



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

## **PRESS RELEASE**

### **FINANCIAL RESULTS**

- \* Turnover for the six months ended 30th September, 2008 was HK\$1,859.8 million, an increase of 8.2 per cent. compared with the same period last year.
- \* As a result of exercising tight controls on sale and discount policies, gross margins increased from 56.3 per cent. up to 58.2 per cent..
- \* Profit attributable to equity shareholders was HK\$77.2 million, an increase of 2.1 per cent. compared with the corresponding period last year.
- \* At the commencement of the current financial year, the Group was confident that with the continued strong turnover and profits growth of its existing core operations, the expansion of its retail network and the introduction of new brands, the Group would achieve strong and sustained growth in the immediate and longer term.
- \* However, the global credit crisis and the rapid deterioration in economic conditions around the world has resulted in a sharp decline in consumer sentiment which will undoubtedly have a negative impact on the Group's turnover and profits performance for the second half of the year.



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## **INTERIM DIVIDEND**

- \* In view of the above results, and bearing in mind the expected difficult trading conditions for the second half of the year, the Board of Directors has resolved to declare an interim dividend of 11.0 cents (2007 : 13.8 cents) per ordinary share. The interim dividend, which will be paid on Friday, 16th January, 2009, will absorb a total of about HK\$41.0 million (2007 : HK\$51.4 million) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Tuesday, 6th January, 2009.

## **BUSINESS REVIEW**

- \* The Group's retail network currently totals 495 shops. This comprises 70 in Hong Kong, 268 in China, 3 in Macau, 116 in Taiwan and 38 in Singapore, Malaysia and the Philippines.
- \* In September, the Group entered into an exclusive long term agreement to distribute Alexandre de Paris, the luxury French hair accessories brand, in Hong Kong and other South East Asia territories. The first three Alexandre de Paris corners have now been opened at Pacific Place Seibu, Kowloon Hotel Seibu and Harvey Nichols in Hong Kong with locations in Singapore, Malaysia and Taiwan to open by the end of the current financial year. Given the established international popularity of this brand and the expected high sales density to be achieved by such products, the Group remains confident that Alexandre de Paris will be a successful addition to the Group's brand portfolio despite the financial turmoil.



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- \* In Hong Kong, 6 new shops have been opened so far this year. Although its businesses performed well during the first few months of the current financial year, the Group witnessed a sharp decline in consumer sentiment in subsequent months. However, by maintaining a healthy inventory position and exercising tight cost controls together with the popularity of its brands, the Group is well placed to confront and overcome the challenges ahead.
- \* In China, the Group has opened 50 new shops so far this year under brands such as Polo Ralph Lauren, S.T. Dupont, Brooks Brothers, Tommy Hilfiger and Vertu. As the Chinese economy is expected to continue to grow at about 8 per cent. per annum and is the market with the most growth potential in the longer term, the Group intends to cautiously continue its expansion in China.
- \* In Taiwan, the election of a new government has improved relations with China, and the Group experienced strong sales growth in the first few months of the current financial year. However, sales slowed significantly as the economy deteriorated. The Group will continue to monitor political and economic developments in Taiwan and adjust its development strategies accordingly.
- \* In the rest of Asia, the Group operates a retail network of 41 shops in Macau, Singapore, Malaysia and the Philippines. A very cautious approach will be taken regarding future development of these markets.

#### **FULL YEAR PROSPECTS**

- \* Despite a promising start to the current financial year's performance for the Group, the global credit crisis has had an unprecedented negative effect on economic conditions and consumer sentiment worldwide.



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- \* Unlike the Asian financial crisis of 1997 or SARS in 2003, this latest crisis has caused significant damage to the global economy affecting consumers in all markets. This will undoubtedly have a negative effect on markets such as Hong Kong which rely on both domestic and international consumers. Given this situation, the Group will exercise tight controls on its inventory position and cost structure, and adopt a very cautious approach to its further expansion and development strategies.
- \* However, the Group will continue to illustrate its unswerving commitment to the retail industry by opening additional stores around the region should prime locations become available on very attractive terms. This will enable the Group to enhance shareholder value in the longer term and demonstrate to brand principals the Group's ability to develop and maximise the potential of its brands even under the most difficult economic climate.
- \* With a net cash position of HK\$356.2 million and a strong balance sheet, the Group is in a very strong position to weather this global credit crisis, exploit any future recovery in economic conditions and take advantage of any investment opportunities of exceptional value.

Hong Kong, 4th December, 2008.

***Commenting on the Group's interim results for the six months ended 30th September, 2008, Mr. Dickson Poon, Group Executive Chairman of Dickson Concepts (International) Limited, said :***

*"I am pleased that the Group achieved an 8.2 per cent. increase in turnover during this period and also increased gross margins from 56.3 per cent. up to 58.2 per cent.."*



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*However, the global credit crisis and the rapid deterioration in economic conditions around the world has resulted in a sharp decline in consumer sentiment which will undoubtedly have a negative impact on turnover and profits performance for the second half of the year.*

*With a net cash position of HK\$356.2 million and a strong balance sheet, I am confident that the Group is in a very strong position to weather this global credit crisis, exploit any future recovery in economic conditions and take advantage of any investment opportunities of exceptional value.”*