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DICKSON

DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0113)

GROUP FINAL RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2020

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, 2020 together with last year's corresponding comparative figures are as follows :-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March, 2020

		Financial year ended 31st March,	
		2020	2019
			(restated)
	NOTE	**HK$'000**	HK$'000
Revenue	3	**2,937,710**	4,009,422
Cost of sales		**(1,705,302)**	(2,013,275)
Gross profit		**1,232,408**	1,996,147
Other income	4	**1,434,130**	248,697
Selling and distribution expenses		**(1,657,748)**	(1,518,465)
Administrative expenses		**(248,501)**	(207,226)
Other operating expenses		**(22,331)**	(55,284)
Operating profit		**737,958**	463,869
Finance costs		**(42,254)**	(31,326)
Share of profit of an associated company		**–**	1
Profit before taxation	5	**695,704**	432,544
Taxation	6	**(49,881)**	(21,203)
Profit for the year attributable to equity shareholders of the Company		**645,823**	411,341
Earnings per share (basic and diluted)	8	**162.9 cents**	103.0 cents

Note :-

The Group has initially applied HKFRS 16 on 1st April, 2019 using the full retrospective approach. Under this approach, comparative information has been restated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2020

	Financial year ended 31st March,	
	2020	2019 (restated)
	HK$'000	HK$'000
Profit for the year	**645,823**	411,341
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$27,000 (2019 : HK$14,000))	**549**	194
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))	**(3,432)**	(33,447)
Other comprehensive income for the year	**(2,883)**	(33,253)
Total comprehensive income for the year attributable to equity shareholders of the Company	**642,940**	378,088

Notes :-

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

(b) The Group has initially applied HKFRS 16 on 1st April, 2019 using the full retrospective approach. Under this approach, comparative information has been restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31st March, 2020

	NOTE	**At 31st March, 2020 HK$'000**	At 31st March, 2019 (restated) HK$'000	At 1st April, 2018 (restated) HK$'000
Non-current assets				
Property, plant and equipment		**47,813**	65,212	96,192
Right-of-use assets		**113,646**	794,812	857,234
Interest in an associated company		—	24,188	25,895
Deferred tax assets		**1,995**	2,958	3,171
Other financial assets	9	**1,195,424**	489,621	239,698
		1,358,878	1,376,791	1,222,190
Current assets				
Inventories		**323,477**	415,440	472,271
Debtors, deposits and prepayments	10	**374,323**	333,497	317,427
Tax recoverable		**5,365**	1,152	2,138
Other financial assets	9	**239,601**	351,612	175,793
Cash and bank balances		**3,323,006**	1,739,142	1,754,795
		4,265,772	2,840,843	2,722,424
Current liabilities				
Bank loans		**1,059,774**	—	126,439
Bills payable		—	—	9
Creditors, accruals and provisions	11	**465,035**	688,030	596,751
Lease liabilities		**314,965**	373,390	375,077
Taxation		**52,824**	23,946	18,977
		1,892,598	1,085,366	1,117,253
Net current assets		**2,373,174**	1,755,477	1,605,171
Total assets less current liabilities		**3,732,052**	3,132,268	2,827,361
Non-current liabilities				
Lease liabilities		**738,498**	591,987	556,671
Deferred tax liabilities		**20,353**	21,607	24,417
Amount due to an associated company		—	23,612	25,272
Total non-current liabilities		**758,851**	637,206	606,360
Net assets		**2,973,201**	2,495,062	2,221,001
Capital and reserves				
Share capital	12	**118,261**	119,999	117,975
Reserves		**2,854,940**	2,375,063	2,103,026
Total equity attributable to equity		**2,973,201**	2,495,062	2,221,001

Note :-

The Group has initially applied HKFRS 16 on 1st April, 2019 using the full retrospective approach. Under this approach, comparative information has been 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, 2020 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 a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective 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 new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the 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.

HKFRS 16, *Leases*

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, expect for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 on 1st April, 2019 using the full retrospective approach. Accordingly, the Group has recognised the cumulative effect of applying HKFRS 16 at the start of the earliest comparative period as if the accounting requirements under the new accounting standard had always been applied and restated the comparative information of the consolidated financial statements.

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

(i) Change in the accounting policies

(1) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 retrospectively to all contracts except for short-term leases and leases of low-value assets.

(2) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property.

Where a lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable leases payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(3) Lessor accounting

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

(ii) Impact on the financial results and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities at the inception of the leases, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the profit before taxation in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the current period.

