



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

**INTERIM REPORT**  
**2021-2022**

Stock Code : 0113



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## **CORPORATE INFORMATION**

### ***Board of Directors :***

#### **Group Executive Chairman :**

Dickson Poon

#### **Executive Directors :**

Chan Hon Chung, Johnny Pollux

Lau Yu Hee, Gary

Poon Dickson Pearson Guanda

#### **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**)

Chan Hon Chung, Johnny Pollux

Poon Dickson Pearson Guanda

Lo Ming Yue, Edmund Thomas

### ***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

Level 54, Hopewell Centre,

183 Queen's Road East,

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>

# **CHAIRMAN'S STATEMENT**

## **FINANCIAL RESULTS AND INTERIM DIVIDEND**

For the six months ended 30th September, 2021, the Group's turnover was HK\$998.9 million, an increase of 1.8 per cent. compared to HK\$981.1 million in the same period last year.

Net profit attributable to equity shareholders was HK\$135.3 million, an increase of 1.4 per cent. compared to HK\$133.4 million in the same period last year.

In view of these results, the Board has resolved to declare an interim dividend of HK8 cents (2020 : 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 COVID-19, coupled with very cautious consumer sentiment and a complete lack of tourists' spending in Hong Kong. These factors resulted in the Group only achieving a small increase in turnover of 5.3 per cent. despite aggressive promotional activities and a very low base last year.

In July 2021, the Group closed its Beauty Avenue store at Langham Place and re-located the store to Bank Centre in Mong Kok. The new 20,000 sq. ft. store officially opened on 18th November, 2021 and will benefit from significantly reduced fixed rent and higher customer traffic. The Group is confident in the new store's long-term success.

In Taiwan, the Group successfully overcame the disruption caused by the outbreak of COVID-19 since May 2021 and managed to achieve a 196 per cent. growth in profit as a result of continued margin improvement and aggressive cost and inventory control.

In China, the Group continued to record a very strong performance during the period under review. The Group's retail sales recorded an increase of 84 per cent., with physical retail stores increasing 29.1 per cent. and online retail sales increasing 402.6 per cent.. This has successfully enabled the Group to achieve a 155 per cent. increase in profit for the period under review.

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. While the Group had managed its investment portfolio cautiously, a loss of HK\$30.1 million was recorded during the period under review.

## **FUTURE PROSPECTS**

The Group expects the retail climate in Hong Kong to remain difficult. With the continued outbreak of COVID-19 in different countries, uncertainty on the timing of the re-opening of borders and reduced support from various principals, the Group does not expect any real improvement in the retail performance of its existing businesses in Hong Kong in the foreseeable future.

While the Group is confident that its new 20,000 sq. ft. Beauty Avenue store in Mong Kok will be a long-term success, there will be short-term losses as a result of start-up and marketing costs incurred.

In Taiwan, barring another outbreak of COVID-19, the Group is very confident that the business in Taiwan will continue its very strong performance and profit growth.

In China, the Group expects to see continued strong growth for its online channels. For physical retail stores, the Group is cautiously optimistic given the recent resurgence of COVID-19 cases in China, coupled the high base last year.

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\$2,174.4 million and its strong balance sheet, the Group is in a strong position to cope with the current difficult retail climate and identify investment opportunities as market conditions improve.

**Dickson Poon**

*Group Executive Chairman*

Hong Kong, 25th November, 2021



**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, 2021 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, 2021 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

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, 2021 together with the comparative figures are as follows :-

