



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

INTERIM REPORT
2023-2024

Stock Code : 0113



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CORPORATE INFORMATION

Board of Directors :

Group Executive Chairman :

Dickson Poon

Executive Directors :

Poon Dickson Pearson Guanda

(Chief Operating Officer)

Chan Hon Chung, Johnny Pollux

Lau Yu Hee, Gary

Independent Non-Executive Directors :

Bhanusak Asvaintra

Nicholas Peter Etches

Fung Yue Ming, Eugene Michael

Lam Sze Wan Patricia

Company Secretary :

Or Suk Ying, Stella

Audit Committee :

Nicholas Peter Etches **(Chairman)**

Bhanusak Asvaintra

Fung Yue Ming, Eugene Michael

Nomination Committee :

Dickson Poon **(Chairman)**

Bhanusak Asvaintra

Nicholas Peter Etches

Lam Sze Wan Patricia

Remuneration Committee :

Bhanusak Asvaintra **(Chairman)**

Chan Hon Chung, Johnny Pollux

Nicholas Peter Etches

Investment Committee :

Dickson Poon **(Chairman)**

Poon Dickson Pearson Guanda

Chan Hon Chung, Johnny Pollux

Independent Auditor :

KPMG

Certified Public Accountants

Public Interest Entity Auditor

registered in accordance with the

Financial Reporting Council Ordinance

Head Office and Principal Place of Business :

4th Floor, East Ocean Centre,

98 Granville Road,

Tsimshatsui East,

Kowloon, Hong Kong.

Registered Office :

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda.

Principal Bankers :

BNP Paribas

Crédit Agricole Corporate and Investment Bank

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking

Corporation Limited

Branch Share Registrar in Hong Kong :

Tricor Tengis Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong.

Share Registrar in Bermuda :

Conyers Corporate Services (Bermuda) Limited

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda.

Place of Share Listing :

The Stock Exchange of Hong Kong Limited

Stock Code :

The Stock Exchange of Hong Kong Limited :

0113

Website :

<http://www.dickson.com.hk>

CHAIRMAN'S STATEMENT

FINANCIAL RESULTS AND INTERIM DIVIDEND

For the six months ended 30th September, 2023, the Group's turnover was HK\$1,272.4 million, an increase of 26.1 per cent. compared to HK\$1,008.6 million in the same period last year.

Net profit attributable to equity shareholders was HK\$219.7 million, an increase of 41.5 per cent. compared to HK\$155.3 million in the same period last year.

In view of these results, the Board has resolved to declare an interim dividend of HK10 cents (2022 : HK8 cents) per ordinary share, an increase of 25 per cent. as compared with last year.

BUSINESS REVIEW

During the period under review, consumer sentiment in Hong Kong remained weak due to the decline in stock and property markets and high interest rates. Meanwhile, with the significant growth of e-commerce in the past three years, the rapid development of the major luxury brands' presence in China, and the narrowing of price differences between China and Hong Kong, it has now been proven that despite the reopening of the borders in February, Chinese tourists coming to Hong Kong are no longer focused on shopping as they used to be before the pandemic. This is evidenced by weaker than expected retail spending during the all important Golden Week holidays in May and October. The above factors, coupled with locals increasingly travelling abroad during the holiday seasons, means there is no longer a need to operate multiple large scale department stores in close proximity. As such, even though our Harvey Nichols store at the Landmark contributed positively during the period under review, we have decided to close this store after the end of our current financial year and consolidate our Harvey Nichols activities at our Pacific Place store which offers a comprehensive range of product categories and is equipped to offer both physical and online services. We believe that this strategic decision will enable us to consolidate and further build our local customer base at Pacific Place while significantly reducing our cost base which should have an even greater positive impact to our bottom line.

In Taiwan, despite the weak consumer sentiment, the Group managed to achieve a 8.5 per cent. growth in sales turnover and record profits with an increase of 23.4 per cent. during the period. This is a direct result of continued aggressive control on margin, operating costs and inventory.

In China, sales of the Group's retail and wholesale business grew by 32 per cent. in local currency terms during the period. The Group's strategy has been to cautiously consolidate its wholesale network while growing the Group's retail network through new store openings at malls with strong traffic and customer bases, as evidenced by a 64 per cent. growth in retail sales during the period.

