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

**(Stock Code: 0113)**

**GROUP FINAL RESULTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

The board of directors (“the Board”) of Dickson Concepts (International) Limited (“the Company”) announces that the consolidated final results of the Company and its subsidiary companies (together “the Group”) for the year ended 31st March, 2021 together with last year’s corresponding comparative figures are as follows :-

## **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended 31st March, 2021

		<b>Financial year ended 31st March,</b>	
		<b>2021</b>	<b>2020</b>
	<b>NOTE</b>	<b>HK\$’000</b>	<b>HK\$’000</b>
<b>Revenue</b>	2	<b>2,275,492</b>	2,937,710
Cost of sales		<u><b>(1,299,565)</b></u>	<u>(1,705,302)</u>
<b>Gross profit</b>		<b>975,927</b>	1,232,408
Other income	3	<b>64,480</b>	1,434,130
Selling and distribution expenses		<b>(299,440)</b>	(1,657,748)
Administrative expenses		<b>(155,502)</b>	(248,501)
Other operating expenses		<u><b>(19,734)</b></u>	<u>(22,331)</u>
<b>Operating profit</b>		<b>565,731</b>	737,958
Finance costs		<u><b>(32,321)</b></u>	<u>(42,254)</u>
<b>Profit before taxation</b>	4	<b>533,410</b>	695,704
Taxation	5	<u><b>(71,590)</b></u>	<u>(49,881)</u>
<b>Profit for the year attributable to equity shareholders of the Company</b>		<u><b>461,820</b></u>	<u>645,823</u>
<b>Earnings per share (basic and diluted)</b>	7	<u><b>117.2 cents</b></u>	<u>162.9 cents</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2021

	<b>Financial year ended 31st March,</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit for the year</b>	<b><u>461,820</u></b>	<b><u>645,823</u></b>
<b>Other comprehensive income for the year :</b>		
Item that will not be reclassified to profit or loss :		
Remeasurement of net defined benefit liability (no tax expense (2020 : after tax expense of HK\$27,000))	<b>1,000</b>	549
Item that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of financial statements of overseas subsidiary and associated companies (Note)	<b><u>21,782</u></b>	<u>(3,432)</u>
<b>Other comprehensive income for the year</b>	<b><u>22,782</u></b>	<b><u>(2,883)</u></b>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>	<b><u>484,602</u></b>	<b><u>642,940</u></b>

*Note :-*

There is no tax effect relating to the above component of the other comprehensive income.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2021

		At 31st March, 2021 HK\$'000	At 31st March, 2020 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		44,519	47,813
Right-of-use assets		148,819	113,646
Deferred tax assets		—	1,995
Other financial assets	8	<u>1,318,249</u>	<u>1,195,424</u>
		<b>1,511,587</b>	1,358,878
<b>Current assets</b>			
Inventories		161,515	323,477
Debtors, deposits and prepayments	9	284,623	374,323
Tax recoverable		5,488	5,365
Other financial assets	8	404,074	239,601
Cash and bank balances		<u>3,073,538</u>	<u>3,323,006</u>
		<b>3,929,238</b>	4,265,772
<b>Current liabilities</b>			
Bank loans		831,213	1,059,774
Creditors, accruals and provisions	10	455,712	465,035
Lease liabilities		258,204	314,965
Taxation		<u>84,651</u>	<u>52,824</u>
		<b>1,629,780</b>	1,892,598
<b>Net current assets</b>		<u>2,299,458</u>	<u>2,373,174</u>
<b>Total assets less current liabilities</b>		<u>3,811,045</u>	<u>3,732,052</u>
<b>Non-current liabilities</b>			
Lease liabilities		548,071	738,498
Deferred tax liabilities		<u>21,983</u>	<u>20,353</u>
<b>Total non-current liabilities</b>		<u>570,054</u>	<u>758,851</u>
<b>Net assets</b>		<u>3,240,991</u>	<u>2,973,201</u>
<b>Capital and reserves</b>			
Share capital	11	118,261	118,261
Reserves		<u>3,122,730</u>	<u>2,854,940</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<u>3,240,991</u>	<u>2,973,201</u>

## **NOTES**

The Group's final results set out in this announcement do not constitute the Group's financial statements for the year ended 31st March, 2021 but are extracted from those financial statements.