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30th September, 2021

	NOTE	Six months ended 30th September,	
		2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
<b>Revenue</b>	2	<b>998,850</b>	981,057
Cost of sales		<u>(548,020)</u>	<u>(601,169)</u>
<b>Gross profit</b>		<b>450,830</b>	379,888
Other (loss) / income	3	<b>(2,465)</b>	68,628
Selling and distribution expenses		<b>(198,898)</b>	(226,401)
Administrative expenses		<b>(68,858)</b>	(57,814)
Other operating expenses		<u>(15,866)</u>	<u>(13,169)</u>
<b>Operating profit</b>		<b>164,743</b>	151,132
Finance costs		<u>(13,215)</u>	<u>(17,801)</u>
<b>Profit before taxation</b>	4	<b>151,528</b>	133,331
Tax (expense) / credit	5	<u>(16,233)</u>	<u>115</u>
<b>Profit for the period attributable to equity shareholders of the Company</b>		<u><b>135,295</b></u>	<u>133,446</u>
<b>Earnings per share</b> (basic and diluted)	6	<u><b>34.3 cents</b></u>	<u>33.9 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, 2021

Six months ended 30th September,

	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
<b>Profit for the period</b>	<b>135,295</b>	133,446
<b>Other comprehensive income for the period :</b>		
Item that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of financial statements of overseas subsidiary companies (Note)	<u>7,276</u>	<u>16,566</u>
<b>Total comprehensive income for the period attributable to equity shareholders of the Company</b>	<b><u>142,571</u></b>	<b><u>150,012</u></b>

*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, 2021

	NOTE	30/9/2021 (unaudited) HK\$'000	31/3/2021 (audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		42,333	44,519
Right-of-use assets		348,997	148,819
Other financial assets	8	<u>1,360,622</u>	<u>1,318,249</u>
		<b>1,751,952</b>	<b>1,511,587</b>
<b>Current assets</b>			
Inventories		175,867	161,515
Debtors, deposits and prepayments	9	221,152	284,623
Tax recoverable		3,122	5,488
Other financial assets	8	369,269	404,074
Cash and bank balances		<u>3,290,249</u>	<u>3,073,538</u>
		<b>4,059,659</b>	<b>3,929,238</b>
<b>Current liabilities</b>			
Bank loans	10	1,115,891	831,213
Creditors, accruals and provisions	11	395,982	455,712
Lease liabilities		246,614	258,204
Taxation		<u>96,352</u>	<u>84,651</u>
		<b>1,854,839</b>	<b>1,629,780</b>
<b>Net current assets</b>		<b>2,204,820</b>	<b>2,299,458</b>
<b>Total assets less current liabilities</b>		<b>3,956,772</b>	<b>3,811,045</b>
<b>Non-current liabilities</b>			
Lease liabilities		657,426	548,071
Deferred tax liabilities		<u>22,219</u>	<u>21,983</u>
<b>Total non-current liabilities</b>		<b>679,645</b>	<b>570,054</b>
<b>Net assets</b>		<b>3,277,127</b>	<b>3,240,991</b>
<b>Capital and reserves</b>			
Share capital	12	118,261	118,261
Reserves		<u>3,158,866</u>	<u>3,122,730</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>3,277,127</b>	<b>3,240,991</b>

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, 2021

	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)
<b>Balance at 1st April, 2021</b>	<b>118,261</b>	<b>502,561</b>	<b>132,053</b>	<b>2,488,116</b>	<b>3,240,991</b>
Dividends approved and paid in respect of prior year (Notes 7(b) and 7(c)) — 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
<b>Balance at 30th September, 2021</b>	<b>118,261</b>	<b>502,561</b>	<b>139,329</b>	<b>2,516,976</b>	<b>3,277,127</b>

The comparative figures for 2020 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)
<b>Balance at 1st April, 2020</b>	<b>118,261</b>	<b>502,561</b>	<b>110,271</b>	<b>2,242,108</b>	<b>2,973,201</b>
Dividends approved and paid in respect of prior year (Notes 7(b) and 7(c)) — by means of cash	—	—	—	(185,276)	(185,276)
Profit for the period	—	—	—	133,446	133,446
Other comprehensive income for the period	—	—	16,566	—	16,566
<b>Balance at 30th September, 2020</b>	<b>118,261</b>	<b>502,561</b>	<b>126,837</b>	<b>2,190,278</b>	<b>2,937,937</b>