The investment market continued to be volatile as the global economic outlook remains tepid. The Group managed its investment portfolio cautiously and achieved a profit of HK\$20.5 million versus HK\$4.7 million in the prior year.

FUTURE PROSPECTS

The Group expects the retail climate in Hong Kong to remain weak. The continued downturn in the stock and property markets combined with high interest rates will undoubtedly continue to have a significant and negative impact on consumer spending. Despite the full re-opening of the borders with Mainland China and other countries, Chinese tourists are no longer focused on shopping as they used to be before the pandemic. Furthermore, Hong Kong also faces stiff competition from markets such as Japan and Europe where retail prices for luxury goods are significantly cheaper due to their weak currencies and tax rebates to tourists. This has also encouraged local consumers to shop abroad.

The Taiwan market continued to achieve record profits despite of continued weak market sentiments. The Group remains to be cautiously optimistic with the business in Taiwan for the remainder of the year. However, with the presidential election scheduled to be held in January 2024, market conditions may be affected by political activities during the second half.

In China, while consumer sentiment and spending is cautious, the Group remains constructive on the long-term outlook of China and will seek to continue expanding its presence in the region.

On the investment side, the Group will continue to seek new investment opportunities to diversify and broaden its earnings base.

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

With net cash of HK\$2,269.2 million and its strong balance sheet, the Group is in a strong position to cope with the risk of an imminent worldwide recession and the very difficult retail climate.

Dickson Poon

Group Executive Chairman

Hong Kong, 23rd November, 2023



REVIEW REPORT TO THE BOARD OF DIRECTORS OF DICKSON CONCEPTS (INTERNATIONAL) LIMITED (incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 7 to 27 which comprises the consolidated statement of financial position of Dickson Concepts (International) Limited as of 30th September, 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity” issued by the HKICPA. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th September, 2023 is not prepared, in all material respects, in accordance with HKAS 34 “Interim financial reporting”.

KPMG
Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

Hong Kong, 23rd November, 2023

The board of Directors (the “**Board**”) of Dickson Concepts (International) Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiary companies (together the “**Group**”) for the six months ended 30th September, 2023 together with the comparative figures are as follows :-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30th September, 2023

		Six months ended 30th September,	
		2023	2022
		(unaudited)	(unaudited)
	NOTE	HK\$'000	HK\$'000
Revenue	2	1,272,372	1,008,621
Cost of sales		<u>(706,132)</u>	<u>(533,422)</u>
Gross profit		566,240	475,199
Other income	3	35,110	3,944
Selling and distribution expenses		(261,323)	(207,488)
Administrative expenses		(67,905)	(62,512)
Other operating expenses		<u>(15,612)</u>	<u>(11,265)</u>
Operating profit		256,510	197,878
Finance costs		<u>(34,803)</u>	<u>(19,403)</u>
Profit before taxation	4	221,707	178,475
Tax expense	5	<u>(1,983)</u>	<u>(23,163)</u>
Profit for the period attributable to equity shareholders of the Company		<u>219,724</u>	<u>155,312</u>
Earnings per share (basic and diluted)	6	<u>55.7 cents</u>	<u>39.4 cents</u>

The notes on pages 13 to 27 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 7.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30th September, 2023

Six months ended 30th September,
2023 2022

(unaudited) (unaudited)
HK\$'000 HK\$'000

Profit for the period 219,724 155,312

Other comprehensive income for the period :

Item that may be reclassified subsequently to profit or loss :

Exchange differences on translation of financial statements
of subsidiary companies outside Hong Kong (Note) (23,698) (36,100)

**Total comprehensive income for the period attributable
to equity shareholders of the Company** 196,026 119,212

Note :-

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

The notes on pages 13 to 27 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th September, 2023