In the consolidated cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a change in presentation of cash flows within the consolidated cash flow statement.

The following table reconciles the Group's financial results and cash flows for the year ended 31st March, 2019 as previously reported to the restated results upon the adoption of HKFRS 16.

	As previously reported HK$'000	Effect of adoption of HKFRS 16 HK$'000	As restated HK$'000
Consolidated statement of profit or loss for the corresponding year ended 31st March, 2019 :-			
Selling and distribution expenses	(1,553,635)	35,170	(1,518,465)
Administrative expenses	(207,386)	160	(207,226)
Operating profit	428,539	35,330	463,869
Finance costs	(3,531)	(27,795)	(31,326)
Profit before taxation	425,009	7,535	432,544
Profit for the year attributable to the equity shareholders of the Company	403,806	7,535	411,341
Earnings per share (HK cent)	101.1	1.9	103.0
Consolidated cash flow statement for the corresponding year ended 31st March, 2019 :-			
Net cash generated from operating activities	277,885	500,731	778,616
Capital element of lease rentals paid	—	(472,936)	(472,936)
Interest element of lease rentals paid	—	(27,795)	(27,795)
Net cash used in financing activities	(233,997)	(500,731)	(734,728)

(iii) Impact on the consolidated statement of financial position of the Group

The following table summarises the impact of the adoption of HKFRS 16 on the Group's financial positions as at 1st April, 2018 and 31st March, 2019 respectively.

	As previously reported HK$'000	Effect of adoption of HKFRS 16 HK$'000	As restated HK$'000
Consolidated statement of financial position as at 31st March, 2019 :-			
Property, plant and equipment	65,347	(135)	65,212
Right-of-use assets	—	794,812	794,812
Creditors, accruals and provisions	(832,999)	144,969	(688,030)
Lease liabilities – current	—	(373,390)	(373,390)
Lease liabilities – non-current	—	(591,987)	(591,987)
Exchange reserve	(113,661)	(42)	(113,703)
Retained profits	(1,760,718)	25,773	(1,734,945)
Consolidated statement of financial position as at 1st April, 2018 :-			
Property, plant and equipment	110,781	(14,589)	96,192
Right-of-use assets	—	857,234	857,234
Creditors, accruals and provisions	(652,546)	55,795	(596,751)
Lease liabilities – current	—	(375,077)	(375,077)
Lease liabilities – non-current	—	(556,671)	(556,671)
Retained profits	(1,479,328)	33,308	(1,446,020)

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 realised gain / (loss) on securities held for trading, dividend income, and interest income from debt securities and short-term bank deposits under Securities Investment segment. In prior year, revenue included unrealised gain / (loss) on securities held for trading.

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

	Financial year ended 31st March,	
	2020	2019
	HK$'000	HK$'000
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	**1,439,222**	1,341,658
Cosmetics and beauty products	**869,686**	1,330,689
Fashion and accessories	**619,611**	1,323,932
	2,928,519	3,996,279
Revenue from Securities Investment	**9,191**	13,143
	2,937,710	4,009,422

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 is profit after taxation.

Segment assets include all current and non-current assets of individual assets.

Segment liabilities include creditors and accruals, bills payable and lease liabilities 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, 2020 and 31st March, 2019 respectively is set out below.

	Sale of Luxury Goods		Securities Investment		Total	
	Financial year ended 31st March,					
	2020	2019 (restated)	**2020**	2019	**2020**	2019 (restated)
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**2,928,519**	3,996,279	**9,191**	13,143	**2,937,710**	4,009,422
Reportable segment revenue	**2,928,519**	3,996,279	**9,191**	13,143	**2,937,710**	4,009,422
Reportable segment (loss) / profit	**(209,472)**	395,562	**855,295**	15,779	**645,823**	411,341
Reportable segment assets	**3,596,345**	4,134,565	**2,055,951**	1,000,000	**5,652,296**	5,134,565
Interest in an associated company	**–**	24,188	**–**	–	**–**	24,188
Additions to non-current segment assets during the year	**567,939**	610,913	**–**	–	**567,939**	610,913
Reportable segment liabilities	**1,561,508**	1,722,572	**1,117,587**	916,931	**2,679,095**	2,639,503