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, 2021

	<b>Six months ended 30th September,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Cash generated from operations before changes in working capital (Note a)</b>	<b>224,030</b>	163,056
(Increase) / decrease in inventories	<b>(12,398)</b>	111,246
Decrease in debtors, deposits and prepayments	<b>71,110</b>	67,926
Decrease in other financial assets held for trading	<b>72,057</b>	7,776
(Decrease) / increase in creditors, accruals and provisions	<b>(59,596)</b>	116,227
Other changes in working capital	<b>(546)</b>	(185)
<b>Cash generated from operations</b>	<b>294,657</b>	466,046
<b>Tax paid (net)</b>	<b>(2,245)</b>	(40,283)
<b>Net cash generated from operating activities</b>	<b>292,412</b>	425,763
Payment for purchase of property, plant and equipment	<b>(13,869)</b>	(6,926)
Payment for purchase of other financial assets	<b>(112,646)</b>	(110,070)
Net proceeds from sales / redemption of other financial assets	<b>24,988</b>	186,811
Decrease in bank deposits with original maturity over three months	—	21,742
Other cash flows arising from investing activities	<b>4,438</b>	12,814
<b>Net cash (used in) / generated from investing activities</b>	<b>(97,089)</b>	104,371
Proceeds from new bank loans	<b>284,678</b>	—
Repayment of bank loans	—	(113,988)
Capital element of lease rentals paid	<b>(148,548)</b>	(158,998)
Interest element of lease rentals paid	<b>(9,250)</b>	(13,141)
Dividends paid	<b>(106,435)</b>	(185,276)
Other cash flows arising from financing activities	<b>(3,980)</b>	(5,028)
<b>Net cash generated from / (used in) financing activities</b>	<b>16,465</b>	(476,431)
<b>Net increase in cash and cash equivalents</b>	<b>211,788</b>	53,703
<b>Cash and cash equivalents at 1st April</b>	<b>3,073,538</b>	3,301,308
<b>Effect of foreign exchange rate changes</b>	<b>4,923</b>	13,477
<b>Cash and cash equivalents at 30th September (Note b)</b>	<b>3,290,249</b>	3,368,488

*Notes :-*

- a. Cash generated from operations before changes in working capital is arrived at after adjusting for depreciation (Note 4), unrealised gain 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 25th November, 2021.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 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 2021 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, 2021 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 :-

	<b>Six months ended 30th September,</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	<b>543,779</b>	467,640
Cosmetics and beauty products	<b>255,935</b>	285,743
Fashion and accessories	<b>214,782</b>	203,998
	<b><u>1,014,496</u></b>	<u>957,381</u>
Revenue from Securities Investment		
Dividend income	<b>4,147</b>	2,502
Fair value change on securities held for trading	<b>(48,343)</b>	(13,350)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	<b>28,550</b>	34,524
	<b><u>(15,646)</u></b>	<u>23,676</u>
	<b><u>998,850</u></b>	<u>981,057</u>

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, 2021 and 30th September, 2020 respectively is set out below.

	<b>Sale of Luxury Goods</b>		<b>Securities Investment</b>		<b>Total</b>	
	<b>Six months ended 30th September, 2021</b>		<b>Six months ended 30th September, 2021</b>		<b>Six months ended 30th September, 2021</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue from external customers	<b>1,014,496</b>	957,381	<b>(15,646)</b>	23,676	<b>998,850</b>	981,057
<b>Reportable segment revenue</b>	<b><u>1,014,496</u></b>	<u>957,381</u>	<b><u>(15,646)</u></b>	<u>23,676</u>	<b><u>998,850</u></b>	<u>981,057</u>
<b>Reportable segment profit / (loss)</b>	<b>165,432</b>	71,291	<b>(30,137)</b>	62,155	<b>135,295</b>	133,446

