DICKSON

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

(Stock Code: 0113)

GROUP FINAL RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2019

The board of directors ("the Board") of Dickson Concepts (International) Limited ("the Company") announces that the consolidated final results of the Company and its subsidiary companies (together "the Group") for the year ended 31st March, 2019 together with last year's corresponding comparative figures are as follows :-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March, 2019

		Financial year ended 31st March,	
		2019	2018
	NOTE	**HK$'000**	HK$'000
Revenue	3	**4,009,422**	3,635,599
Cost of sales		**(2,013,275)**	(1,948,219)
Gross profit		**1,996,147**	1,687,380
Other income	4	**248,697**	29,100
Selling and distribution expenses		**(1,553,635)**	(1,316,334)
Administrative expenses		**(207,386)**	(175,618)
Other operating expenses		**(55,284)**	(60,705)
Operating profit		**428,539**	163,823
Finance costs		**(3,531)**	(1,557)
Share of profit / (loss) of an associated company		**1**	(1)
Profit before taxation	5	**425,009**	162,265
Taxation	6	**(21,203)**	(10,456)
Profit for the year attributable to equity shareholders of the Company		**403,806**	151,809
Earnings per share (basic and diluted)	8	**101.1 cents**	39.2 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2019

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Profit for the year	**403,806**	151,809
Other comprehensive income for the year :		
Item that will not be reclassified to profit or loss :		
Remeasurement of net defined benefit liability (after tax expense of HK$14,000 (2018 : tax credit of HK$10,000))	**194**	348
Item that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of financial statements of overseas subsidiary and associated companies (Note (a))	**(33,489)**	33,022
Other comprehensive income for the year	**(33,295)**	33,370
Total comprehensive income for the year attributable to equity shareholders of the Company	**370,511**	185,179

Notes :-

(a) There is no tax effect relating to the above components of the other comprehensive income.

(b) The Group has initially applied HKFRS 15 and HKFRS 9 at 1st April, 2018. Under the transition methods chosen, comparative information is not restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2019

	NOTE	**2019** **HK$'000**	2018 HK$'000
Non-current assets			
Property, plant and equipment		**65,347**	110,781
Interest in an associated company		**24,188**	25,895
Deferred tax assets		**2,958**	3,171
Other financial assets	9	**489,621**	215,869
		582,114	355,716
Current assets			
Inventories		**415,440**	472,271
Debtors, deposits and prepayments	10	**333,497**	317,427
Tax recoverable		**1,152**	2,138
Other financial assets	9	**351,612**	175,793
Cash and bank balances		**1,739,142**	1,754,795
		2,840,843	2,722,424
Current liabilities			
Bank loans		—	126,439
Bills payable		—	9
Creditors, accruals and provisions	11	**832,999**	652,546
Taxation		**23,946**	18,977
		856,945	797,971
Net current assets		**1,983,898**	1,924,453
Total assets less current liabilities		**2,566,012**	2,280,169
Non-current liabilities			
Deferred tax liabilities		**21,607**	24,417
Amount due to an associated company		**23,612**	25,272
Net assets		**2,520,793**	2,230,480
Capital and reserves			
Share capital	12	**119,999**	117,975
Reserves		**2,400,794**	2,112,505
Total equity attributable to equity shareholders of the Company		**2,520,793**	2,230,480

Note :-

The Group has initially applied HKFRS 15 and HKFRS 9 at 1st April, 2018. Under the transition methods chosen, comparative information is not restated.

NOTES

The Group's final results set out in this announcement do not constitute the Group's financial statements for the year ended 31st March, 2019 but are extracted from those financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

These financial statements 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 financial statements 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 certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

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

2. CHANGES IN ACCOUNTING POLICIES

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

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*

The Group has been impacted by HKFRS 9 in relation to classification and measurement of financial assets and impacted by HKFRS 15 in relation to presentation of contract liabilities. Details of the changes in accounting policies are discussed in Note 2(i) for HKFRS 9 and Note 2(ii) for HKFRS 15.

(i) HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement.* It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1st April, 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1st April, 2018. Therefore, comparative information continues to be reported under HKAS 39.