	NOTE	30/9/2023 (unaudited) HK\$'000	31/3/2023 (audited) HK\$'000
Non-current assets			
Property, plant and equipment		68,415	76,606
Right-of-use assets		280,314	275,971
Deposits and prepayments	9	53,736	76,816
Other financial assets	8	719,230	1,284,856
		<u>1,121,695</u>	<u>1,714,249</u>
Current assets			
Inventories		207,141	187,442
Debtors, deposits and prepayments	9	217,840	146,992
Tax recoverable		13,654	2,988
Other financial assets	8	799,847	280,410
Cash and bank balances		3,225,654	3,267,883
		<u>4,464,136</u>	<u>3,885,715</u>
Current liabilities			
Bank loans	10	956,423	1,005,553
Creditors, accruals and provisions	11	432,726	385,626
Lease liabilities		205,887	244,150
Taxation		50,609	54,281
		<u>1,645,645</u>	<u>1,689,610</u>
Net current assets		<u>2,818,491</u>	<u>2,196,105</u>
Total assets less current liabilities		<u>3,940,186</u>	<u>3,910,354</u>
Non-current liabilities			
Creditors and provisions	11	34,312	54,373
Lease liabilities		406,963	445,721
Deferred tax liabilities		20,226	21,166
		<u>461,501</u>	<u>521,260</u>
Net assets		<u>3,478,685</u>	<u>3,389,094</u>
Capital and reserves			
Share capital	12	118,261	118,261
Reserves		3,360,424	3,270,833
		<u>3,478,685</u>	<u>3,389,094</u>
Total equity attributable to equity shareholders of the Company		<u>3,478,685</u>	<u>3,389,094</u>

The notes on pages 13 to 27 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September, 2023

	Attributable to equity shareholders of the Company				
	Share capital HK\$'000 (unaudited)	Share premium HK\$'000 (unaudited)	Exchange reserve HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Balance at 1st April, 2023	118,261	502,561	101,537	2,666,735	3,389,094
Dividends approved and paid in respect of prior year (Note 7(b))					
— by means of cash	—	—	—	(106,435)	(106,435)
Profit for the period	—	—	—	219,724	219,724
Other comprehensive income for the period	—	—	(23,698)	—	(23,698)
Balance at 30th September, 2023	118,261	502,561	77,839	2,780,024	3,478,685

The comparative figures for 2022 are set out as follows :-

	Attributable to equity shareholders of the Company				
	Share capital HK\$'000 (unaudited)	Share premium HK\$'000 (unaudited)	Exchange reserve HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Balance at 1st April, 2022	118,261	502,561	126,050	2,550,961	3,297,833
Dividends approved and paid in respect of prior year (Note 7(b))					
— by means of cash	—	—	—	(106,435)	(106,435)
Profit for the period	—	—	—	155,312	155,312
Other comprehensive income for the period	—	—	(36,100)	—	(36,100)
Balance at 30th September, 2022	118,261	502,561	89,950	2,599,838	3,310,610

The notes on pages 13 to 27 form part of this interim financial report.

Notes :-

- a. Cash generated from operations before changes in working capital is arrived at after adjusting for depreciation (Note 4), net realised and unrealised loss on unlisted equity and non-equity securities (Note 3), interest income (Note 3) and other non-cash items.
- b. Cash and cash equivalents represent cash and bank balances at the end of the period.

The notes on pages 13 to 27 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) On The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 23rd November, 2023.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 1(b).

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board is included on page 6. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31st March, 2023 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

(b) Changes in accounting policies

New and amended HKFRSs

The HKICPA has issued several new and amended HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this financial report.

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

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government of the Hong Kong SAR (the "**Government**") gazetted the *Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022* (the "**Amendment Ordinance**"), which will eventually abolish the statutory right of an employer to reduce its long service payment ("**LSP**") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("**MPF**") scheme (also known as the "**offsetting mechanism**"). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1st May, 2025 (the "**Transition Date**"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published *Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong* that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 and recognise such deemed contributions as reduction of current service cost in the period the related service is rendered, and any impact from ceasing to apply the practical expedient is recognised as a catch-up adjustment in profit or loss with a corresponding adjustment to the LSP liability during the year ended 31st March, 2023.

The impact of the change is not reasonably estimable at the time this interim financial report is authorised for issue, as the Group has yet to fully complete its assessment of the impact of the HKICPA guidance.