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>	
	<b>Six months ended 30th September,</b>			
	<b>2021</b>	2020	<b>30/9/2021</b>	31/3/2021
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Hong Kong (place of domicile)	<b>765,518</b>	727,097	<b>361,742</b>	154,728
Taiwan	<b>196,935</b>	193,932	<b>20,796</b>	25,803
Other territories	<b>52,043</b>	36,352	<b>8,792</b>	12,807
	<b>248,978</b>	230,284	<b>29,588</b>	38,610
Revenue from sales of luxury goods and net income from concession and consignment sales	<b>1,014,496</b>	957,381	—	—
Revenue from securities investment	<b>(15,646)</b>	23,676	—	—
Total	<b>998,850</b>	981,057	<b>391,330</b>	193,338

### 3. OTHER (LOSS) / INCOME

	<b>Six months ended 30th September,</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Net realised and unrealised loss on listed equity securities at fair value through profit or loss	<b>(34,706)</b>	—
Unrealised gain on unlisted equity and non-equity securities	<b>26,300</b>	27,287
Unrealised gain on listed debt and equity securities held for trading	—	15,633
Unrealised gain on investment in securities held for trading at fair value	—	3,935
Realised gain on listed debt securities measured at amortised cost	—	757
Impairment loss on listed debt securities measured at amortised cost	<b>(465)</b>	(123)
Interest income	<b>4,411</b>	12,800
Loss on disposal of property, plant and equipment	<b>(319)</b>	(43)
Net foreign exchange gain / (loss)	<b>2,314</b>	(1,618)
Other income (Note)	—	10,000
	<b>(2,465)</b>	68,628

*Note :-*

Other income represents amount received by the Group for termination of store licence.



## 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\$135,295,000 (2020 : HK\$133,446,000) and the weighted average number of 394,202,808 ordinary shares (2020 : 394,202,808 ordinary shares) in issue during the period.

## 7. DIVIDENDS

	<b>Six months ended 30th September,</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
(a) Interim dividend declared after the interim period end : HK8 cents (2020 : HK8 cents) per ordinary share	<b><u>31,536</u></b>	<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, 2020 : HK27 cents) per ordinary share	<b><u>106,435</u></b>	<u>106,435</u>
(c) No special dividend in respect of the previous financial year was approved and paid during the interim period (for the year ended 31st March, 2020 : HK20 cents per ordinary share)	<u>—</u>	<u>78,841</u>

## 8. OTHER FINANCIAL ASSETS

	30/9/2021 HK\$'000	31/3/2021 HK\$'000
Non-current assets		
Listed equity securities designated at fair value through profit or loss	—	59,694
Unlisted equity and non-equity securities designated at fair value through profit or loss	205,077	139,968
Listed debt securities measured at amortised cost net of loss allowance	<u>1,155,545</u>	<u>1,118,587</u>
	<u>1,360,622</u>	<u>1,318,249</u>
Current assets		
Listed equity and non-equity securities held for trading at fair value	332,017	326,353
Unlisted non-equity securities measured at amortised cost net of loss allowance	—	77,721
Listed debt securities measured at amortised cost net of loss allowance	<u>37,252</u>	<u>—</u>
	<u>369,269</u>	<u>404,074</u>
	<u>1,729,891</u>	<u>1,722,323</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 :-

	30/9/2021 HK\$'000	31/3/2021 HK\$'000
Current	52,641	51,861
1 to 30 days overdue	<u>554</u>	<u>—</u>
	<u>53,195</u>	<u>51,861</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 rental deposits totalling HK\$85,261,000 (as at 31st March, 2021 : HK\$71,403,000), 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 :-

	<b>30/9/2021</b>	31/3/2021
	<b>HK\$'000</b>	HK\$'000
Secured	<u><b>1,115,891</b></u>	<u>831,213</u>

At 30th September, 2021, the banking facilities of subsidiary companies were secured by charges over certain debt and equity securities with total carrying value of HK\$1,524,814,000 (as at 31st March, 2021 : HK\$1,368,542,000).