(1) Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVTOCI") and at fair value through profit or loss ("FVTPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories :-

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

- FVTOCI - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

- FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI (non-recycling), are recognised in profit or loss.

The Group decides not to elect this designation option (irrevocably designate as FVTOCI) for any of the investments held on 1st April, 2018 and will recognise any fair value changes in respect of these investments in profit or loss as they arise.

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 31st March, 2018 HK$'000	Reclassification HK$'000	Remeasurement HK$'000	HKFRS 9 carrying amount at 1st April, 2018 HK$'000
Financial assets carried at FVTPL				
Unlisted equity securities	–	215,869	23,829	239,698
Listed equity securities held for trading	148,000	–	–	148,000
Listed debt securities	27,793	–	–	27,793
	175,793	215,869	23,829	415,491
Financial assets classified as available-for-sales under HKAS 39				
Unlisted equity securities	215,869	(215,869)	–	–

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1st April, 2018 have not been impacted by initial application of HKFRS 9.

(2) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with expected credit losses ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to debtors, deposits and prepayments. The adoption of the new ECL model has no significant impact to the consolidated financial statements of the Group.

(ii) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services.

Further details of the nature and effect of the changes on previous accounting policies are set out below :-

(1) Timing of revenue recognition

The adoption of HKFRS 15 does not have a significant impact on the Group's revenue recognition.

(2) Presentation of contract liabilities

Under HKFRS 15, a contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. Such balances are recognised as contract liabilities rather than payables.

As a result of this new presentation, the Group has reclassified "advances received from gift certificates" and "receipt in advance" totalling to HK$20,698,000 as at 1st April, 2018 which were previously included in other creditors, accruals and provisions to contract liabilities under creditors, accruals and provisions.

3. REVENUE / 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, income from concession and consignment sales, net gain / (loss) on debt securities and 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 :-

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Fashion and accessories	**1,323,932**	1,357,650
Watches and jewellery	**1,341,658**	1,129,172
Cosmetics and beauty products	**1,330,689**	1,142,623
	3,996,279	3,629,445
Revenue from Securities Investment	**13,143**	6,154
	4,009,422	3,635,599

Information about major customers

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

(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, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases :-

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 / (loss) is adjusted profit / (loss) before taxation. The adjusted profit / (loss) before taxation is measured consistently with the Group's profit / (loss) before taxation except that certain interest income, unallocated expenses and certain finance costs are excluded from such measurement.

Segment assets include all current and non-current assets of individual assets with the exception of other unallocated corporate assets.

Segment liabilities include creditors and accruals and bills payable attributable to the operation of individual segments and bank loans managed directly by the segments.

Information regarding the Group's reportable segments for the years ended 31st March, 2019 and 31st March, 2018 respectively is set out below.

	Sale of Luxury Goods		**Securities Investment**		**Total**	
	Financial year ended 31st March,					
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**3,996,279**	3,629,445	**13,143**	6,154	**4,009,422**	3,635,599
Reportable segment revenue	**3,996,279**	3,629,445	**13,143**	6,154	**4,009,422**	3,635,599
Reportable segment profit	**500,605**	247,113	**15,779**	6,463	**516,384**	253,576
Reportable segment assets	**1,744,303**	1,923,391	**1,000,000**	1,126,439	**2,744,303**	3,049,830
Interest in an associated company	**24,188**	25,895	**—**	—	**24,188**	25,895
Additions to non-current segment assets during the year	**100,459**	32,218	**—**	—	**100,459**	32,218
Reportable segment liabilities	**1,158,711**	1,301,600	**916,931**	1,059,149	**2,075,642**	2,360,749

	Sale of Luxury Goods		Securities Investment		Total	
	Financial year ended 31st March,					
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Reportable segment profit included :						
Interest income	**3,116**	869	**16,000**	8,256	**19,116**	9,125
Interest expenses	**(1)**	(114)	**(3,530)**	(1,443)	**(3,531)**	(1,557)
Deprecation	**(41,739)**	(53,291)	–	–	**(41,739)**	(53,291)
Share of profit / (loss) of an associated company	**1**	(1)	–	–	**1**	(1)
Loss on disposal of property, plant and equipment	**(266)**	(1,433)	–	–	**(266)**	(1,433)
Impairment loss on property, plant and equipment	**(73,608)**	–	–	–	**(73,608)**	–
Provisions	**(101,751)**	–	–	–	**(101,751)**	–
Gain on disposal of a subsidiary company	**220,012**	–	–	–	**220,012**	–

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

Revenue

No reconciliation of revenue is required as the total reportable segments' figure is equal to the Group's consolidated figure.