### **1. PRINCIPAL ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("the Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### **2. REVENUE / SEGMENTAL INFORMATION**

#### **(a) Revenue**

The principal activities of the Group are the Sale of Luxury Goods and Securities Investment.

Revenue represents the invoiced value of goods sold less discounts and returns, net income from concession and consignment sales, fair value change on securities held for trading, dividend income, and interest income from debt securities and short-term bank deposits under Securities Investment segment.

The amount of each significant category of revenue is as follows :-

	<b>Financial year ended 31st March,</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	<b>1,044,842</b>	1,439,222
Cosmetics and beauty products	<b>663,393</b>	869,686
Fashion and accessories	<b><u>455,303</u></b>	<u>619,611</u>
	<b><u>2,163,538</u></b>	<u>2,928,519</u>
Revenue from Securities Investment		
Dividend income	<b>2,552</b>	309
Fair value change on securities held for trading	<b>46,402</b>	(39,697)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	<b><u>63,000</u></b>	<u>48,579</u>
	<b><u>111,954</u></b>	<u>9,191</u>
	<b><u>2,275,492</u></b>	<u>2,937,710</u>

#### Information about major customers

The Group sells goods to numerous individual customers without concentration of reliance. There is no disclosable information of major customers under HKFRS 8, *Operating segments*.

#### (b) Segment reporting

The Group manages its businesses by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following two reportable segments :-

Sale of Luxury Goods business : The sale of luxury goods to retail and wholesale customers and net income from concession and consignment sales.

Securities Investment business : The investment in listed and unlisted securities.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases :-

Revenue and expenses are allocated to the reportable segments with reference to the sales generated and expenses incurred by those segments. The measure used for reporting segment profit is profit after taxation.

Segment assets include all current and non-current assets of individual assets.

Segment liabilities include creditors, accruals and provisions, lease liabilities attributable to the operation of individual segments and bank loans managed directly by the segments.

Information regarding the Group's reportable segments for the years ended 31st March, 2021 and 31st March, 2020 respectively is set out below.

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue from external customers	<u>2,163,538</u>	<u>2,928,519</u>	<u>111,954</u>	<u>9,191</u>	<u>2,275,492</u>	<u>2,937,710</u>
<b>Reportable segment revenue</b>	<b><u>2,163,538</u></b>	<b><u>2,928,519</u></b>	<b><u>111,954</u></b>	<b><u>9,191</u></b>	<b><u>2,275,492</u></b>	<b><u>2,937,710</u></b>
<b>Reportable segment profit / (loss)</b>	<b>372,476</b>	<b>(209,472)</b>	<b>89,344</b>	<b>855,295</b>	<b>461,820</b>	<b>645,823</b>
<b>Reportable segment assets</b>	<b>3,548,721</b>	<b>3,596,345</b>	<b>2,317,714</b>	<b>2,055,951</b>	<b>5,866,435</b>	<b>5,652,296</b>
Additions to non-current segment assets during the year	<b>73,200</b>	<b>567,939</b>	<b>—</b>	<b>—</b>	<b>73,200</b>	<b>567,939</b>
<b>Reportable segment liabilities</b>	<b>1,335,438</b>	<b>1,561,508</b>	<b>1,290,006</b>	<b>1,117,587</b>	<b>2,625,444</b>	<b>2,679,095</b>