The effective borrowing interest rate at 30th September, 2021 for the Group was 0.72 per cent. (as at 31st March, 2021 : 0.75 per cent.) per annum.

## 11. CREDITORS, ACCRUALS AND PROVISIONS

	<b>30/9/2021</b>	31/3/2021
	<b>HK\$'000</b>	HK\$'000
Trade creditors	<b>103,178</b>	139,760
Contract liabilities	<b>20,995</b>	35,322
Net defined benefit asset	<b>(2,353)</b>	(2,299)
Other creditors, accruals and provisions	<u><b>274,162</b></u>	<u>282,929</u>
	<u><b>395,982</b></u>	<u>455,712</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 :-

	<b>30/9/2021</b>	31/3/2021
	<b>HK\$'000</b>	HK\$'000
Current	<b>103,178</b>	138,147
1 to 30 days overdue	—	674
31 to 60 days overdue	<u>—</u>	<u>939</u>
	<u><b>103,178</b></u>	<u>139,760</u>

## 12. SHARE CAPITAL

	30/9/2021		31/3/2021	
	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,	
	2021 HK\$'000	2020 HK\$'000
Sales of goods	4,449	16,484
Purchases of goods	13,704	8,992
Income from the provision of management and supporting service	3,002	3,343
Rental income	4,059	4,059
Advertising and promotion service expenses	3,020	3,013
Commission expenses	5,791	3,846
Net proceeds from e-Commerce	<u>1,590</u>	<u>1,119</u>

The amounts due from these companies at 30th September, 2021 amounted to HK\$972,000 (at 31st March, 2021 : HK\$763,000) and the amounts due to these companies at 30th September, 2021 amounted to HK\$7,085,000 (at 31st March, 2021 : HK\$7,376,000), 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, 2021 not provided for in the consolidated financial statements were as follows :-

	<b>30/9/2021</b> <b>HK\$'000</b>	31/3/2021 HK\$'000
Contracted for	<b>23,933</b>	—
Authorised but not contracted for	<u>—</u>	<u>—</u>
	<b><u>23,933</u></b>	<u>—</u>

## 15. CONTINGENT LIABILITIES

At 30th September, 2021, the Company had the following contingent liabilities in respect of :-

- (a) Guarantees of HK\$812,414,000 (at 31st March, 2021 : HK\$854,255,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$96,951,000 (at 31st March, 2021 : HK\$96,884,000) 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. The amount due under the agreements was Nil (at 31st March, 2021 : HK\$105,000) at the end of the reporting period.

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, 2021 and 31st March, 2021.

## 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, 2021				
Recurring fair value measurements				
Other financial assets				
Listed equity and non-equity securities held for trading at fair value	332,017	—	—	332,017
Unlisted equity and non-equity securities designated at fair value through profit or loss	—	64,929	140,148	205,077
	<u>332,017</u>	<u>64,929</u>	<u>140,148</u>	<u>537,094</u>
At 31st March, 2021				
Recurring fair value measurements				
Other financial assets				
Listed equity securities designated at fair value through profit or loss	59,694	—	—	59,694
Listed equity and non-equity securities held for trading at fair value	326,353	—	—	326,353
Unlisted equity and non-equity securities designated at fair value through profit or loss	—	—	139,968	139,968
	<u>386,047</u>	<u>—</u>	<u>139,968</u>	<u>526,015</u>

During the six months ended 30th September, 2021, 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 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 or with reference to the pricing of the recent transactions.

