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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, 2022**

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, 2022 together with last year’s corresponding comparative figures are as follows :-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March, 2022

		Financial year ended 31st March,	
		2022	2021
	NOTE	HK\$’000	HK\$’000
Revenue	2	2,020,334	2,275,492
Cost of sales		<u>(1,073,290)</u>	<u>(1,299,565)</u>
Gross profit		947,044	975,927
Other income	3	20,742	64,480
Selling and distribution expenses		(504,111)	(299,440)
Administrative expenses		(149,934)	(155,502)
Other operating expenses		<u>(38,917)</u>	<u>(19,734)</u>
Operating profit		274,824	565,731
Finance costs		<u>(27,107)</u>	<u>(32,321)</u>
Profit before taxation	4	247,717	533,410
Taxation	5	<u>(46,778)</u>	<u>(71,590)</u>
Profit for the year attributable to equity shareholders of the Company		<u>200,939</u>	<u>461,820</u>
Earnings per share (basic and diluted)	7	<u>51.0 cents</u>	<u>117.2 cents</u>

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

For the year ended 31st March, 2022

	Financial year ended 31st March,	
	2022	2021
	HK\$'000	HK\$'000
Profit for the year	<u>200,939</u>	<u>461,820</u>
Other comprehensive income for the year :		
Item that will not be reclassified to profit or loss :		
Remeasurement of net defined benefit assets	(123)	1,000
Item that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of financial statements of subsidiary and associated companies outside Hong Kong (Note)	<u>(6,003)</u>	<u>21,782</u>
Other comprehensive income for the year	<u><u>(6,126)</u></u>	<u><u>22,782</u></u>
Total comprehensive income for the year attributable to equity shareholders of the Company	<u><u>194,813</u></u>	<u><u>484,602</u></u>

Note :-

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2022

		At 31st March, 2022 HK\$'000	At 31st March, 2021 HK\$'000
	NOTE		
Non-current assets			
Property, plant and equipment		61,267	44,519
Right-of-use assets		260,317	148,819
Deposits and prepayments	9	80,147	—
Other financial assets	8	<u>1,757,112</u>	<u>1,318,249</u>
		2,158,843	1,511,587
Current assets			
Inventories		165,678	161,515
Debtors, deposits and prepayments	9	124,971	284,623
Tax recoverable		1,534	5,488
Other financial assets	8	191,773	404,074
Cash and bank balances		<u>3,165,356</u>	<u>3,073,538</u>
		3,649,312	3,929,238
Current liabilities			
Bank loans		1,120,155	831,213
Creditors, accruals and provisions	10	370,546	455,712
Lease liabilities		285,219	258,204
Taxation		<u>106,209</u>	<u>84,651</u>
		1,882,129	1,629,780
Net current assets		1,767,183	2,299,458
Total assets less current liabilities		3,926,026	3,811,045
Non-current liabilities			
Creditors and provisions	10	56,649	—
Lease liabilities		548,771	548,071
Deferred tax liabilities		<u>22,773</u>	<u>21,983</u>
Total non-current liabilities		628,193	570,054
Net assets		3,297,833	3,240,991
Capital and reserves			
Share capital	11	118,261	118,261
Reserves		<u>3,179,572</u>	<u>3,122,730</u>
Total equity attributable to equity shareholders of the Company		3,297,833	3,240,991

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, 2022 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 :-

	Financial year ended 31st March,	
	2022	2021
	HK\$'000	HK\$'000
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	1,075,798	1,044,842
Cosmetics and beauty products	467,816	663,393
Fashion and accessories	<u>502,921</u>	<u>455,303</u>
	<u>2,046,535</u>	<u>2,163,538</u>
Revenue from Securities Investment		
Dividend income	5,417	2,552
Fair value change on securities held for trading	(89,233)	46,402
Interest income from debt securities and short-term bank deposits under Securities Investment segment	<u>57,615</u>	<u>63,000</u>
	<u>(26,201)</u>	<u>111,954</u>
	<u>2,020,334</u>	<u>2,275,492</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, 2022 and 31st March, 2021 respectively is set out below.