	Sale of Luxury Goods		Securities Investment		Total	
	Financial year ended 31st March,					
	2020	2019 (restated)	**2020**	2019	**2020**	2019 (restated)
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Reportable segment profit / (loss) included :						
Interest income	**42,512**	22,506	**48,579**	16,000	**91,091**	38,506
Interest expenses						
- bank loan	**–**	(1)	**(14,114)**	(3,530)	**(14,114)**	(3,531)
- lease liabilities	**(28,140)**	(27,795)	**–**	–	**(28,140)**	(27,795)
Depreciation						
- property, plant and equipment	**(22,529)**	(29,686)	**–**	–	**(22,529)**	(29,686)
- right-of-use assets	**(304,414)**	(467,351)	**–**	–	**(304,414)**	(467,351)
Share of profit of an associated company	**–**	1	**–**	–	**–**	1
Loss on disposal of property, plant and equipment	**(66)**	(263)	**–**	–	**(66)**	(263)
Net realised and unrealised gain on unlisted equity securities	**–**	–	**925,529**	7,438	**925,529**	7,438
Impairment loss						
- property, plant and equipment	**(17,801)**	(73,608)	**–**	–	**(17,801)**	(73,608)
- right-of-use assets	**(810,911)**	(101,751)	**–**	–	**(810,911)**	(101,751)
Gain on disposal of a subsidiary company	**–**	220,012	**–**	–	**–**	220,012
Provision for taxation	**(49,881)**	(21,023)	**–**	–	**(49,881)**	(21,023)
Other income (Note)	**502,844**	–	**–**	–	**502,844**	–

Note :-

Other income represented amounts received / receivable by the Group for termination / expiration of distribution licences.

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

Revenue and profit

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

	Financial year ended 31st March,	
	2020	2019 (restated)
	HK$'000	HK$'000
Assets		
Reportable segment assets	**5,652,296**	5,134,565
Elimination of inter-segment receivables	**(27,646)**	(916,931)
Consolidated total assets	**5,624,650**	4,217,634

	Financial year ended 31st March,	
	2020	2019 (restated)
	HK$'000	HK$'000
Liabilities		
Reportable segment liabilities	**2,679,095**	2,639,503
Elimination of inter-segment payables	**(27,646)**	(916,931)
Consolidated total liabilities	**2,651,449**	1,722,572

(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, right-of-use assets 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 right-of-use assets, 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,			
	2020	2019	**2020**	2019 (restated)
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (place of domicile)	**2,395,794**	3,189,160	**109,728**	772,915
Taiwan	**457,227**	627,713	**39,993**	40,105
Other territories	**84,689**	192,549	**11,738**	71,192
	541,916	820,262	**51,731**	111,297
Total	**2,937,710**	4,009,422	**161,459**	884,212

4. OTHER INCOME

	Financial year ended 31st March,	
	2020	2019
	HK$'000	HK$'000
Net realised and unrealised gain on unlisted equity securities (Note a)	**925,529**	7,438
Unrealised loss on listed equity securities held for trading	**(7,722)**	—
Unrealised loss on investment in securities held for trading at fair value	**(3,935)**	—
Realised loss on listed debt securities measured at amortised cost	**(1,904)**	—
Impairment loss on listed debt securities measured at amortised cost	**(3,824)**	—
Interest income	**42,512**	22,506
Gain on disposal of a subsidiary company (Note b)	—	220,012
Loss on disposal of property, plant and equipment	**(66)**	(263)
Net foreign exchange loss	**(19,304)**	(996)
Other income (Note c)	**502,844**	—
	1,434,130	248,697

Note :-

a. Net realised and unrealised gain on unlisted equity securities in current financial year included a realised gain of HK$928,575,000 from the cancellation of the Group's entire equity interest in an unlisted investment in exchange for cash consideration as a result of a merger.

b. In prior year, the Group disposed of its entire equity interest in a wholly-owned subsidiary company to an independent third party with a gain amounting to HK$220,012,000.

c. Other income represented amounts received / receivable by the Group for termination / expiration of distribution licences.

5. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2020	2019 (restated)
	HK$'000	HK$'000
Profit before taxation is arrived at after charging / (crediting) :-		
Depreciation		
- property, plant and equipment	**22,529**	29,686
- right-of-use assets	**304,414**	467,351
Impairment loss on property, plant and equipment	**17,801**	73,608
Impairment loss on right-of-use assets (Note)	**810,911**	101,751
Impairment loss on trade debtors provision / (written back)	**4**	(361)
Interest on bank overdrafts and loans repayable within five years	**14,114**	3,531
Interest on lease liabilities	**28,140**	27,795

Note :-

During the year ended 31st March, 2020, management performed an impairment assessment on certain right-of-use assets of the Group's retail stores in accordance with the accounting policy on impairment of assets. Based on the assessment, an impairment loss of HK$810,911,000 (2019 (restated) : HK$101,751,000) was recognised in respect of the respective right-of-use assets and charged to the consolidated statement of profit or loss. The recoverable amounts of these right-of-use assets were determined based on the estimated future cash flows generated from these retail stores for the remaining non-cancellable lease term of the respective retail stores at a discount rate of 10.0 per cent. (2019 : 6.2 per cent.) per annum.