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Profit		
Reportable segment profit	**516,384**	253,576
Unallocated interest income and other revenue	**19,796**	21,451
Other unallocated central overheads	**(111,171)**	(112,762)
Consolidated profit before taxation	**425,009**	162,265

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Assets		
Reportable segment assets	**2,744,303**	3,049,830
Elimination of inter-segment receivables	**(610,593)**	(602,584)
Other unallocated corporate assets	**1,289,247**	630,894
Consolidated total assets	**3,422,957**	3,078,140

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Liabilities		
Reportable segment liabilities	**2,075,642**	2,360,749
Elimination of inter-segment payables	**(1,197,078)**	(1,529,890)
Unallocated corporate liabilities	**23,600**	16,801
Consolidated total liabilities	**902,164**	847,660

(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 interest in an associated company. 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 asset, in the case of property, plant and equipment, and the location of operations, in the case of interest in an associated company.

	Revenues from external customers		Specified non-current assets	
	Financial year ended 31st March,			
	2019	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (place of domicile)	**3,189,160**	2,766,879	**43,399**	85,697
Taiwan	**627,713**	643,921	**18,015**	16,763
China	**62,893**	102,327	**25,088**	27,694
Singapore and Malaysia	**92,673**	82,230	**3,032**	5,977
Other territories	**36,983**	40,242	**1**	545
	820,262	868,720	**46,136**	50,979
Total	**4,009,422**	3,635,599	**89,535**	136,676

4. OTHER INCOME

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Net realised and unrealised gain on unlisted equity securities	**7,438**	—
Interest income	**22,506**	11,694
Gain on disposal of a subsidiary company (Note)	**220,012**	—
(Loss) / gain on disposal of property, plant and equipment	**(263)**	3,862
Net foreign exchange (loss) / gain	**(996)**	13,544
	248,697	29,100

Note :-

During the year ended 31st March, 2019, the Group disposed of its entire equity interest in Melborn Property Limited (formerly known as Dickson Warehousing Limited), a wholly-owned subsidiary company, in the sales of luxury goods segment to an independent third party, at a total cash consideration of HK$250,000,000 and a gain on disposal of a subsidiary company amounting to HK$220,012,000 was recognised in profit or loss during the year (2018 : Nil).

5. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Profit before taxation is arrived at after charging / (crediting) :-		
Depreciation	**44,205**	58,136
Impairment loss on property, plant and equipment	**73,608**	—
Impairment loss on trade debtors written back	**(361)**	(734)
Interest on bank overdrafts and loans repayable within five years	**3,531**	1,557
Provision (Note)	**101,751**	—

Note :-

A provision of HK$101,751,000 was recognised in the selling and distribution expenses for the year ended 31st March, 2019 for net costs of meeting contractual obligations, taking into account the economic benefits expected to be derived.

6. TAXATION

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	**3,810**	270
Under-provision in respect of prior years	**23**	40
	3,833	310
Current tax – Overseas		
Provision for the year	**17,297**	10,517
Under-provision in respect of prior years	**15**	253
	17,312	10,770
Deferred tax		
Origination and reversal of temporary differences	**58**	(624)
Total income tax expense	**21,203**	10,456

The provision for Hong Kong Profits Tax for 2019 is calculated at 16.5 per cent. (2018 : 16.5 per cent.) of the estimated assessable profits for the year.

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

7. DIVIDENDS

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Interim dividend declared and paid of HK8 cents per ordinary share (2018 : Nil)	**32,162**	–
Final dividend proposed after the end of the reporting period of HK27 cents (2018 : HK23 cents) per ordinary share	**108,000**	90,448

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit for the year attributable to ordinary equity shareholders of the Company of HK$403,806,000 (2018 : HK$151,809,000) and the weighted average number of 399,313,848 ordinary shares (2018 : 387,675,621 ordinary shares) in issue during the year.

