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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 INTERIM RESULTS  
FOR THE SIX MONTHS ENDED  
30TH SEPTEMBER, 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

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

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

# 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
<b>Profit for the period</b>	<b>155,312</b>	135,295
<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 subsidiary companies outside Hong Kong (Note)	<u>(36,100)</u>	<u>7,276</u>
<b>Total comprehensive income for the period attributable to equity shareholders of the Company</b>	<b><u>119,212</u></b>	<b><u>142,571</u></b>

*Note :-*

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th September, 2022

	NOTE	30/9/2022 (unaudited) HK\$'000	31/3/2022 (audited) HK\$'000
<b>Non-current assets</b>			
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>
		<b>2,172,692</b>	<b>2,158,843</b>
<b>Current assets</b>			
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>
		<u><b>3,495,287</b></u>	<u><b>3,649,312</b></u>
<b>Current liabilities</b>			
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>
		<u><b>1,817,590</b></u>	<u><b>1,882,129</b></u>
<b>Net current assets</b>		<u><b>1,677,697</b></u>	<u><b>1,767,183</b></u>
<b>Total assets less current liabilities</b>		<u><b>3,850,389</b></u>	<u><b>3,926,026</b></u>
<b>Non-current liabilities</b>			
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>
<b>Total non-current liabilities</b>		<u><b>539,779</b></u>	<u><b>628,193</b></u>
<b>Net assets</b>		<u><b>3,310,610</b></u>	<u><b>3,297,833</b></u>
<b>Capital and reserves</b>			
Share capital	12	118,261	118,261
Reserves		<u>3,192,349</u>	<u>3,179,572</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<u><b>3,310,610</b></u>	<u><b>3,297,833</b></u>

# NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

## 1. PRINCIPAL ACCOUNTING POLICIES

### (a) Basis of preparation

The interim results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30th September, 2022 but are extracted from the interim financial report.

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 in the interim report to be sent to shareholders. 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 :-

	<b>Six months ended 30th September,</b>	
	<b>2022</b>	<b>2021</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>487,468</b>	543,779
Cosmetics and beauty products	<b>250,364</b>	255,935
Fashion and accessories	<b><u>239,015</u></b>	<u>214,782</u>
	<b><u>976,847</u></b>	<u>1,014,496</u>
Revenue from Securities Investment		
Dividend income	<b>4,108</b>	4,147
Fair value change on securities held for trading	<b>(7,030)</b>	(48,343)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	<b><u>34,696</u></b>	<u>28,550</u>
	<b><u>31,774</u></b>	<u>(15,646)</u>
	<b><u>1,008,621</u></b>	<u>998,850</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, 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, 2022</u>		<u>Six months ended 30th September, 2022</u>	
	<u>HK\$'000</u>	<u>2021 HK\$'000</u>	<u>HK\$'000</u>	<u>2021 HK\$'000</u>	<u>HK\$'000</u>	<u>2021 HK\$'000</u>
Revenue from external customers	<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>
<b>Reportable segment revenue</b>	<b><u>976,847</u></b>	<b><u>1,014,496</u></b>	<b><u>31,774</u></b>	<b><u>(15,646)</u></b>	<b><u>1,008,621</u></b>	<b><u>998,850</u></b>
<b>Reportable segment profit / (loss)</b>	<b>150,628</b>	165,432	<b>4,684</b>	(30,137)	<b>155,312</b>	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.

	Revenues from external customers		Specified non-current assets	
	Six months ended 30th September,		30/9/2022	31/3/2022
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	<b>682,323</b>	765,518	<b>248,494</b>	282,749
Taiwan	<b>249,389</b>	196,935	<b>67,282</b>	29,387
Other territories	<b>45,135</b>	52,043	<b>7,082</b>	9,448
	<b>294,524</b>	248,978	<b>74,364</b>	38,835
Revenue from sales of luxury goods and net income from concession and consignment sales	<b>976,847</b>	1,014,496	—	—
Revenue from securities investment	<b>31,774</b>	(15,646)	—	—
Total	<b>1,008,621</b>	998,850	<b>322,858</b>	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	<b>3,878</b>	2,314
	<b>3,944</b>	(2,465)

#### 4. PROFIT BEFORE TAXATION

	<b>Six months ended 30th September,</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
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	<u>8,138</u>	<u>9,235</u>

#### 5. TAXATION

	<b>Six months ended 30th September,</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax — Hong Kong Profits Tax		
Provision for the period	17,127	16,763
Over-provision in respect of prior years	<u>—</u>	<u>(4,157)</u>
	<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	<u>30</u>	<u>1,702</u>
	<u>6,036</u>	<u>3,687</u>
Deferred tax		
Origination and reversal of temporary differences	<u>—</u>	<u>(60)</u>
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

	<b>Six months ended 30th September,</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
(a) Interim dividend declared after the interim period end : HK8 cents (2021 : HK8 cents) per ordinary share	<u><b>31,536</b></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><b>106,435</b></u>	<u>106,435</u>

## 8. OTHER FINANCIAL ASSETS

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

	<b>30/9/2022</b>	31/3/2022
	<b>HK\$'000</b>	HK\$'000
Current	<u><b>57,479</b></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 :-

	<b>30/9/2022</b>	31/3/2022
	<b>HK\$'000</b>	HK\$'000
Secured	<u><b>1,066,307</b></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><u>355,769</u></u>	<u><u>370,546</u></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><u>132,444</u></u>	<u><u>141,053</u></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. CAPITAL COMMITMENTS

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

	<b>30/9/2022</b> <b>HK\$'000</b>	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>

### 14. 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.

### 15. 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.

## **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.

## **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.

## **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.

## **LIST OF DIRECTORS AND THEIR ROLE AND FUNCTION**

With effect from 29th November, 2022, the members of the Board and the membership information of the four Board committees of the Company on which the relevant Board members serve will be as follows :-

### **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

### **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

As at the date of this announcement, 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

*\* For identification purposes only*