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue from external customers	<u>2,046,535</u>	<u>2,163,538</u>	<u>(26,201)</u>	<u>111,954</u>	<u>2,020,334</u>	<u>2,275,492</u>
Reportable segment revenue	<u>2,046,535</u>	<u>2,163,538</u>	<u>(26,201)</u>	<u>111,954</u>	<u>2,020,334</u>	<u>2,275,492</u>
Reportable segment profit / (loss)	243,975	372,476	(43,036)	89,344	200,939	461,820
Reportable segment assets	3,703,315	3,548,721	2,844,690	2,317,714	6,548,005	5,866,435
Additions to non-current segment assets during the year	321,496	73,200	—	—	321,496	73,200
Reportable segment liabilities	1,390,154	1,335,438	1,860,018	1,290,006	3,250,172	2,625,444

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	Financial year ended 31st March,					
	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment profit / (loss) included :						
Interest income	7,637	19,778	57,615	63,000	65,252	82,778
Interest expenses						
- bank loan	—	—	(8,750)	(8,960)	(8,750)	(8,960)
- lease liabilities	(18,357)	(23,361)	—	—	(18,357)	(23,361)
Depreciation						
- property, plant and equipment	(19,856)	(20,795)	—	—	(19,856)	(20,795)
- right-of-use assets	(103,361)	(73,623)	—	—	(103,361)	(73,623)
Loss on disposal of property, plant and equipment	(328)	(92)	—	—	(328)	(92)
Net realised and unrealised gain on unlisted equity and non-equity securities	—	—	27,772	53,911	27,772	53,911
Net realised and unrealised loss on listed equity securities at fair value through profit or loss	—	—	(34,706)	(30,689)	(34,706)	(30,689)
Impairment loss (recognised) / written back						
- property, plant and equipment	(9,800)	—	—	—	(9,800)	—
- right-of-use assets	(60,200)	49,800	—	—	(60,200)	49,800
Provision for taxation	(46,778)	(71,590)	—	—	(46,778)	(71,590)
Other income (Note)	—	10,000	—	—	—	10,000

Note :-

Other income represents amounts received by the Group for termination of store licence.

- (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, 2022 HK\$'000	At 31st March, 2021 HK\$'000
Assets		
Reportable segment assets	6,548,005	5,866,435
Elimination of inter-segment receivables	<u>(739,850)</u>	<u>(425,610)</u>
Consolidated total assets	<u>5,808,155</u>	<u>5,440,825</u>
	At 31st March, 2022 HK\$'000	At 31st March, 2021 HK\$'000
Liabilities		
Reportable segment liabilities	3,250,172	2,625,444
Elimination of inter-segment payables	<u>(739,850)</u>	<u>(425,610)</u>
Consolidated total liabilities	<u>2,510,322</u>	<u>2,199,834</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.

	Revenues from external customers		Specified non-current assets	
	Financial year ended 31st March,		At 31st March, At 31st March,	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	<u>1,477,583</u>	<u>1,654,449</u>	<u>282,749</u>	<u>154,728</u>
Taiwan	465,835	423,466	29,387	25,803
Other territories	<u>103,117</u>	<u>85,623</u>	<u>9,448</u>	<u>12,807</u>
	<u>568,952</u>	<u>509,089</u>	<u>38,835</u>	<u>38,610</u>
Revenue from sales of luxury goods and net income from concession and consignment sales	2,046,535	2,163,538	—	—
Revenue from securities investment	<u>(26,201)</u>	<u>111,954</u>	<u>—</u>	<u>—</u>
Total	<u>2,020,334</u>	<u>2,275,492</u>	<u>321,584</u>	<u>193,338</u>

3. OTHER INCOME

	Financial year ended 31st March,	
	2022	2021
	HK\$'000	HK\$'000
Net realised and unrealised gain on unlisted equity and non-equity securities	27,772	53,911
Net realised and unrealised loss on listed equity securities at fair value through profit or loss	(34,706)	(30,689)
Realised gain on listed debt securities measured at amortised cost	—	1,072
Impairment loss on listed debt securities measured at amortised cost (recognised) / written back	(3,230)	974
Interest income	7,637	19,778
Loss on disposal of property, plant and equipment	(328)	(92)
Net foreign exchange gain	23,597	9,526
Other income (Note)	<u>—</u>	<u>10,000</u>
	<u>20,742</u>	<u>64,480</u>

Note :-

Other income represents amounts received by the Group for termination of store licence.

4. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2022	2021
	HK\$'000	HK\$'000
Profit before taxation is arrived at after charging / (crediting) :-		
Depreciation		
- property, plant and equipment	19,856	20,795
- right-of-use assets	103,361	73,623
Impairment loss on property, plant and equipment recognised (Note a)	9,800	—
Impairment loss on right-of-use assets recognised / (written back) (Note b)	60,200	(49,800)
Impairment loss on trade debtors written back	—	(46)
Interest on bank overdrafts and loans repayable within five years	8,750	8,960
Interest on lease liabilities	<u>18,357</u>	<u>23,361</u>

Notes :-

- a. During the year ended 31st March, 2022, management performed an impairment assessment on certain property, plant and equipment of the Group's retail stores in accordance with the accounting policy on impairment of assets. The substantial decrease in traffic and consumer spending as a result of the continued COVID-19 pandemic, an impairment loss of HK\$9,800,000 was recognised in respect of the respective property, plant and equipment and charged to the consolidated statement of profit or loss. The recoverable amounts of these property, plant and equipment 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. per annum.
- b. During the year ended 31st March, 2022, 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. The substantial decrease in traffic and consumer spending as a result of the continued COVID-19 pandemic, an impairment loss of HK\$60,200,000 was recognised (2021 : HK\$49,800,000 was written back) in respect of the respective right-of-use assets and charged / credited 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. (2021 : 10.0 per cent.) per annum.

5. TAXATION

	Financial year ended 31st March,	
	2022	2021
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	42,683	70,994
Over-provision in respect of prior years	<u>(3,886)</u>	<u>(4,129)</u>
	<u>38,797</u>	<u>66,865</u>
Current tax – Outside Hong Kong		
Provision for the year	5,977	3,090
Under / (over)-provision in respect of prior years	<u>2,032</u>	<u>(490)</u>
	<u>8,009</u>	<u>2,600</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(28)</u>	<u>2,125</u>
Total income tax expense	<u>46,778</u>	<u>71,590</u>

The provision for Hong Kong Profits Tax for 2022 is calculated at 16.5 per cent. (2021 : 16.5 per cent.) of the estimated assessable profits for the year.

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

6. DIVIDENDS

	Financial year ended 31st March,	
	2022	2021
	HK\$'000	HK\$'000
Interim dividend declared and paid of HK8 cents (2021 : 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 (2021 : HK27 cents) per ordinary share	<u>106,435</u>	<u>106,435</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\$200,939,000 (2021 : HK\$461,820,000) and the weighted average number of 394,202,808 ordinary shares (2021 : 394,202,808 ordinary shares) in issue during the year.

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, 2022 HK\$'000	At 31st March, 2021 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	521,356	139,968
Listed debt securities measured at amortised cost net of loss allowance	<u>1,235,756</u>	<u>1,118,587</u>
	<u>1,757,112</u>	<u>1,318,249</u>
Current assets		
Listed equity and non-equity securities held for trading at fair value	87,997	326,353
Investment in securities held for trading at fair value	1,007	—
Unlisted equity securities designated at fair value through profit or loss	65,682	—
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>37,087</u>	<u>—</u>
	<u>191,773</u>	<u>404,074</u>
	<u>1,948,885</u>	<u>1,722,323</u>

