank borrowings of HK\$48.3 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. The Group's outstanding foreign currency bank borrowings are a result of the application of this policy and comprise short-term bank loans drawn in New Taiwan Dollars, Singapore Dollars and Japanese Yen by the respective operating subsidiary companies.

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, Hong Kong Dollars and Renminbi with the majority placed on short-term deposits with established international banks.

As at 31st March, 2009, the Group's current ratio, being current assets divided by current liabilities, was 2.6 times compared to 2.2 times as at 31st March, 2008. 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, 2008 : Nil).

DIVIDENDS

In view of the results, the Board is recommending the payment of a final dividend of 18.0 cents (2008 : 27.5 cents) per ordinary share for the year ended 31st March, 2009. The final dividend, which will be paid on Friday, 28th August, 2009, will absorb a total of about HK\$67,016,000 (2008 : HK\$102,386,000) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Thursday, 20th August, 2009. Together with the interim dividend of 11.0 cents per ordinary share, the total dividend payout is 29.0 cents per ordinary share.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 19th August, 2009 to Thursday, 20th August, 2009, 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 annual general meeting of the Company to be held on 20th August, 2009), all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 18th August, 2009.

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 shares.

CORPORATE GOVERNANCE PRACTICES

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

The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31st March, 2009. Detailed information on the Company's corporate governance practices is set out in the corporate governance report included in the 2009 Annual Report to be despatched to the shareholders in due course.

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated final results of the Group for the year ended 31st March, 2009 with the Board.

ANNUAL GENERAL MEETING

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, 20th August, 2009 at 11:00 a.m.. The Notice of the Annual General Meeting 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/doc/announcement/EAGM140709.pdf and included in the 2009 Annual Report which will be despatched to the shareholders in due course.

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

Executive Directors :

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

Independent Non-Executive Directors :

Bhanusak Asvaintra
Nicholas Peter Etches
Christopher Patrick Langley, OBE

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

Hong Kong, 22nd June, 2009

** For identification purposes only*