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	<b>Financial year ended 31st March,</b>					
	<b>2021</b>	2020	<b>2021</b>	2020	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
<b>Reportable segment profit / (loss) included :</b>						
Interest income	<b>19,778</b>	42,512	<b>63,000</b>	48,579	<b>82,778</b>	91,091
Interest expenses						
- bank loan	—	—	<b>(8,960)</b>	(14,114)	<b>(8,960)</b>	(14,114)
- lease liabilities	<b>(23,361)</b>	(28,140)	—	—	<b>(23,361)</b>	(28,140)
Depreciation						
- property, plant and equipment	<b>(20,795)</b>	(22,529)	—	—	<b>(20,795)</b>	(22,529)
- right-of-use assets	<b>(73,623)</b>	(304,414)	—	—	<b>(73,623)</b>	(304,414)
Loss on disposal of property, plant and equipment	<b>(92)</b>	(66)	—	—	<b>(92)</b>	(66)
Net realised and unrealised gain on unlisted equity securities	—	—	<b>53,911</b>	925,529	<b>53,911</b>	925,529
Unrealised loss on listed equity securities at fair value through profit or loss	—	—	<b>(30,689)</b>	—	<b>(30,689)</b>	—
Impairment loss written back / (recognised)						
- property, plant and equipment	—	(17,801)	—	—	—	(17,801)
- right-of-use assets	<b>49,800</b>	(810,911)	—	—	<b>49,800</b>	(810,911)
Provision for taxation	<b>(71,590)</b>	(49,881)	—	—	<b>(71,590)</b>	(49,881)
Other income (Note)	<b>10,000</b>	502,844	—	—	<b>10,000</b>	502,844

*Note :-*

Other income represents amounts received / receivable by the Group for termination / expiration of store and distribution licences.

- (ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

### **Revenue and profit**

No reconciliation of revenue and profit is required as the total reportable segments' figures are equal to the Group's consolidated figures.



	At 31st March, 2021 HK\$'000	At 31st March, 2020 HK\$'000
<b>Assets</b>		
Reportable segment assets	5,866,435	5,652,296
Elimination of inter-segment receivables	<u>(425,610)</u>	<u>(27,646)</u>
Consolidated total assets	<u>5,440,825</u>	<u>5,624,650</u>
	At 31st March, 2021 HK\$'000	At 31st March, 2020 HK\$'000
<b>Liabilities</b>		
Reportable segment liabilities	2,625,444	2,679,095
Elimination of inter-segment payables	<u>(425,610)</u>	<u>(27,646)</u>
Consolidated total liabilities	<u>2,199,834</u>	<u>2,651,449</u>

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment and right-of-use assets. The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

	<u>Revenues from external customers</u>		<u>Specified non-current assets</u>	
	Financial year ended 31st March, 2021 HK\$'000	2020 HK\$'000	At 31st March, 2021 HK\$'000	At 31st March, 2020 HK\$'000
Hong Kong (place of domicile)	<u>1,654,449</u>	2,395,794	<u>154,728</u>	109,728
Taiwan	423,466	457,227	25,803	39,993
Other territories	<u>85,623</u>	75,498	<u>12,807</u>	11,738
	<u>509,089</u>	532,725	<u>38,610</u>	51,731
Revenue from sales of luxury goods and net income from concession and consignment sales	2,163,538	2,928,519	—	—
Revenue from securities investment	<u>111,954</u>	9,191	—	—
Total	<u>2,275,492</u>	<u>2,937,710</u>	<u>193,338</u>	<u>161,459</u>

### 3. OTHER INCOME

	Financial year ended 31st March,	
	2021	2020
	HK\$'000	HK\$'000
Net realised and unrealised gain on unlisted equity securities (Note a)	53,911	925,529
Unrealised loss on listed equity securities at fair value through profit or loss	(30,689)	—
Unrealised loss on listed equity securities held for trading at fair value	—	(7,722)
Unrealised loss on investment in securities held for trading at fair value	—	(3,935)
Realised gain / (loss) on listed debt securities measured at amortised cost	1,072	(1,904)
Impairment loss on listed debt securities measured at amortised cost written back / (recognised)	974	(3,824)
Interest income	19,778	42,512
Loss on disposal of property, plant and equipment	(92)	(66)
Net foreign exchange gain / (loss)	9,526	(19,304)
Other income (Note b)	<u>10,000</u>	<u>502,844</u>
	<u>64,480</u>	<u>1,434,130</u>

Notes :-

- a. Net realised and unrealised gain on unlisted equity securities in last financial year included a realised gain of HK\$928,575,000 from the cancellation of the Group's entire equity interest in an unlisted investment in exchange for cash consideration as a result of a merger.
- b. Other income represents amounts received / receivable by the Group for termination / expiration of store and distribution licences.