2. REVENUE AND SEGMENTAL INFORMATION

(a) Revenue

The principal activities of the Group are the Sale of Luxury Goods and Securities Investment.

Revenue represents the invoiced value of goods sold less discounts and returns, net income from concession and consignment sales, fair value change on securities held for trading, dividend income, and interest income from debt securities and short-term bank deposits under Securities Investment segment.

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

	Six months ended 30th September,	
	2023	2022
	HK\$'000	HK\$'000
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	465,430	487,468
Cosmetics and beauty products	467,953	250,364
Fashion and accessories	285,295	239,015
	<u>1,218,678</u>	<u>976,847</u>
Revenue from Securities Investment		
Dividend income	143	4,108
Fair value change on securities held for trading	(1,729)	(7,030)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	55,280	34,696
	<u>53,694</u>	<u>31,774</u>
	<u>1,272,372</u>	<u>1,008,621</u>

Information about major customers

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

(b) Segment reporting

The Group manages its businesses by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following two reportable segments :-

Sale of Luxury Goods business : The sale of luxury goods to retail and wholesale customers and net income from concession and consignment sales.

Securities Investment business : The investment in listed and unlisted securities.

(i) Segment results

Information regarding the Group's reportable segments for the six months ended 30th September, 2023 and 30th September, 2022 respectively is set out below.

	Sale of Luxury Goods		Securities Investment		Total	
	Six months ended 30th September, 2023		Six months ended 30th September, 2022		Six months ended 30th September, 2023	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>1,218,678</u>	976,847	<u>53,694</u>	31,774	<u>1,272,372</u>	1,008,621
Reportable segment revenue	<u>1,218,678</u>	976,847	<u>53,694</u>	31,774	<u>1,272,372</u>	1,008,621
Reportable segment profit	199,278	150,628	20,446	4,684	219,724	155,312

Revenue and expenses are allocated to the reportable segments with reference to the sales generated and expenses incurred by those segments. The measure used for reporting segment profit is profit after taxation.

(ii) Reconciliations of reportable segment revenue and profit or loss

Revenue and profit

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

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment and right-of-use assets. The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets.

	<u>Revenues from external customers</u>		<u>Specified non-current assets</u>	
	Six months ended 30th September,			
	2023	2022	30/9/2023	31/3/2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	890,985	682,323	277,726	273,133
Taiwan	270,706	249,389	61,459	73,249
Other territories	56,987	45,135	9,544	6,195
	327,693	294,524	71,003	79,444
Revenue from sales of luxury goods and net income from concession and consignment sales	1,218,678	976,847	—	—
Revenue from securities investment	53,694	31,774	—	—
Total	1,272,372	1,008,621	348,729	352,577

3. OTHER INCOME

	Six months ended 30th September,	
	2023	2022
	HK\$'000	HK\$'000
Net realised and unrealised loss on unlisted equity and non-equity securities	(2,063)	(16,780)
Realised gain on listed debt securities measured at amortised cost	—	874
Impairment loss on listed debt securities measured at amortised cost (recognised) / written back	(477)	1,469
Interest income	46,350	14,503
Net foreign exchange (loss) / gain	(8,700)	3,878
	35,110	3,944

4. PROFIT BEFORE TAXATION

	Six months ended 30th September,	
	2023	2022
	HK\$'000	HK\$'000
Profit before taxation is arrived at after charging :-		
Depreciation		
— property, plant and equipment	13,871	12,107
— right-of-use assets	49,776	50,814
Interest on bank loans	24,657	11,265
Interest on lease liabilities	<u>10,146</u>	<u>8,138</u>

5. TAXATION

	Six months ended 30th September,	
	2023	2022
	HK\$'000	HK\$'000
Current tax — Hong Kong Profits Tax		
Provision for the period	98	17,127
Under-provision in respect of prior years	<u>107</u>	<u>—</u>
	<u>205</u>	<u>17,127</u>
Current tax — Outside Hong Kong		
Provision for the period	1,718	6,006
Under-provision in respect of prior years	<u>60</u>	<u>30</u>
	<u>1,778</u>	<u>6,036</u>
Total income tax expense	<u>1,983</u>	<u>23,163</u>

Taxation in the consolidated statement of profit or loss includes provision for Hong Kong Profits Tax at 16.5 per cent. (2022 : 16.5 per cent.) on the estimated assessable profits for the period after deducting tax losses brought forward from previous years.