Weighted average number of ordinary shares

	Financial year ended 31st March,	
	2019	2018
	Number of shares	Number of shares
	Thousands	Thousands
Issued ordinary shares at 1st April	**393,251**	380,452
Effect of scrip dividend	**10,156**	7,224
Effect of repurchase of shares	**(4,093)**	—
Weighted average number of ordinary shares at 31st March	**399,314**	387,676

Basic earnings per share are the same as diluted earnings per share for both years as the Company has no dilutive potential shares outstanding for both years.

9. OTHER FINANCIAL ASSETS

Other financial assets comprise :-

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Non-current assets		
Unlisted available-for-sale equity securities	—	215,869
Unlisted equity securities designated at fair value through profit or loss	**224,710**	—
Listed debt securities measured at amortised cost	**264,911**	—
	489,621	215,869
Current assets		
Listed equity securities held for trading	**211,359**	148,000
Investment in securities held for trading at fair value	**70,219**	—
Listed debt securities designated at fair value through profit or loss	—	27,793
Listed debt securities measured at amortised cost	**70,034**	—
	351,612	175,793
	841,233	391,662

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Trade debtors	**133,158**	125,949
Less: loss allowance	**(5,068)**	(5,586)
	128,090	120,363
Other debtors, deposits and prepayments	**205,407**	197,064
	333,497	317,427

All debtors, deposits and prepayments of the Group, apart from certain rental deposits totalling HK$133,203,000 (2018 : HK$133,450,000), 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 loss allowance) with the following ageing analysis based on due date as at the end of the reporting period :-

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Current	**127,954**	120,119
1 to 30 days overdue	**–**	244
31 to 60 days overdue	**–**	–
Over 60 days overdue	**136**	–
Amounts overdue	**136**	244
	128,090	120,363

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

11. CREDITORS, ACCRUALS AND PROVISIONS

	31st March, 2019 HK$'000	1st April, 2018 HK$'000	31st March, 2018 HK$'000
Trade creditors	**273,117**	277,404	277,404
Contract liabilities	**16,711**	20,698	—
Net defined benefit asset	**(850)**	(711)	(711)
Provisions	**101,751**	—	—
Other creditors and accruals	**442,270**	355,155	375,853
	832,999	652,546	652,546

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 :-

	Financial year ended 31st March, 2019 HK$'000	2018 HK$'000
Current	**272,918**	277,189
1 to 30 days overdue	**151**	179
31 to 60 days overdue	**32**	36
Over 60 days overdue	**16**	—
	273,117	277,404

The amount of the Group's creditors, accruals and provisions expected to be settled after more than one year is HK$135,517,000 (2018 : HK$66,144,000).

12. SHARE CAPITAL

	Financial year ended 31st March,			
	2019		2018	
	Number of shares Thousands	**Nominal value HK$'000**	Number of shares Thousands	Nominal value HK$'000
Authorised :-				
Ordinary shares of HK$0.30 each	**518,000**	**155,400**	518,000	155,400
Issued and fully paid :-				
Ordinary shares of HK$0.30 each				
Balance brought forward	**393,251**	**117,975**	380,452	114,135
New ordinary shares issued under scrip dividend scheme	**18,260**	**5,478**	12,799	3,840
Repurchases of shares	**(11,513)**	**(3,454)**	—	—
Balance carried forward	**399,998**	**119,999**	393,251	117,975

During the year ended 31st March, 2018, 12,799,586 new fully paid ordinary shares were issued and allotted at HK$2.94 per share to the shareholders who elected to receive new ordinary shares in lieu of cash pursuant to the scrip dividend scheme in relation to the final dividend for the year ended 31st March, 2017.

During the year ended 31st March, 2019, 18,260,477 new fully paid ordinary shares were issued and allotted at HK$3.35 per share to the shareholders who elected to receive new ordinary shares in lieu of cash pursuant to the scrip dividend scheme in relation to the final dividend for the year ended 31st March, 2018.

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.