#### 4. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2021	2020
	HK\$'000	HK\$'000
Profit before taxation is arrived at after charging / (crediting) :-		
Depreciation		
- property, plant and equipment	20,795	22,529
- right-of-use assets	73,623	304,414
Impairment loss on property, plant and equipment	—	17,801
Impairment loss on right-of-use assets (written back) / recognised (Note)	(49,800)	810,911
Impairment loss on trade debtors (written back) / recognised	(46)	4
Interest on bank overdrafts and loans repayable within five years	8,960	14,114
Interest on lease liabilities	<u>23,361</u>	<u>28,140</u>

*Note :-*

During the year ended 31st March, 2021, management performed an impairment assessment on certain right-of-use assets of the Group's retail stores in accordance with the accounting policy on impairment of assets. Based on the assessment, an impairment loss of HK\$49,800,000 was written back (2020: HK\$810,911,000 was recognised) in respect of the respective right-of-use assets and credited / charged to the consolidated statement of profit or loss. The recoverable amounts of these right-of-use assets were determined based on the estimated future cash flows generated from these retail stores for the remaining non-cancellable lease term of the respective retail stores at a discount rate of 10.0 per cent. (2020: 10.0 per cent.) per annum.

## 5. TAXATION

	Financial year ended 31st March,	
	2021	2020
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	70,994	5,685
(Over) / under-provision in respect of prior years	<u>(4,129)</u>	<u>308</u>
	<u>66,865</u>	<u>5,993</u>
Current tax – Overseas		
Provision for the year	3,090	42,927
Over-provision in respect of prior years	<u>(490)</u>	<u>(23)</u>
	<u>2,600</u>	<u>42,904</u>
Deferred tax		
Origination and reversal of temporary differences	<u>2,125</u>	<u>984</u>
Total income tax expense	<u>71,590</u>	<u>49,881</u>

The provision for Hong Kong Profits Tax for 2021 is calculated at 16.5 per cent. (2020 : 16.5 per cent.) of the estimated assessable profits for the year.

Taxation for overseas subsidiary companies is charged at the appropriate current rates of taxation ruling in the relevant countries.

## 6. DIVIDENDS

	Financial year ended 31st March,	
	2021	2020
	HK\$'000	HK\$'000
Interim dividend declared and paid of HK8 cents (2020 : HK8 cents) per ordinary share	<u>31,536</u>	<u>31,536</u>
Final dividend proposed after the end of the reporting period of HK27 cents (2020 : HK27 cents) per ordinary share	<u>106,435</u>	<u>106,435</u>
No special dividend was proposed after the end of the reporting period (2020 : HK20 cents per ordinary share)	<u>—</u>	<u>78,841</u>

## 7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit for the year attributable to ordinary equity shareholders of the Company of HK\$461,820,000 (2020 : HK\$645,823,000) and the weighted average number of 394,202,808 ordinary shares (2020 : 396,524,862 ordinary shares) in issue during the year.

Weighted average number of ordinary shares

	<b>Financial year ended 31st March,</b>	
	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
	<b>of shares</b>	<b>of shares</b>
	<b>Thousands</b>	<b>Thousands</b>
Issued ordinary shares at 1st April	<b>394,203</b>	399,998
Effect of repurchase of shares	<u>—</u>	<u>(3,473)</u>
Weighted average number of ordinary shares at 31st March	<u><b>394,203</b></u>	<u>396,525</u>

Basic earnings per share are the same as diluted earnings per share for both years as the Company has no potential dilutive shares outstanding for both years.