Taxation for subsidiary companies outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions outside Hong Kong.

6. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to ordinary equity shareholders of the Company of HK\$219,724,000 (2022 : HK\$155,312,000) and the weighted average number of 394,202,808 ordinary shares (2022 : 394,202,808 ordinary shares) in issue during the period.

7. DIVIDENDS

	Six months ended 30th September,	
	2023	2022
	HK\$'000	HK\$'000
(a) Interim dividend declared after the interim period end : HK10 cents (2022 : HK8 cents) per ordinary share	<u>39,420</u>	<u>31,536</u>
(b) Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK27 cents (for the year ended 31st March, 2022 : HK27 cents) per ordinary share	<u>106,435</u>	<u>106,435</u>

8. OTHER FINANCIAL ASSETS

	30/9/2023 HK\$'000	31/3/2023 HK\$'000
Non-current assets		
Unlisted equity and non-equity securities designated at fair value through profit or loss	58,054	250,927
Listed debt securities measured at amortised cost net of loss allowance	<u>661,176</u>	<u>1,033,929</u>
	<u>719,230</u>	<u>1,284,856</u>
Current assets		
Listed equity securities held for trading at fair value	63,227	—
Unlisted non-equity securities designated at fair value through profit or loss	202,358	115,057
Listed debt securities measured at amortised cost net of loss allowance	<u>534,262</u>	<u>165,353</u>
	<u>799,847</u>	<u>280,410</u>
	<u>1,519,077</u>	<u>1,565,266</u>

9. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors (net of loss allowance) with the following ageing analysis based on due date as at the end of the reporting period :-

	30/9/2023 HK\$'000	31/3/2023 HK\$'000
Current	<u>93,740</u>	<u>49,338</u>
1 to 30 days overdue	77	—
31 to 60 days overdue	<u>42</u>	<u>—</u>
Amounts overdue	<u>119</u>	<u>—</u>
	<u>93,859</u>	<u>49,338</u>

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

All debtors, deposits and prepayments of the Group, apart from certain deposits and prepayments totalling HK\$53,736,000 (as at 31st March, 2023 : HK\$76,816,000), are expected to be recovered or recognised as an expense within one year.

10. BANK LOANS

At the end of the reporting period, the bank loans were repayable within one year and secured as follows :-

	30/9/2023 HK\$'000	31/3/2023 HK\$'000
Secured	<u>956,423</u>	<u>1,005,553</u>

At 30th September, 2023, the banking facilities of subsidiary companies were secured by charges over certain debt and equity securities with total carrying value of HK\$1,258,665,000 (as at 31st March, 2023 : HK\$1,502,739,000).

The effective borrowing interest rate at 30th September, 2023 for the Group was 5.95 per cent. (as at 31st March, 2023 : 5.18 per cent.) per annum.

11. CREDITORS, ACCRUALS AND PROVISIONS

	30/9/2023 HK\$'000	31/3/2023 HK\$'000
Trade creditors	208,106	199,787
Contract liabilities	42,442	21,442
Other creditors, accruals and provisions	<u>216,490</u>	<u>218,770</u>
	467,038	439,999
Less : non-current portion of creditors and provisions	<u>(34,312)</u>	<u>(54,373)</u>
	<u>432,726</u>	<u>385,626</u>

Included in creditors, accruals and provisions are trade creditors with the following ageing analysis based on due date as at the end of the reporting period :-

	30/9/2023 HK\$'000	31/3/2023 HK\$'000
Current	<u>208,106</u>	<u>199,787</u>

12. SHARE CAPITAL

	30/9/2023		31/3/2023	
	Number of shares Thousands	Nominal value HK\$'000	Number of shares Thousands	Nominal value HK\$'000
Authorised :-				
Ordinary shares of HK\$0.30 each	<u>518,000</u>	<u>155,400</u>	<u>518,000</u>	<u>155,400</u>
Issued and fully paid :-				
Ordinary shares of HK\$0.30 each				
Balance brought forward and carried forward	<u>394,203</u>	<u>118,261</u>	<u>394,203</u>	<u>118,261</u>