During the year ended 31st March, 2019, the Company repurchased a total of 11,513,500 ordinary shares on the Stock Exchange at an aggregate purchase price (excluding expenses) of HK$42,404,220. Such repurchased shares were subsequently cancelled during the year ended 31st March, 2019 and on 16th April, 2019 respectively. Details of the ordinary shares repurchased on the Stock Exchange during the year ended 31st March, 2019 are as follows :-

Month of repurchase	**Number of ordinary shares repurchased**	**Highest purchase price per ordinary share**	**Lowest purchase price per ordinary share**	**Aggregate purchase price (excluding expenses)**
		HK$	*HK$*	*HK$*
August 2018	346,000	3.45	3.40	1,186,170
September 2018	1,543,500	3.51	3.41	5,323,755
October 2018	3,832,000	3.55	3.41	13,370,755
December 2018	3,989,000	3.88	3.79	15,452,435
January 2019	256,500	3.85	3.62	967,030
February 2019	641,500	3.90	3.76	2,479,135
March 2019	905,000	4.05	3.80	3,624,940

As a result of the above share repurchases, the issued share capital of the Company was accordingly reduced by the par value of the aforesaid repurchased ordinary shares which were cancelled during the year ended 31st March, 2019 and on 16th April, 2019 respectively. As at the date of this announcement, the number of issued shares of the Company is 399,998,308 ordinary shares.

The directors believe that the above share repurchases are in the best interests of the Company and its shareholders and that such share repurchases would lead to an enhancement of the net assets value and / or earnings per share of the Company.

13. CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2019 not provided for in the financial statements were as follows :-

	Financial year ended 31st March,	
	2019	2018
	HK$'000	HK$'000
Contracted for	**952**	9,592
Authorised but not contracted for	**48**	689
	1,000	10,281

14. CONTINGENT LIABILITIES

At 31st March, 2019, the Company had the following contingent liabilities in respect of :-

(a) Guarantees of HK$1,003,455,000 (2018 : HK$1,067,817,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK$112,233,000 (2018 : HK$115,773,000) at the end of the reporting period.

(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$15,273,000 (2018 : HK$16,105,000) 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 31st March, 2019 and 31st March, 2018 respectively.

15. DISPOSAL OF A SUBSIDIARY COMPANY

During the year ended 31st March, 2019, the Group disposed of its entire equity interest in Melborn Property Limited (formerly known as Dickson Warehousing Limited), a wholly-owned subsidiary company, in the sales of luxury goods segment (see Note 4). The disposal had the following effect on the Group's assets and liabilities :-

	2019
	HK$'000
Net assets disposed of :-	
Property, plant and equipment	27,038
Deposits and prepayment	297
Deferred tax liabilities	(2,104)
Net identifiable assets	25,231
Total transaction costs	2,950
Gain on disposal of a subsidiary company (Note 4)	220,012
	248,193
Satisfied by :-	
Cash consideration received	250,000
Less : payment of deferred tax liabilities net of deposits and prepayment	(1,807)
	248,193

Analysis of the net cash inflow in respect of the disposal of a subsidiary company :-

Cash consideration	250,000
Payment of deferred tax liabilities net of deposits and prepayment	(1,807)
Transaction cost paid	(1,250)
Net inflow of cash and cash equivalents in respect of disposal of a subsidiary company	246,943

16. SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31st March, 2019 as set out in the preliminary announcement have been compared by the Company's Independent Auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Independent Auditor.

MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year ended 31st March, 2019, the Group achieved sales of HK$4,009.4 million, an increase of 10.3 per cent.. Comparable store sales increased by 11.2 per cent..

Net profit attributable to equity shareholders was HK$403.8 million (2018 : HK$151.8 million), an increase of 1.7 times over 2018. The investment portfolio and disposal of a warehouse property contributed a net profit of HK$235.8 million.

The increase in profit is the result of solid growth in the retail division, contribution from the investment portfolio, disposal of a warehouse property and tight control in operating costs and expenses at all levels of operation.

FINANCIAL RESULTS AND FINAL DIVIDEND

Turnover for the financial year ended 31st March, 2019 was HK$4,009.4 million, an increase of 10.3 per cent. compared to HK$3,635.6 million in the previous year.

