



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

## **PRESS RELEASE**

### **FINANCIAL RESULTS AND FINAL DIVIDEND**

- \* 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.
- \* 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.



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- \* 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.



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- \* 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.

Hong Kong, 8th June, 2020