13. MATERIAL RELATED PARTY TRANSACTIONS

The following material transactions with related parties were in the opinion of the directors carried out in the ordinary and usual course of business and on normal commercial terms :-

Transactions with companies in which a director of the Company has beneficial interests :-

	Six months ended 30th September,	
	2023 HK\$'000	2022 HK\$'000
Sales of goods	194	344
Purchases of goods	26,550	19,281
Income from the provision of management and supporting service	4,801	3,950
Rental income	3,000	3,921
Advertising and promotion service expenses	3,020	3,022
Commission expenses	2,241	1,561
Net proceeds from e-Commerce	<u>2,139</u>	<u>1,625</u>

The amounts due from these companies at 30th September, 2023 amounted to HK\$1,807,000 (at 31st March, 2023 : HK\$1,773,000) and the amounts due to these companies at 30th September, 2023 amounted to HK\$10,510,000 (at 31st March, 2023 : HK\$7,617,000), which are interest free, unsecured and have repayment terms ranging from 20 days to 90 days. The amounts due from these companies are included in debtors, deposits and prepayments (Note 9) and the amounts due to these companies are included in creditors, accruals and provisions (Note 11).

14. CAPITAL COMMITMENTS

Capital commitments outstanding at 30th September, 2023 not provided for in the consolidated financial statements were as follows :-

	30/9/2023 HK\$'000	31/3/2023 HK\$'000
Contracted for	<u><u>7,121</u></u>	<u><u>293</u></u>

15. CONTINGENT LIABILITIES

At 30th September, 2023, the Company had the following contingent liabilities in respect of :-

Guarantees of HK\$739,819,000 (at 31st March, 2023 : HK\$797,813,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$97,687,000 (at 31st March, 2023 : HK\$72,565,000) at the end of the reporting period.

As at the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. No provision was therefore made in this respect at 30th September, 2023 and 31st March, 2023.

16. FAIR VALUE MEASUREMENT

(a) Other financial assets carried at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows :-

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Level 1 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30th September, 2023			
Recurring fair value measurements			
Other financial assets			
Listed equity securities held for trading at fair value	63,227	—	63,227
Unlisted equity and non-equity securities designated at fair value through profit or loss	<u>—</u>	<u>260,412</u>	<u>260,412</u>
	<u><u>63,227</u></u>	<u><u>260,412</u></u>	<u><u>323,639</u></u>
At 31st March, 2023			
Recurring fair value measurements			
Other financial assets			
Unlisted equity and non-equity securities designated at fair value through profit or loss	<u>—</u>	<u>365,984</u>	<u>365,984</u>
	<u><u>—</u></u>	<u><u>365,984</u></u>	<u><u>365,984</u></u>

During the six months ended 30th September, 2023, there were no transfers among different levels of fair value hierarchy.

(ii) Information about Level 3 fair value measurements

The Group's Level 3 financial instruments represent unlisted equity and non-equity securities which their fair values are based on unobservable inputs. The directors of the Group perform the valuation on Level 3 financial instruments for financial reporting purposes. Their fair values have been determined using adjusted recent financing approach, with reference to the pricing of the recent transactions, or valuation supplied by fund managers. These valuations are measured by the percentage of ownership of the net asset value, which is an unobservable input. The fund managers apply appropriate valuation techniques such as latest transaction price, discounted cash flow, or comparison with publicly-traded comparable companies and after applying a liquidity discount.

