



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 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.
- * The Group achieved strong growth in net profit in all its markets.
- * 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.
- * The Group has net cash of HK\$2,269.2 million as at 30th September, 2023.
- * 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.



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- * 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.



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- * 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.

Hong Kong, 23rd November, 2023