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 31st March, 2022 HK\$'000	At 31st March, 2021 HK\$'000
Trade debtors	54,351	56,606
Less : loss allowance	<u>(4,640)</u>	<u>(4,745)</u>
	49,711	51,861
Net defined benefit assets	2,193	—
Other debtors, deposits and prepayments	<u>153,214</u>	<u>232,762</u>
	205,118	284,623
Less : non-current portion of deposits and prepayments	<u>(80,147)</u>	<u>—</u>
	<u>124,971</u>	<u>284,623</u>

Apart from the above non-current portion of deposits and prepayments, all of other debtors, deposits and prepayments of the Group 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 :-

	At 31st March, 2022 HK\$'000	At 31st March, 2021 HK\$'000
Current	<u>49,711</u>	<u>51,861</u>

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

10. CREDITORS, ACCRUALS AND PROVISIONS

	At 31st March, 2022 HK\$'000	At 31st March, 2021 HK\$'000
Trade creditors	141,053	139,760
Contract liabilities	19,650	35,322
Net defined benefit asset	—	(2,299)
Other creditors, accruals and provisions	<u>266,492</u>	<u>282,929</u>
	427,195	455,712
Less : non-current portion of creditors and provisions	<u>(56,649)</u>	<u>—</u>
	<u><u>370,546</u></u>	<u><u>455,712</u></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 :-

	At 31st March, 2022 HK\$'000	At 31st March, 2021 HK\$'000
Current	140,839	138,147
1 to 30 days overdue	214	674
31 to 60 days overdue	<u>—</u>	<u>939</u>
	<u><u>141,053</u></u>	<u><u>139,760</u></u>

11. SHARE CAPITAL

	Financial year ended 31st March,			
	2022		2021	
	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 and 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, 2022 was there any purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's ordinary shares.

12. CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2022 not provided for in the consolidated financial statements were as follows :-

	At 31st March, 2022 HK\$'000	At 31st March, 2021 HK\$'000
Contracted for	9,037	—
Authorised but not contracted for	<u>3,041</u>	<u>—</u>
	<u>12,078</u>	<u>—</u>

13. CONTINGENT LIABILITIES

At 31st March, 2022, the Company had the following contingent liabilities in respect of :-

- (a) Guarantees of HK\$808,590,000 (2021 : HK\$854,255,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$72,672,000 (2021 : HK\$96,884,000) 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\$168,000 (2021 : HK\$105,000) 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, 2022 and 31st March, 2021 respectively.

14. 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, 2022 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, 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.

FINANCIAL RESULTS AND FINAL DIVIDEND

Turnover for the financial year ended 31st March, 2022 was HK\$2,020.3 million, a decrease of 11.2 per cent. compared to HK\$2,275.5 million in the previous year.

Profit attributable to shareholders was HK\$200.9 million as compared to HK\$461.8 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, 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.

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.

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.

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, 2022, the Group had 743 (2021 : 780) employees. Total staff costs (including directors' emoluments) amounted to HK\$279.9 million (2021 : HK\$278.3 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, 2022 stood at HK\$2,045.2 million (2021 : HK\$2,242.3 million), represented by cash and bank balances of HK\$3,165.4 million (2021 : HK\$3,073.5 million) less short-term bank borrowings of HK\$1,120.2 million (2021 : HK\$831.2 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, 2022, the Group's current ratio, being current assets divided by current liabilities, was 1.9 times (as at 31st March, 2021 : 2.4 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, 2021 : Nil).

OTHER INFORMATION

DIVIDENDS

In view of the results, the Board is recommending the payment of a final dividend of HK27 cents (2021 : HK27 cents) per ordinary share for the year ended 31st March, 2022. The final dividend which will be paid on or about Tuesday, 23rd August, 2022, will absorb a total of about HK\$106,435,000 (2021 : HK\$106,435,000) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Tuesday, 16th August, 2022. Together with the interim dividend of HK8 cents (2021 : HK8 cents) per ordinary share, the dividend payout is HK35 cents (2021 : HK35 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, 8th August, 2022 (the "2022 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 2022 AGM :-

Latest time to lodge transfer documents for registration 4:30 p.m. on Tuesday, 2nd August, 2022