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

	2023	2022
Unlisted equity and non-equity securities :-	HK\$'000	HK\$'000
At 1st April	365,984	521,356
Payment for purchases	47,100	9,538
Net unrealised losses recognised in profit or loss	(2,094)	(5,650)
Disposals	<u>(150,578)</u>	<u>—</u>
At 30th September	<u><u>260,412</u></u>	<u><u>525,244</u></u>

(b) Fair value of other financial assets carried at other than fair value

For other financial instruments carried at amortised cost as at 30th September, 2023 and 31st March, 2023, their carrying amounts and fair value and level of fair value hierarchy are disclosed below :-

	Carrying amount as at 30th September, 2023 HK\$'000	Fair value as at 30th September, 2023 HK\$'000	Fair value Measurements as at 30th September, 2023 categorised into Level 1 HK\$'000
Listed debt securities measured at amortised cost	1,195,438	1,092,074	1,092,074

	Carrying amount as at 31st March, 2023 HK\$'000	Fair value as at 31st March, 2023 HK\$'000	Fair value Measurements as at 31st March, 2023 categorised into Level 1 HK\$'000
Listed debt securities measured at amortised cost	1,199,282	1,133,214	1,133,214

17. GOVERNMENT SUBSIDIES

During the period ended 30th September, 2022, the Group recognised subsidies of HK\$10,555,000 under the Hong Kong SAR government's Employment Support Scheme in the consolidated statement of profit or loss. The subsidies were deducted from operating expenses.

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS

As at 30th September, 2023, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Directors’ Model Code”) as set out in Appendix 10 of the Listing Rules were as follows :-

Dickson Concepts (International) Limited

Name of Director	Capacity	Personal Interests	Ordinary shares of HK\$0.30 each			Total	Percentage ⁽ⁱⁱ⁾
			Family Interests	Corporate Interests	Other Interests		
Dickson Poon	Beneficial owner and trust founder	17,361	—	—	233,464,065 ⁽ⁱ⁾	233,481,426	59.23
Poon Dickson Pearson Guanda	Beneficial owner and beneficiary of a discretionary trust	83,000	—	—	233,464,065 ⁽ⁱ⁾	233,547,065	59.25

Notes :-

- (i) These shares are held through two trusts.
- (ii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

In addition, Sir Dickson Poon and Mr. Poon Dickson Pearson Guanda are deemed to be interested in the share capital of all the subsidiary and associated companies of the Company by virtue of their interests in the Company.

Save as referred to above, as at 30th September, 2023, none of the directors had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept by the Company under Section 352 of the SFO or which are notified to the Company and the Stock Exchange pursuant to the Directors’ Model Code.

During the period from 1st April, 2023 to 17th July, 2023 (i.e. the expiry date of the Share Option Scheme), no share options had been granted to the directors under the Share Option Scheme.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30th September, 2023, the interests and short positions of the persons (other than the directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows :-

Dickson Concepts (International) Limited

Name of shareholder	Ordinary shares of HK\$0.30 each	Percentage ⁽ⁱⁱⁱ⁾	Capacity
Yu Kwai Chu, Pearl	233,481,426 ⁽ⁱ⁾	59.23	Interest of spouse
Dickson Investment Holding (PTC) Corporation (“DIHPTC”)	233,464,065 ⁽ⁱⁱ⁾	59.22	Trustee
Paicolex Trust Company (BVI) Limited (“Paicolex BVI”)	233,464,065 ⁽ⁱⁱ⁾	59.22	Trustee
Paicolex Trust Management AG (“Paicolex AG”)	233,464,065 ⁽ⁱⁱ⁾	59.22	Trustee

Notes :-

- (i) These shares refer to the family interest attributable to Sir Dickson Poon, the spouse of Ms. Yu Kwai Chu, Pearl.
- (ii) These shares refer to the same block of shares. DIHPTC, Paicolex BVI and Paicolex AG are trustees of two trusts. These shares are also included in the 233,464,065 shares which were disclosed as “Other Interests” of Sir Dickson Poon and Mr. Poon Dickson Pearson Guanda in the “Directors’ Interests” section of this report. Sir Dickson Poon is a director of DIHPTC.
- (iii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

Save as disclosed above and in the “Directors’ Interests” section of this report, the Company has not been notified by any person who had an interest or short position in the shares or underlying shares of the Company as at 30th September, 2023 which is required to be notified to the Company pursuant to Part XV of the SFO or which is recorded in the register required to be kept by the Company under Section 336 of the SFO