## 8. OTHER FINANCIAL ASSETS

Other financial assets comprise :-

	At 31st March, 2021 HK\$'000	At 31st March, 2020 HK\$'000
Non-current assets		
Listed equity securities designated at fair value through profit or loss	59,694	—
Unlisted equity and non-equity securities designated at fair value through profit or loss	139,968	75,314
Listed debt securities measured at amortised cost net of loss allowance	<u>1,118,587</u>	<u>1,120,110</u>
	<u>1,318,249</u>	<u>1,195,424</u>
Current assets		
Listed equity and non-equity securities held for trading at fair value	326,353	141,046
Investment in securities held for trading at fair value	—	75,689
Unlisted non-equity securities measured at amortised cost net of loss allowance	77,721	—
Listed debt securities measured at amortised cost net of loss allowance	<u>—</u>	<u>22,866</u>
	<u>404,074</u>	<u>239,601</u>
	<u>1,722,323</u>	<u>1,435,025</u>

## 9. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 31st March, 2021 HK\$'000	At 31st March, 2020 HK\$'000
Trade debtors	56,606	38,848
Less: loss allowance	<u>(4,745)</u>	<u>(5,052)</u>
	51,861	33,796
Other debtors, deposits and prepayments	<u>232,762</u>	<u>340,527</u>
	<u>284,623</u>	<u>374,323</u>

All debtors, deposits and prepayments of the Group, apart from certain rental deposits totalling HK\$71,403,000 (2020 : HK\$104,158,000), are expected to be recovered or recognised as an expense within one year.

## Ageing analysis

Included in debtors, deposits and prepayments are trade debtors (net of loss allowance) with the following ageing analysis based on due date as at the end of the reporting period :-

	<b>At 31st March, 2021 HK\$'000</b>	At 31st March, 2020 HK\$'000
Current	<u><b>51,861</b></u>	<u>33,796</u>

Trade debtors are due within 30 to 90 days from the date of billing.

## 10. CREDITORS, ACCRUALS AND PROVISIONS

	<b>At 31st March, 2021 HK\$'000</b>	At 31st March, 2020 HK\$'000
Trade creditors	<b>139,760</b>	93,447
Contract liabilities	<b>35,322</b>	41,447
Net defined benefit asset	<b>(2,299)</b>	(2,036)
Other creditors, accruals and provisions	<u><b>282,929</b></u>	<u>332,177</u>
	<u><b>455,712</b></u>	<u>465,035</u>

Included in creditors, accruals and provisions are trade creditors with the following ageing analysis based on due date as at the end of the reporting period :-

	<b>At 31st March, 2021 HK\$'000</b>	At 31st March, 2020 HK\$'000
Current	<b>138,147</b>	93,447
1 to 30 days overdue	<b>674</b>	—
31 to 60 days overdue	<u><b>939</b></u>	<u>—</u>
	<u><b>139,760</b></u>	<u>93,447</u>

The amount of the Group's creditors, accruals and provisions expected to be settled after more than one year is HK\$55,667,000 (2020 : HK\$59,609,000).

## 11. SHARE CAPITAL

	Financial year ended 31st March,			
	2021		2020	
	Number of shares Thousands	Nominal value HK\$'000	Number of shares Thousands	Nominal value HK\$'000
Authorised :-				
Ordinary shares of HK\$0.30 each	<u>518,000</u>	<u>155,400</u>	<u>518,000</u>	<u>155,400</u>
Issued and fully paid :-				
Ordinary shares of HK\$0.30 each				
Balance brought forward	394,203	118,261	399,998	119,999
Repurchases of shares	<u>—</u>	<u>—</u>	<u>(5,795)</u>	<u>(1,738)</u>
Balance carried forward	<u>394,203</u>	<u>118,261</u>	<u>394,203</u>	<u>118,261</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

At no time during the year ended 31st March, 2021 was there any purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's ordinary shares.