Profit attributable to shareholders was HK$403.8 million as compared to HK$151.8 million in the previous year.

In view of these results, the Board is recommending the payment of a final dividend of HK27 cents per ordinary share, which together with the interim dividend of HK8 cents per ordinary share paid, represents an increase of 52.17 per cent. over the HK23 cents per ordinary share paid in the previous year. Based on a closing price of HK$4.09 on 29th March, 2019, the total dividend proposed represents a yield of 8.56 per cent..

REVIEW OF OPERATIONS

The retail climate in Hong Kong, China and South East Asia deteriorated in the second half of the financial year as certain concerns mentioned in the interim report materialised.

In Hong Kong, the increase in tourist arrivals benefited the Group, in particular, the categories of beauty and luxury watches. As a result, the Group achieved 15.3 per cent. growth in sales turnover in the year ended 31st March, 2019.

In Taiwan, while the luxury retail market remains weak as a result of the major drop in Mainland Chinese tourists due to poor political relationship between Mainland China and Taiwan, the Group succeeded in achieving major improvement in profits through improved margins and tight inventory controls.

The Group adopted a very cautious approach to its expansion and opened only 11 new shops during the year. Today, the Group's retail network totals 113 stores comprising 24 stores in Hong Kong, 16 in China, 59 in Taiwan, 5 in Singapore, 6 in Malaysia and 3 in Macau.

Geographically, Hong Kong contributed 79.5 per cent. of sales, Taiwan 15.7 per cent., China 1.6 per cent. and other territories 3.2 per cent..

In terms of sales mix, watches and jewellery represented 33.5 per cent., cosmetics and beauty products 33.2 per cent. and fashion and accessories 33.0 per cent..

FUTURE PROSPECTS

The retail climate in Hong Kong, China and South East Asia remains challenging in the foreseeable future and the Group continues to face a very high operating cost base from rental and staff cost, together with the risk of volatile market conditions. In particular, there are major uncontrollable factors such as :-

a. A slowdown in Chinese tourist spending;
b. Trade war between U.S. and China;
c. Severe margins pressure from online operators internationally;
d. Severe volatility in equity markets; and
e. RMB weakness and reduced import duties which have narrowed the price gap between Hong Kong and China.

As such, the Group will continue to rigorously control costs and expenses at all levels of operation and adopt a very cautious approach to its further expansion and development strategies.

On 17th December, 2018, the Group announced that it will invest HK$250 million on the first Harvey Nichols flagship new format store globally. Technology is core to this new store format and by capitalising on the strategic partnership with Harvey Nichols Group in the United Kingdom as announced in March 2018, the Group will be able to combine the leading international brands and top emerging designer talents from both Harvey Nichols UK's digital platform and Harvey Nichols HK in the new retail format. This new flagship store will be unveiled at Pacific Place in September 2019 and will showcase 3 times the offering of the existing store, while reducing the size of the existing store by 50 per cent.. As such, this will result in a large reduction in fixed cost and substantially increase sales, allowing the Group to maximise sales densities and profits, compete against pure online operators, while offering customers the most curated product and service offering possible.

On the investment side, the Group will continue to seek investment opportunities for long term direct investments as well as trading investments in major international markets.

With net cash of HK$1,739.1 million and its strong balance sheet, the Group is in an excellent position to take advantage of any further improvement in market condition as well as to undertake new investment opportunities to diversify and broaden its earnings base.

CORPORATE STRATEGY

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

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2019, the Group had 1,384 (2018 : 1,433) employees. Total staff costs (including directors' emoluments) amounted to HK$454.5 million (2018 : HK$454.5 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee in respect of directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group generated net cash from operating activities of HK$277.9 million (2018 : HK$256.6 million) which included operating cash flow after changes in working capital of HK$292.7 million (2018 : HK$263.4 million) and tax payments of HK$14.8 million (2018 : HK$6.8 million).

The net cash utilisation in investing activities was HK$44.7 million (2018 : net cash surplus of HK$10.8 million) during the year which included net cash ultilisation in other financial assets of HK$285.3 million (2018 : net cash surplus of HK$11.8 million) and net proceeds from disposal of a subsidiary company of HK$246.9 million (2018 : Nil).