OTHER INFORMATION

EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2023, the Group had 754 (2022 : 740) employees. Total staff costs (including directors' emoluments) amounted to HK\$129.7 million (2022 : HK\$114.2 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee in respect of directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates. Details of the share option scheme (the "Share Option Scheme") were disclosed in the Company's 2023 annual report (the "2023 Annual Report"). No share options were granted or exercised under the Share Option Scheme during the period from 1st April, 2023 to 17th July, 2023 (i.e. the expiry date of the Share Option Scheme).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's net liquid financial resources as at 30th September, 2023 stood at HK\$2,269.2 million (as at 31st March, 2023 : HK\$2,262.3 million), represented by cash and bank balances of HK\$3,225.6 million (as at 31st March, 2023 : HK\$3,267.9 million) less short-term bank borrowings of HK\$956.4 million (as at 31st March, 2023 : HK\$1,005.6 million).

The Group also maintains substantial uncommitted short-term loan facilities with selected international banks for day-to-day requirements and funding flexibility. Utilisation of these facilities over and above prevailing levels during the second half of the current financial year is not anticipated given the Group's net cash position.

FOREIGN CURRENCY EXPOSURE AND FINANCIAL MANAGEMENT

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

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

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

As at 30th September, 2023, the Group's current ratio, being current assets divided by current liabilities, was 2.7 times (as at 31st March, 2023 : 2.3 times). The Group has maintained a net surplus cash position throughout the period under review and its gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is Nil (as at 31st March, 2023 : Nil).

INTERIM DIVIDEND

In view of the results, the Board has resolved to declare an interim dividend of HK10 cents (2022 : HK8 cents) per ordinary share, an increase of 25 per cent. as compared with last year. The interim dividend represents a dividend payout ratio of 17.94 per cent. (2022 : 20.31 per cent.) and will absorb a total of about HK\$39.42 million (2022 : HK\$31.54 million). Shareholders whose names appear in the Register of Members of the Company on Friday, 5th January, 2024 will be entitled to the interim dividend which will be paid on Friday, 19th January, 2024.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' entitlement to the interim dividend, the Register of Members of the Company will be closed from Thursday, 4th January, 2024 to Friday, 5th January, 2024, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 3rd January, 2024.

SHARE PURCHASE, SALE AND REDEMPTION

At no time during the period under review was there any purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's ordinary shares.

SHARE OPTION SCHEME

During the period from 1st April, 2023 to 17th July, 2023 (i.e. the expiry date of the Share Option Scheme), no share options had been granted to any of the directors or employees of the Company or any of its subsidiary companies under the Share Option Scheme.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance including promotion of the Company's sustainable development. It believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders' interest in general. The Company recognises that corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and enhance shareholder value.

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the period under review except code provision C.2.1 of the CG Code as the functions of the Chief Executive Officer are now performed by Sir Dickson Poon, the Group Executive Chairman.

Detailed information on the Company's other corporate governance practices was set out in the Corporate Governance Report included in the 2023 Annual Report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Directors' Model Code as set out in Appendix 10 to the Listing Rules as the code for securities transactions by the directors. Having made specific enquiries of all directors, all directors confirmed that they have complied with the required standard as set out in the Directors' Model Code throughout the period under review.

CHANGES IN DIRECTORS' INFORMATION

There have been changes in directors' information since the date of the 2023 Annual Report that are required to be disclosed pursuant to Rules 13.51B(1) and 13.51(B)(2) of the Listing Rules are as follows :-

Ms. Lam Sze Wan Patricia was appointed as an Independent Non-Executive Director and a member of the Nomination Committee of the Company with effect from 15th June, 2023, the details of which were disclosed in the announcement of the Company dated 13th June, 2023.

Save as disclosed above, there was no other change of directors' information since the date of the 2023 Annual Report that is required to be disclosed pursuant to Rules 13.51B(1) and 13.51B(2) of the Listing Rules.

REVIEW OF GROUP INTERIM RESULTS

The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30th September, 2023 with the Board.

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

Executive Directors:

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

Independent Non-Executive Directors:

Bhanusak Asvaintra
Nicholas Peter Etches
Fung Yue Ming, Eugene Michael
Lam Sze Wan Patricia

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

Hong Kong, 23rd November, 2023