



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

PRESS RELEASE

NOTES FOR SHAREHOLDERS

- * The Group suffered a 19.9 per cent. decrease in turnover overall and a 29.0 per cent decrease in turnover in Hong Kong, the Group's main market. Hong Kong contributed 63 per cent. of turnover.
- * Consumer sentiment in Hong Kong is extremely weak. Leading luxury brands now operate their own shops to the disadvantage of multi-brand retailers like Harvey Nichols in Hong Kong.
- * Post pandemic, local travelers prioritising destinations offering the best value over shopping locally. Mainland China has extended its instant tax refund policy for foreign visitors, making shopping in Hong Kong less attractive.
- * These factors have resulted in a decrease of 43.5 per cent. in profit attributable to shareholders.
- * It is unrealistic to expect the Group to return to its historical growth trajectory in terms of sales and profitability without significant changes being made.
- * New strategic investments are required, reducing the Group's cash position which will ultimately affect the Group's stable dividend history. Losses can be expected at the development stage of new business but are necessary for the Group to return to long term growth.

FINANCIAL RESULTS AND FINAL DIVIDEND

- * For the financial year ended 31st March, 2025, the Group achieved a turnover of HK\$1,921.8 million, a decrease of 19.9 per cent..
- * Net profit attributable to equity shareholders was HK\$198.0 million (2024 : HK\$350.8million), a decrease of 43.5 per cent..
- * The decrease in profit is mainly the result of a decrease in the Group's sales turnover in Hong Kong.



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- * In light of the current privatisation proposal of the Company and the cancellation price payable to the scheme shareholders thereunder, the Board considers it appropriate not to recommend a final dividend for the year ended 31st March, 2025.

REVIEW OF OPERATIONS

- * As a result of the rapidly changing retail landscape, with local travelers prioritising destinations offering the best value over shopping locally, and with shopping no longer a priority for Chinese tourists visiting Hong Kong, the consumer sentiment in Hong Kong remains extremely weak. Meanwhile, China has also extended its instant tax refund policy for foreign visitors from selected cities to nationwide, thereby making Hong Kong less attractive. All in all, the Group recorded a decrease in sales turnover of 29.0 per cent. in Hong Kong for the year ended 31st March, 2025.
- * In Taiwan, as a result of continued weak consumer sentiment there, the Group recorded a 0.4 per cent. decrease in sales turnover versus a 10.5 per cent. growth last year in local currency terms. The Group will continue to exercise aggressive control of operating cost and inventory.
- * In China, sales of the Group's retail and e-commerce business grew by 9.2 per cent. in local currency terms following the Group's strategy to consolidate its wholesale network while growing the Group's retail network.
- * The Group adopted the most conservative approach in managing its retail network. Today, the Group's retail network totals 63 stores, comprising 5 stores in Hong Kong, 32 in China and 26 in Taiwan.
- * Geographically, Hong Kong contributed 63.0 per cent. of sales, Taiwan 29.8 per cent. and other territories 7.2 per cent..
- * In terms of sales mix, watches and jewellery represented 49.9 per cent., cosmetics and beauty products 18.0 per cent., fashion and accessories 26.1 per cent. and securities trading 6.0 per cent..
- * The investment market remained volatile. The Group managed its investment portfolio cautiously and achieved a profit of HK\$59.3 million. None of the carrying value of any individual investment held by the Group accounted for 5 per cent. or more of the Group's total assets as at 31st March, 2025.



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FUTURE PROSPECTS AND CORPORATE STRATEGY

- * The consumers sentiment in Hong Kong is extremely weak. Leading luxury brands now own and operate their international network of retail shops directly while simultaneously reducing their network of wholesale partners to increase control over pricing and margins. This shift is especially disadvantageous for multi-brand retailers like Harvey Nichols in Hong Kong, where many luxury brands established their own stores in the same mall as Harvey Nichols. This limits their availability to Harvey Nichols which in turn reduces the overall appeal of Harvey Nichols' brands mix and offering. At the same time, post-pandemic shifts in consumer behavior have further impacted the Group's core business, with travelers prioritising destinations offering the best value over shopping locally. Mainland China has also extended its instant tax refund policy for foreign visitors, from selected cities to nationwide thereby allowing all its cities to apply for offering instant tax refunds. With this benefit, leading luxury brands like Louis Vuitton, Dior, Moncler, etc., will all have products cheaper in Mainland China than in Hong Kong. All in all, these measures will make Hong Kong less attractive to foreign tourists and the narrowed price gaps between Mainland China and Hong Kong pre-tax rebate have also made shopping in Hong Kong less attractive to Chinese tourists. To revive the Hong Kong retail market, a comprehensive restructuring at all levels of costs will be required.
- * In Taiwan, consumers sentiment has also been negatively impacted by the volatility of the stock market as a result of geopolitics, uncertainties brought by the tariffs policies of the United States and the appreciation of the Taiwan currency. The Taiwan market will remain challenging as local consumers there have also been travelling in Japan where retail prices of luxury goods are cheaper.
- * In China, given soft consumer sentiment and spending, the Group has a cautious near-term outlook. However, the Group remains positive on the long term outlook of China and will seek to continue growing its presence in this market.
- * The Group will continue to employ the most conservative approach to manage its retail network and cautiously manage its investment portfolio, as well as rigorously control costs at all levels of operation.



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- * With the rapidly changing retail landscape and shifting consumer spending behaviour, it is unrealistic to expect the Group to return to its historical growth trajectory in terms of sales and profitability. To pursue growth, the Group must actively identify new strategic investments which can extend beyond its current scope of business. These initiatives will inevitably require significant investments, reducing the company's cash position together with profit dilution. This will ultimately affect the Group's stable dividend history, as losses would be expected at the development stage for any new business initiatives but it is necessary for the Group to return to long term growth.

Hong Kong, 2nd June, 2025