



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

PRESS RELEASE

FINANCIAL RESULTS

- * For the six months ended 30th September, 2019, the Group's turnover was HK\$1,712.9 million, a decrease of 6.6 per cent..
- * Net profit attributable to equity shareholders was HK\$119.0 million (2018 : HK\$133.5 million), a decrease of 10.9 per cent.. The Group's investment portfolio contributed a net profit of HK\$11.8 million (2018 : HK\$10.3 million).

INTERIM DIVIDEND

- * In view of these results, the Board has resolved to declare an interim dividend of HK8 cents (2018: HK8 cents) per ordinary share.

BUSINESS REVIEW

- * During the period under review, the Group achieved significant growth in both sales and profit in Hong Kong during the initial few months. However, the retail climate in Hong Kong deteriorated significantly thereafter and Mainland Chinese tourists all but disappeared. In Taiwan, like-for-like profits increased by 169 per cent. as a result of margin improvement and cost and inventory control.
- * The new Harvey Nichols store at Pacific Place officially opened on 19th September, 2019, and marks the department store's first new format flagship store globally. For the first time, the department store combines its offline services and local product offering with Harvey Nichols' worldwide online product offering. By leveraging interactive digital displays alongside traditional physical display units, the store now showcases over three times the number of products with half the space, thereby enabling an increase in sales density with significantly reduced fixed costs, while offering customers a truly differentiated shopping experience. The new store has been well received since its opening. We are confident that the store and the new model will become a long-term success.



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FULL YEAR PROSPECTS

- * The Group is extremely pessimistic about the retail climate in Hong Kong. Trading has been adversely affected and sales have been achieved at the expense of margin. Meanwhile, fixed costs remain very high. Additionally, the Group does not expect a return of Asian and Mainland Chinese tourists in the foreseeable future. Significantly worse result could be expected in the second half of this financial year. With Hong Kong in recession, the future looks bleak.
- * The Group has always rigorously controlled costs at all levels of operation and will continue to do so.
- * On the investment side, the Group will continue to seek new investment opportunities to diversify and broaden its earnings base.
- * With net cash of HK\$1,728.0 million and its strong balance sheet, the Group is in a strong position to cope with Hong Kong's recession and the very difficult retail climate.

Hong Kong, 27th November, 2019