During the year ended 31st March, 2020, the Company repurchased a total of 5,795,500 ordinary shares on the Stock Exchange at an aggregate purchase price (excluding expenses) of HK\$25,479,095 and such repurchased shares were subsequently cancelled during the year ended 31st March, 2020. Details of the ordinary shares repurchased on the Stock Exchange during the year ended 31st March, 2020 are as follows :-

Month of repurchase	Number of ordinary shares repurchased	Highest purchase price per ordinary share HK\$	Lowest purchase price per ordinary share HK\$	Aggregate purchase price (excluding expenses) HK\$
July 2019	1,462,500	4.95	4.35	6,899,540
August 2019	1,393,000	4.50	4.13	5,966,755
September 2019	2,264,500	4.30	4.19	9,730,610
October 2019	675,500	4.28	4.18	2,882,190

As a result of the above share repurchases, the issued share capital of the Company was accordingly reduced by the par value of the aforesaid repurchased ordinary shares which were cancelled during the year ended 31st March, 2020. As at the date of these financial statements, the number of issued shares of the Company is 394,202,808 ordinary shares.



The directors believe that the above share repurchases are in the best interests of the Company and its shareholders and that such share repurchases would lead to an enhancement of the net assets value and / or earnings per share of the Company.

## 12. CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2021 not provided for in the consolidated financial statements were as follows :-

	<b>At 31st March, 2021 HK\$'000</b>	At 31st March, 2020 HK\$'000
Contracted for	—	1,339
Authorised but not contracted for	<u>—</u>	<u>—</u>
	<u>—</u>	<u>1,339</u>

## 13. CONTINGENT LIABILITIES

At 31st March, 2021, the Company had the following contingent liabilities in respect of :-

- (a) Guarantees of HK\$854,255,000 (2020 : HK\$853,709,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$96,884,000 (2020 : HK\$97,053,000) at the end of the reporting period.
- (b) Guarantees given to licensors and landlords to guarantee the performance by certain subsidiary companies of obligations under certain agreements. The amount due under the agreements was HK\$105,000 (2020 : HK\$6,430,000) at the end of the reporting period.

As at the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the above guarantees. No provision was therefore made in this respect at 31st March, 2021 and 31st March, 2020 respectively.

## 14. EVENTS AFTER THE REPORTING PERIOD

The Group announced on 26th May, 2021 that a subsidiary company of the Group entered into a legally binding offer letter with a third party in relation to the tenancy of a retail space for a period of six years for a total consideration of HK\$216.26 million. The Group will recognise the value of the right-of-use asset of HK\$205.28 million on its balance sheet.

## **15. SCOPE OF WORK OF KPMG**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31st March, 2021 as set out in the preliminary announcement have been compared by the Company's Independent Auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Independent Auditor.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

For the financial year ended 31st March, 2021, the Group achieved a turnover of HK\$2,275.5 million, a decrease of 22.5 per cent..

Net profit attributable to equity shareholders was HK\$461.8 million (2020 : HK\$645.8 million), a decrease of 28.5 per cent.. The investment portfolio contributed a profit of HK\$89.3 million.

The decrease in profit is the result of the decrease in sales and profit contribution from the retail business in Hong Kong and absence of non-recurring items recognised in the previous financial year.

## **FINANCIAL RESULTS AND FINAL DIVIDEND**

Turnover for the financial year ended 31st March, 2021 was HK\$2,275.5 million, a decrease of 22.5 per cent. compared to HK\$2,937.7 million in the previous year.

Profit attributable to shareholders was HK\$461.8 million as compared to HK\$645.8 million in the previous year.

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, is the same as the previous year, excluding the special dividend of HK20 cents per ordinary share paid in last year. Based on a closing price of HK\$4.14 on 31st March, 2021, the total dividend proposed represents a yield of 8.45 per cent..

## **REVIEW OF OPERATIONS**

During the year under review, the Group faced one of the worst retail environments that Hong Kong has ever faced as a result of the continued outbreak of COVID-19. The very poor consumer sentiment and the lack of tourists travelling to Hong Kong have resulted in the Group's turnover in Hong Kong decreasing by 30.9 per cent. in the financial year ended 31st March, 2021.