6. TAXATION

	Financial year ended 31st March,	
	2020	2019
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	**5,685**	3,810
Under-provision in respect of prior years	**308**	23
	5,993	3,833
Current tax – Overseas		
Provision for the year	**42,927**	17,297
(Over) / under-provision in respect of prior years	**(23)**	15
	42,904	17,312
Deferred tax		
Origination and reversal of temporary differences	**984**	58
Total income tax expense	**49,881**	21,203

The provision for Hong Kong Profits Tax for 2020 is calculated at 16.5 per cent. (2019 : 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,	
	2020	2019
	HK$'000	HK$'000
Interim dividend declared and paid of HK8 cents (2019 : HK8 cents) per ordinary share	**31,536**	32,162
Final dividend proposed after the end of the reporting period of HK27 cents (2019 : HK27 cents) per ordinary share	**106,435**	108,000
Special dividend proposed after the end of the reporting period of HK20 cents (2019 : Nil) per ordinary share	**78,841**	–

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$645,823,000 (2019 (restated) : HK$411,341,000) and the weighted average number of 396,524,862 ordinary shares (2019 : 399,313,848 ordinary shares) in issue during the year.

Weighted average number of ordinary shares

	Financial year ended 31st March,	
	2020	2019
	Number of shares	Number of shares
	Thousands	Thousands
Issued ordinary shares at 1st April	**399,998**	393,251
Effect of scrip dividend	—	10,156
Effect of repurchase of shares	**(3,473)**	(4,093)
Weighted average number of ordinary shares at 31st March	**396,525**	399,314

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,	
	2020	2019
	HK$'000	HK$'000
Non-current assets		
Unlisted equity securities designated at fair value through profit or loss	**75,314**	224,710
Listed debt securities measured at amortised cost net of loss allowance	**1,120,110**	264,911
	1,195,424	489,621
Current assets		
Listed equity securities held for trading	**141,046**	211,359
Investment in securities held for trading at fair value	**75,689**	70,219
Listed debt securities measured at amortised cost net of loss allowance	**22,866**	70,034
	239,601	351,612
	1,435,025	841,233

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	Financial year ended 31st March,	
	2020	2019
	HK$'000	HK$'000
Trade debtors	**38,848**	133,158
Less: loss allowance	**(5,052)**	(5,068)
	33,796	128,090
Other debtors, deposits and prepayments	**340,527**	205,407
	374,323	333,497

All debtors, deposits and prepayments of the Group, apart from certain rental deposits totalling HK$104,158,000 (2019 : HK$133,203,000), 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,	
	2020	2019
	HK$'000	HK$'000
Current	**33,796**	127,954
Over 60 days overdue	**–**	136
	33,796	128,090

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

11. CREDITORS, ACCRUALS AND PROVISIONS

	At 31st March, 2020	At 31st March, 2019 (restated)	At 1st April, 2018 (restated)
	HK$'000	HK$'000	HK$'000
Trade creditors	**93,447**	273,117	277,404
Contract liabilities	**41,447**	16,711	20,698
Net defined benefit asset	**(2,036)**	(850)	(711)
Other creditors and accruals	**332,177**	399,052	299,360
	465,035	688,030	596,751

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, 2020	2019
	HK$'000	HK$'000
Current	**93,447**	272,918
1 to 30 days overdue	**–**	151
31 to 60 days overdue	**–**	32
Over 60 days overdue	**–**	16
	93,447	273,117

The amount of the Group's creditors, accruals and provisions expected to be settled after more than one year is HK$59,609,000 (2019 (restated) : HK$52,424,000).