Together with other financing activities including repayment of bank loans of HK$126.4 million (2018 : net proceeds from new bank loans of HK$82.1 million), repurchases of share of HK$42.6 million (2018 : Nil) and dividend payment of HK$61.4 million (2018 : HK$27.0 million), the net cash utilisation decreased the Group's cash and bank deposits as at 31st March, 2019 to HK$1,739.1 million (2018 : HK$1,754.8 million). The Group's net liquid financial resources, being cash and bank deposits less short-term banking borrowings, as at 31st March, 2019 were HK$1,739.1 million (2018 : HK$1,628.4 million).

FOREIGN CURRENCY EXPOSURE AND FINANCIAL MANAGEMENT

Merchandise purchased by the Group is mainly denominated in United States Dollars, Euros, Pounds Sterling and Swiss Francs. Where appropriate, forward foreign exchange contracts are utilised to purchase the relevant currency to settle amounts due and it is the Group's policy that such foreign exchange contracts or foreign currency purchases are strictly limited to approved purchase budget amounts or actual purchase commitments.

Exposure to fluctuations in the exchange rate of regional currencies in respect of the Group's overseas operations is minimised by utilising local currency borrowings, where necessary, to fund working capital and capital expenditure requirements with repayment from funds generated from local sales.

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

As at 31st March, 2019, the Group's current ratio, being current assets divided by current liabilities, was 3.3 times (as at 31st March, 2018 : 3.4 times). 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, 2018 : Nil).

OTHER INFORMATON

DIVIDENDS

In view of the results, the Board is recommending the payment of a final dividend of HK27 cents (2018 : HK23 cents) per ordinary share for the year ended 31st March, 2019. The final dividend, which will be paid on or about Friday, 9th August, 2019, will absorb a total of about HK$108,000,000 (2018 : HK$90,448,000) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Friday, 2nd August, 2019. Together with the interim dividend of HK8 cents per ordinary share (2018 : Nil), the dividend payout is HK35 cents (2018 : HK23 cents) per ordinary share.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' right to attend and vote at the annual general meeting of the shareholders of the Company to be held on Thursday, 25th July, 2019 ("the 2019 AGM"), and entitlement to the proposed final dividend, the Register of Members of the Company will be closed as set out below :-

(i) For ascertaining shareholders' right to attend and vote at the 2019 AGM :-

Latest time to lodge transfer documents for registration	4:30 p.m. on Friday, 19th July, 2019
Closure of Register of Members	Monday, 22nd July, 2019 to Thursday, 25th July, 2019 (both days inclusive)

Record Date	Thursday, 25th July, 2019

(ii) For ascertaining shareholders' entitlement to the proposed final dividend :-

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 31st July, 2019
Closure of Register of Members	Thursday, 1st August, 2019 to Friday, 2nd August, 2019 (both days inclusive)
Record Date	Friday, 2nd August, 2019

During the above closure periods, no transfer of shares will be effected. In order to be eligible to attend and vote at the 2019 AGM and to qualify for the proposed final 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than the abovementioned "latest time".

SHARE PURCHASE, SALE AND REDEMPTION

Details of ordinary shares repurchased by the Company on the Stock Exchange during the year ended 31st March, 2019 are set out in Note 12 on pages 17 to 18 of this announcement.

Save as disclosed in Note 12 on pages 17 to 18 of this announcement, there was no purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's ordinary shares during the year ended 31st March, 2019 and up to the date of this announcement.

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 of the Listing Rules throughout the year ended 31st March, 2019 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 is set out in the Corporate Governance Report included in the 2019 Annual Report which will be despatched to the shareholders in due course.

REVIEW OF GROUP FINAL RESULTS

The Audit Committee has reviewed the consolidated final results of the Group for the year ended 31st March, 2019 with the Board.

ANNUAL GENERAL MEETING

The 2019 AGM will be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 25th July, 2019 at 11:30 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/EAGM260619.pdf and included in the 2019 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)*
Chan Hon Chung, Johnny Pollux
Lau Yu Hee, Gary
Poon Dickson Pearson Guanda

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

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

Hong Kong, 3rd June, 2019

* *For identification purposes only*