In Taiwan, the Group achieved profit increase of over 300 per cent. during the year. This is a direct result of continued improvement in consumer sentiment, together with margin improvement and aggressive cost and inventory control.

In China, the Group recorded a very strong performance for the full year. In particular, the Group's total retail sales recorded an increase of 109 per cent. during the year, with physical retail stores increasing 90 per cent. and online retail sales increasing 325 per cent.. This has successfully enabled the Group to turn around its China operations from loss making to profit contributing for the full year.

The Group adopted the most conservative approach in managing its retail network. Today, the Group's retail network totals 64 stores, comprising 7 stores in Hong Kong, 32 in China and 25 in Taiwan.

Geographically, Hong Kong contributed 76.5 per cent. of sales, Taiwan 19.6 per cent. and other territories 3.9 per cent..

In terms of sales mix, watches and jewellery represented 45.9 per cent., cosmetics and beauty products 29.2 per cent., fashion and accessories 20.0 per cent. and securities trading 4.9 per cent..

The investment market has continued to be very volatile as a result of the worldwide impact of COVID-19. The Group continues to manage its investment portfolio cautiously and has succeeded in achieving a profit of HK\$89.3 million during the year ended 31st March, 2021.

## **FUTURE PROSPECTS**

The Group remains to be pessimistic about the retail climate in Hong Kong. With the possibility of a 5th wave outbreak of COVID-19, uncertainty on the timing of the re-opening of borders and continued high unemployment rate, the Group does not expect any real improvement in the retail climate in Hong Kong in the foreseeable future.

The Taiwan market was our strongest market during the year with a profit increase of over 300 per cent.. This strong growth has been disrupted by the current outbreak of COVID-19 in Taiwan. 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 turning the Group's business in China from loss making to profit contributing for the full year. Going forward, the Group will focus on expanding its physical network and on-line development to capitalise on the significant opportunity in China.

The Group will continue to employ the most conservative approach to manage its retail network and will continue to rigorously control costs at all levels of operation.

With net cash of HK\$2,242.3 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.

## **CORPORATE STRATEGY**

The Group's strategy is to cater to the Asian market's demand for quality branded products through a combination of licensed brands, the Group's own brands, and own retail platforms. Our corporate values rest in growing the presence of our existing businesses and identifying new business and investment opportunities not limited to our current businesses in order to deliver value to both our customers and our shareholders. All such opportunities will continue to be diligently and carefully evaluated by the Board with the primary view of further enhancing the Group's financial and market position as well as delivering value to our shareholders. We believe implementing disciplined business strategies and prudent financial management serves this purpose by preserving the longevity and sustainability of our businesses. We also believe in maintaining a conservative balance sheet so we can take advantage of any investment opportunities of exceptional value as and when they arise.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As at 31st March, 2021, the Group had 780 (2020 : 924) employees. Total staff costs (including directors' emoluments) amounted to HK\$278.3 million (2020 : HK\$416.8 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee in respect of directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's net liquid financial resources as at 31st March, 2021 stood at HK\$2,242.3 million (2020 : HK\$2,263.2 million), represented by cash and bank balances of HK\$3,073.5 million (2020 : HK\$3,323.0 million) less short-term bank borrowings of HK\$831.2 million (2020 : HK\$1,059.8 million).

The Group also maintains substantial uncommitted short-term loan facilities with selected international banks for day-to-day requirements and funding flexibility.

## **FOREIGN CURRENCY EXPOSURE AND FINANCIAL MANAGEMENT**

Merchandise purchased by the Group is mainly denominated in United States Dollars, Euros, Pounds Sterling and Swiss Francs. Where appropriate, forward foreign exchange contracts are utilised to purchase the relevant currency to settle amounts due and it is the Group's policy that such foreign exchange contracts or foreign currency purchases are strictly limited to approved purchase budget amounts or actual purchase commitments.

Exposure to fluctuations in the exchange rate of regional currencies in respect of the Group's overseas operations is minimised by utilising local currency borrowings, where necessary, to fund working capital and capital expenditure requirements with repayment from funds generated from local sales.