12. SHARE CAPITAL

	Financial year ended 31st March,			
	2020		2019	
	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	**399,998**	**119,999**	393,251	117,975
New ordinary shares issued under scrip dividend scheme	—	—	18,260	5,478
Repurchases of shares	**(5,795)**	**(1,738)**	(11,513)	(3,454)
Balance carried forward	**394,203**	**118,261**	399,998	119,999

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** *HK$*	**Lowest purchase price per ordinary share** *HK$*	**Aggregate purchase price (excluding expenses)** *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

During the year ended 31st March, 2020, the Company repurchased a total of 5,795,500 ordinary shares on the Stock Exchange at an aggregate purchase price (excluding expenses) of HK$25,479,095 and such repurchased shares were subsequently cancelled during the year ended 31st March, 2020. Details of the ordinary shares repurchased on the Stock Exchange during the year ended 31st March, 2020 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$*	*HK$*
July 2019	1,462,500	4.95	4.35	6,899,540
August 2019	1,393,000	4.50	4.13	5,966,755
September 2019	2,264,500	4.30	4.19	9,730,610
October 2019	675,500	4.28	4.18	2,882,190

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, 2020. As at the date of these financial statements, the number of issued shares of the Company is 394,202,808 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, 2020 not provided for in the consolidated financial statements were as follows :-

	Financial year ended 31st March,	
	2020	2019
	HK$'000	HK$'000
Contracted for	**1,339**	952
Authorised but not contracted for	–	48
	1,339	1,000

14. CONTINGENT LIABILITIES

At 31st March, 2020, the Company had the following contingent liabilities in respect of :-

(a) Guarantees of HK$853,709,000 (2019 : HK$1,003,455,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK$97,053,000 (2019 : HK$112,233,000) 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 HK$6,430,000 (2019 : HK$15,273,000) 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, 2020 and 31st March, 2019 respectively.

15. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 on 1st April, 2019 using the full retrospective approach. Accordingly, the comparative figures have been restated as if the accounting requirements under HKFRS 16 had always been applied. Further details of the change in accounting policies are disclosed in Note 2. Certain comparative figures have been adjusted to conform with the current year presentation.

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, 2020 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, 2020, the Group achieved sales of HK$2,937.7 million, a decrease of 26.7 per cent.. Comparable store sales decreased by 19.5 per cent..

Net profit attributable to equity shareholders was HK$645.8 million (2019: HK$411.3 million), an increase of 57.0 per cent. over 2019. The investment portfolio contributed a profit of HK$855.3 million.

The increase in profit is the result of a significant increase in profit contribution from the investment portfolio and tight control in operating costs at all levels of operation, offset by a loss of HK$209.5 million from the retail division.

FINANCIAL RESULTS AND FINAL DIVIDEND

Turnover for the financial year ended 31st March, 2020 was HK$2,937.7 million, a decrease of 26.7 per cent. compared to HK$4,009.4 million in the previous year.

Profit attributable to shareholders was HK$645.8 million as compared to HK$411.3 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 and a special dividend of HK20 cents per ordinary share, which together with the interim dividend of HK8 cents per ordinary share paid, represents an increase of 57.1 per cent. over the HK35 cents per ordinary share paid in the previous year. Based on a closing price of HK$3.81 on 31st March, 2020, the total dividend proposed represents a yield of 14.4 per cent..

REVIEW OF OPERATIONS

During the year under review, the Group achieved significant growth in both sales and profits in Hong Kong during the initial months. However, the retail climate in Hong Kong deteriorated significantly thereafter and Mainland Chinese tourists all but disappeared. As a result of the COVID-19 pandemic outbreak in January 2020, the Group faced the worst local consumer sentiment in its history. Tourist arrivals have literally come to a complete halt, and despite of achieving sales at the expense of margins, the Group's sales turnover in Hong Kong suffered a 24.9 per cent. decrease in the year ended 31st March, 2020.

In Taiwan, the Group achieved a 169 per cent. like-for-like increase in profits during the first half of the year as a result of margin improvement and aggressive cost and inventory control. However, sales have weakened significantly since the COVID-19 pandemic outbreak.

The Group adopted the most conservative approach in managing its retail network. Today, the Group's retail network totals 61 stores, comprising 8 stores in Hong Kong, 29 in China and 24 in Taiwan.

Geographically, Hong Kong contributed 81.6 per cent. of sales, Taiwan 15.6 per cent. and other territories 2.8 per cent..

In terms of sales mix, watches and jewellery represented 49.0 per cent., cosmetics and beauty products 29.6 per cent., fashion and accessories 21.1 per cent. and securities trading 0.3 per cent..

The investment market has become extremely volatile as a result of the worldwide impact of COVID-19. The Group has always been very cautious in managing its investment portfolio which contributed a profit of HK$855.3 million primarily due to the gain on disposal of an unlisted investment during the year ended 31st March 2020.