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

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Unlisted equity securities :		
At 1st April	<b>139,968</b>	75,314
Net unrealised gains recognised in profit or loss	<b><u>180</u></b>	<u>27,287</u>
At 30th September	<b><u><u>140,148</u></u></b>	<u><u>102,601</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, 2021 and 31st March, 2021, their carrying amounts and fair value and level of fair value hierarchy are disclosed below :-

	<b>Carrying amount as at 30th September, 2021 HK\$'000</b>	<b>Fair value as at 30th September, 2021 HK\$'000</b>	<b>Fair value Measurements as at 30th September, 2021 categorised into Level 1 HK\$'000</b>
Listed and unlisted debt and non-equity securities measured at amortised cost	1,192,797	1,232,814	1,232,814

  

	<b>Carrying amount as at 31st March, 2021 HK\$'000</b>	<b>Fair value as at 31st March, 2021 HK\$'000</b>	<b>Fair value Measurements as at 31st March, 2021 categorised into Level 1 HK\$'000</b>
Listed and unlisted debt and non-equity securities measured at amortised cost	1,196,308	1,242,455	1,242,455

## 17. GOVERNMENT SUBSIDIES

During the period ended 30th September, 2020, the Group recognised subsidies of HK\$18,604,000 under the Hong Kong SAR government's Employment Support Scheme and one-off subsidies of HK\$640,000 under Retail Sector Subsidy 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, 2021, 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 <sup>(ii)</sup>
			Family Interests	Corporate Interests	Other Interests		
Dickson Poon	Beneficial owner and trust founder	17,361	—	—	233,464,065 <sup>(i)</sup>	233,481,426	59.23
Poon Dickson Pearson Guanda	Beneficial owner and beneficiary of a discretionary trust	83,000	—	—	233,464,065 <sup>(i)</sup>	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, 2021, 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, 2021, no share options had been granted to the directors under the Share Option Scheme.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30th September, 2021, 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 <sup>(iii)</sup>	Capacity
Yu Kwai Chu, Pearl	233,481,426 <sup>(i)</sup>	59.23	Interest of spouse
Dickson Investment Holding (PTC) Corporation (“DIHPTC”)	233,464,065 <sup>(ii)</sup>	59.22	Trustee
Paicolex Trust Company (BVI) Limited (“Paicolex BVI”)	233,464,065 <sup>(ii)</sup>	59.22	Trustee
Paicolex Trust Management AG (“Paicolex AG”)	233,464,065 <sup>(ii)</sup>	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, 2021 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, 2021, the Group had 748 (2020 : 802) employees. Total staff costs (including directors' emoluments) amounted to HK\$126.8 million (2020 : HK\$112.9 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 2021 annual report ("the 2021 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, 2021 stood at HK\$2,174.4 million (as at 31st March, 2021 : HK\$2,242.3 million), represented by cash and bank balances of HK\$3,290.2 million (as at 31st March, 2021 : HK\$3,073.5 million) less short-term bank borrowings of HK\$1,115.8 million (as at 31st March, 2021 : HK\$831.2 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, 2021, the Group's current ratio, being current assets divided by current liabilities, was 2.2 times (as at 31st March, 2021 : 2.4 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, 2021 : Nil).

## **INTERIM DIVIDEND**

In view of the results, the Board has resolved to declare an interim dividend of HK8 cents (2020 : HK8 cents) per ordinary share. The interim dividend represents a dividend payout ratio of 23.31 per cent. (2020 : 23.63 per cent.) and will absorb a total of about HK\$31.54 million (2020 : HK\$31.54 million). Shareholders whose names appear in the Register of Members of the Company on Friday, 7th January, 2022 will be entitled to the interim dividend which will be paid on Friday, 21st January, 2022.

## **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, 6th January, 2022 to Friday, 7th January, 2022, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 5th January, 2022.

## **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, 2021, 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. 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 ("the CG Code") as set out in Appendix 14 to the Listing Rules throughout the period under review except code provision A.2.1 of the CG Code as the functions of the Chief Executive Officer are now performed by Sir Dickson Poon, the Group Executive Chairman.

Detailed information on the Company's other corporate governance practices was set out in the Corporate Governance Report included in the 2021 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 was no change of directors' information since the date of the 2021 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, 2021 with the Board.

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

### ***Executive Directors:***

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

### ***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, 25th November, 2021