Financial risk management for the Group is the responsibility of the treasury department based in Hong Kong which implements the policies and guidelines issued by the Board. Surplus cash is held mainly in United States Dollars, New Taiwan Dollars, Hong Kong Dollars and Renminbi with the majority placed on short-term deposits with established international banks.

As at 31st March, 2021, the Group's current ratio, being current assets divided by current liabilities, was 2.4 times (as at 31st March, 2020 : 2.3 times). The Group has maintained a net surplus cash position throughout the financial year under review and its gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is Nil (as at 31st March, 2020 : Nil).

**OTHER INFORMATION**

**DIVIDENDS**

In view of the results, the Board is recommending the payment of a final dividend of HK27 cents (2020 : HK27 cents) per ordinary share for the year ended 31st March, 2021. The final dividend which will be paid on or about Tuesday, 24th August, 2021, will absorb a total of about HK\$106,435,000 (2020 : HK\$106,435,000) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Tuesday, 17th August, 2021. Together with the interim dividend of HK8 cents (2020 : HK8 cents) per ordinary share, the dividend payout is HK35 cents (2020 : HK35 cents, excluding the special dividend of HK20 cents) per ordinary share.

**CLOSURE OF REGISTER OF MEMBERS**

For the purpose of ascertaining shareholders' right to attend and vote at the annual general meeting of the shareholders of the Company to be held on Monday, 9th August, 2021 ("the 2021 AGM"), and entitlement to the proposed final dividend, the Register of Members of the Company will be closed as set out below :-

- (i) For ascertaining shareholders' right to attend and vote at the 2021 AGM :-

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, 3rd August, 2021
Closure of Register of Members	Wednesday, 4th August, 2021 to Monday, 9th August, 2021 (both days inclusive)
Record Date	Monday, 9th August, 2021

(ii) For ascertaining shareholders' entitlement to the proposed final dividend :-

Latest time to lodge transfer documents for registration 4:30 p.m. on Friday, 13th August, 2021

Closure of Register of Members Monday, 16th August, 2021 to Tuesday, 17th August, 2021 (both days inclusive)

Record Date Tuesday, 17th August, 2021

During the above closure periods, no transfer of shares will be effected. In order to be eligible to attend and vote at the 2021 AGM and to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than the abovementioned "latest time".

## **SHARE PURCHASE, SALE AND REDEMPTION**

At no time during the year was there any purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's ordinary shares.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standards of corporate governance. The Company recognises that corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and enhance shareholder value.

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code ("the CG Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31st March, 2021 except code provision A.2.1 of the CG Code as the functions of the Chief Executive Officer are now performed by Sir Dickson Poon, the Group Executive Chairman.

Detailed information on the Company's other corporate governance practices is set out in the Corporate Governance Report included in the 2021 Annual Report which will be despatched to the shareholders in due course.

## **REVIEW OF GROUP FINAL RESULTS**

The Audit Committee has reviewed the consolidated final results of the Group for the year ended 31st March, 2021 with the Board.

## ANNUAL GENERAL MEETING

The 2021 AGM will be held at Event Room 1 – 3, LG/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 9th August, 2021 at 11:30 a.m.. The Notice of the Annual General Meeting will be published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.dickson.com.hk/doc/announcement/EAGM080721.pdf](http://www.dickson.com.hk/doc/announcement/EAGM080721.pdf) and included in the 2021 Annual Report which will be despatched to the shareholders in due course.

As at the date of this announcement, the Board comprises :-

***Executive Directors:***

Dickson Poon (*Group Executive Chairman*)  
Chan Hon Chung, Johnny Pollux  
Lau Yu Hee, Gary  
Poon Dickson Pearson Guanda

***Independent Non-Executive Directors:***

Bhanusak Asvaintra  
Nicholas Peter Etches  
Fung Yue Ming, Eugene Michael

By Order of the Board  
**Or Suk Ying, Stella**  
*Company Secretary*

Hong Kong, 10th June, 2021

*\* For identification purposes only*