FUTURE PROSPECTS

The COVID-19 pandemic has proven to be one of the most severe shocks to the global economy in recent decades. In Hong Kong, GDP experienced its worst decline on record, contracting by 8.9 per cent. in the first quarter of 2020 on a year-on-year basis. Meanwhile, unemployment for the February to April period rose to 5.2 per cent., the highest in more than a decade. Combined with the negative impact to income, wealth and asset prices alongside a complete stop to tourism, COVID-19 has ensured the steepest sales decline Hong Kong's retail industry has ever recorded. Our Group expects the retail market in Hong Kong to remain extremely depressed for the foreseeable future as we expect local consumer sentiment to be very poor until the economy recovers. Meanwhile, we do not expect tourism to recover in any meaningful way in the foreseeable future, since even if quarantine and social distancing measures are fully lifted, it will likely take time for tourists to feel safe to travel again. Given the above, we expect the recovery to pre-COVID-19 levels to be an extremely slow and long path. Indeed, this represents the most challenging market condition the Group has ever faced.

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

With net cash of HK$2,263.2 million and its strong balance sheet, the Group is in a strong position to cope with the risk of a worldwide economic slowdown and the very difficult retail climate.

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, 2020, the Group had 924 (2019 : 1,384) employees. Total staff costs (including directors' emoluments) amounted to HK$416.8 million (2019 : 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$870.6 million (2019 (restated) : HK$778.6 million) which included operating cash flow after change in working capital of HK$895.1 million (2019 (restated) : HK$793.4 million) and tax payments of HK$24.5 million (2019 : HK$14.8 million).

The net cash surplus from investing activities was HK$205.7 million (2019 : net cash utilisation of HK$44.7 million) during the year which included net cash surplus from other financial assets of HK$249.2 million (2019 : net cash utilisation of HK$285.3 million).

Together with other financing activities including net proceeds from new bank loans of HK$1,059.8 million (2019 : net repayment of bank loans of HK$126.4 million), lease rentals payment of HK$370.4 million (2019 (restated) : HK$500.7 million), repurchase of shares of HK$25.6 million (2019 : HK$42.6 million) and dividend payments of HK$139.2 million (2019 : HK$61.4 million), the surplus of net cash inflow over utilisation increased the Group's cash and bank deposits as at 31st March, 2020 to HK$3,323.0 million (2019 : HK$1,739.1 million). The Group's net liquid financial resources, being cash and bank deposits less short-term bank borrowings, as at 31st March, 2020 were HK$2,263.2 million (2019 : HK$1,739.1 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, 2020, the Group's current ratio, being current assets divided by current liabilities, was 2.3 times (as at 31st March, 2019 (restated) : 2.6 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, 2019 : Nil).

OTHER INFORMATON

DIVIDENDS

In view of the results, the Board is recommending the payment of a final dividend of HK27 cents (2019 : HK27 cents) per ordinary share and a special dividend of HK20 cents (2019 : Nil) per ordinary share for the year ended 31st March, 2020. The final dividend and special dividend, which will be paid on or about Tuesday, 18th August, 2020, will absorb a total of about HK$185,275,000 (2019 : HK$108,000,000) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Tuesday, 11th August, 2020. Together with the interim dividend of HK8 cents per ordinary share (2019 : HK8 cents), the dividend payout is HK55 cents (2019 : HK35 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 Monday, 3rd August, 2020 ("the 2020 AGM"), and entitlement to the proposed final dividend and special 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 2020 AGM :-

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, 28th July, 2020
Closure of Register of Members	Wednesday, 29th July, 2020 to Monday, 3rd August, 2020 (both days inclusive)
Record Date	Monday, 3rd August, 2020

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

Latest time to lodge transfer documents for registration	4:30 p.m. on Friday, 7th August, 2020
Closure of Register of Members	Monday, 10th August, 2020 to Tuesday, 11th August, 2020 (both days inclusive)
Record Date	Tuesday, 11th August, 2020

During the above closure periods, no transfer of shares will be effected. In order to be eligible to attend and vote at the 2020 AGM and to qualify for the proposed final dividend and special 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 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, 2020 are set out in Note 12 on pages 19 to 20 of this announcement.

Save as disclosed in Note 12 on pages 19 to 20 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, 2020 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, 2020 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 2020 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, 2020 with the Board.

ANNUAL GENERAL MEETING

The 2020 AGM will be held at Event Room 1 – 3, LG/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 3rd August, 2020 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/EAGM030720.pdf and included in the 2020 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
Fung Yue Ming, Eugene Michael

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

Hong Kong, 8th June, 2020

* *For identification purposes only*