



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, 2022, the Group achieved a turnover of HK\$2,020.3 million, a decrease of 11.2 per cent..
- * Net profit attributable to equity shareholders was HK\$200.9 million (2021 : HK\$461.8 million), a decrease of 56.5 per cent.. The investment portfolio recorded a loss of HK\$43.0 million.
- * The decrease in profit is the result of the decrease in sales of fashion, accessories and beauty products of the Group in Hong Kong due to outbreak of the Omicron variant of COVID-19, coupled with a significantly lower support from various principals and subsidies from the Hong Kong Government. The extreme volatility in the global market in the fourth quarter of the financial year resulted in a loss from the Group's investment portfolio.
- * In view of these results, the Board is recommending the payment of a final dividend of HK27 cents per ordinary share, which together with the interim dividend of HK8 cents per ordinary share paid, represents a total of HK35 cents per ordinary share as in the previous year. Based on the closing price of HK\$4.0 per share on 31st March, 2022, the total proposed dividend represents a dividend yield of 8.75 per cent. per annum.



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REVIEW OF OPERATIONS

- * During the year under review, the Group faced one of the worst retail environments in Hong Kong's recent history as a result of the outbreak of the Omicron variant of COVID-19 in the second half of the financial year, which resulted in a record number of COVID-19 cases in the city and the implementation of restrictive social distancing measures by the Hong Kong Government. This resulted in a substantial decrease of traffic and consumer spending, which significantly impacted the sales and profitability of the sales of fashion, accessories and beauty products of the Group in the second half of the financial year. As a result of these factors, the Group's turnover in Hong Kong decreased by 11.1 per cent. in the financial year ended 31st March, 2022.
- * In Taiwan, despite the disruption caused by the outbreak of COVID-19 since May 2021, the Group achieved a record profits with an increase of over 100 per cent. during the year. This is a direct result of the continued improvement in margin and aggressive cost and inventory control.
- * In China, the Group recorded a very strong performance during the year. In particular, the Group's total retail sales recorded an increase of 43.3 per cent., with physical retail store sales increasing 10.6 per cent. and online retail sales increasing 210.4 per cent..
- * The Group adopted the most conservative approach in managing its retail network. Today, the Group's retail network totals 60 stores, comprising 7 stores in Hong Kong, 30 in China and 23 in Taiwan.
- * Geographically, Hong Kong contributed 72.2 per cent. of sales, Taiwan 22.8 per cent. and other territories 5.0 per cent..
- * In terms of sales mix, watches and jewellery represented 53.2 per cent., cosmetics and beauty products 23.2 per cent., fashion and accessories 24.9 per cent. and securities trading -1.3 per cent..
- * The investment market continued to be extremely volatile and the global investment markets deteriorated substantially in the fourth quarter of the financial year. As a result, the Group's investment portfolio recorded a loss of HK\$43.0 million for the year ended 31st March, 2022.



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FUTURE PROSPECTS

- * The Group remains to be pessimistic about the retail climate in Hong Kong. With uncertainty surrounding the containment of the current wave of COVID-19, possibility of the outbreak of a new wave of COVID-19, timing of the re-opening of borders, high inflation rate, increasing interest rate and continued high unemployment rate, the Group expects an even more difficult retail environment in Hong Kong in the foreseeable future.
- * The Taiwan market was our strongest market during the year with record profits. This strong growth has been disrupted by the current outbreak of the Omicron variant of COVID-19 in Taiwan since March 2022. Given the circumstances, the Group is very concerned about how severe the Taiwan market would be affected.
- * In China, successful restructuring of the Group and the strong performance of its retail operations has resulted in continued profit contribution from the Group's business in China. However, the outbreak of the Omicron variant of COVID-19 in China during the months from March to May 2022 has significantly affected the performance of both physical store sales and online sales due to multiple temporary store closures alongside logistics and supply chain disruptions. Given the on-going COVID-19 in China, the Group expects a very challenging business environment in China in the current financial year.
- * The Group will continue to employ the most conservative approach to manage its retail network and investment portfolio, and will continue to rigorously control costs at all levels of operation.
- * With net cash of HK\$2,045.2 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, 15th June, 2022