Closure of Register of Members Wednesday, 3rd August, 2022 to Monday, 8th August, 2022 (both days inclusive)

Record Date Monday, 8th August, 2022

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

Latest time to lodge transfer documents for registration 4:30 p.m. on Friday, 12th August, 2022

Closure of Register of Members Monday, 15th August, 2022 to Tuesday, 16th August, 2022 (both days inclusive)

Record Date Tuesday, 16th August, 2022

During the above closure periods, no transfer of shares will be effected. In order to be eligible to attend and vote at the 2022 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 including promotion of the Company's sustainable development. 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 New CG Code (as hereinafter defined) throughout the year ended 31st March, 2022 except code provision C.2.1 of the New CG Code as the functions of Chief Executive Officer are now performed by Sir Dickson Poon, the Group Executive Chairman. Furthermore, the Company has complied with all applicable requirements and provisions of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Listing Rules.

The Company noted that amendments had been made to the Corporate Governance Code (the "New CG Code") as set out in Appendix 14 to the Listing Rules which came into effect on 1st January, 2022 and the requirements under the New CG Code will apply to the Corporate Governance Report of the Company for the financial year commencing on or after 1st January, 2022. The Company has not applied any new amendments to the Corporate Governance Code that is not yet effective for the current financial year ended 31st March, 2022. The Company will continue to observe and enhance its corporate governance practices to ensure compliance with the New CG Code and align with the latest regulatory developments.

Detailed information on the Company's other corporate governance practices is set out in the Corporate Governance Report included in the 2022 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, 2022 with the Board.

ANNUAL GENERAL MEETING

The 2022 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, 8th August, 2022 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 and the website of the Company at www.dickson.com.hk/doc/announcement/EAGM130722.pdf and included in the 2022 Annual Report which will be despatched to the shareholders in due course.

ADOPTION OF THE AMENDED AND RESTATED BYE-LAWS

The Board proposes to adopt the amended and restated bye-laws of the Company (the “**New Bye-laws**”) in order to update and bring the Bye-laws in line with the latest legal and regulatory requirements, including the amendments made to Appendix 3 to the Listing Rules which took effect on 1st January, 2022.

The major changes of the New Bye-laws are summarised as follows :-

- (1) to revise the provision that any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution;
- (2) to provide the opening hours for the register and branch register of members for public inspection without charge;
- (3) to revise that the notice of suspension of the registration of transfers of shares or of any class of shares may be given by announcement or by electronic communication or by advertisement in any newspapers in accordance with the requirements of the Stock Exchange or by any means in such manner as may be accepted by the Stock Exchange;
- (4) to allow a meeting of shareholders or any class of shareholders to be held by means of telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting;
- (5) to revise that an annual general meeting of the Company shall be held in each financial year other than the financial year in which its statutory meeting is convened and such annual general meeting must be held within six (6) months after the end of the Company’s financial year (unless a longer period would not infringe the Listing Rules, if any) at such time and place as may be determined by the Board;
- (6) to provide that shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held in the form of a physical meeting only; and such meeting shall be held within two (2) months after the deposit of such requisition, and, if within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act of Bermuda;
- (7) to specify that an annual general meeting shall be called by written notice of not less than twenty-one (21) clear days and any other general meeting shall be called by written notice of not less than fourteen (14) clear days;

- (8) to provide two shareholders entitled to vote and present in person or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representatives or proxies, shall form a quorum for all purposes;
- (9) to revise the provisions on proceedings at general meeting when a quorum is not present after the time appointed for the meeting;
- (10) to provide that all shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration in alignment with Paragraph 14(3) of Appendix 3 to the Listing Rules;
- (11) to allow the appointment of more than one chairman;
- (12) to revise the provisions relating to the disclosure of Directors' interests to the Board;
- (13) to provide that if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution;
- (14) to provide express provisions on the register of directors and officers including the details to be kept in the books and opening hours of the register;
- (15) subject to compliance with the Listing Rules, to allow the Company to publish, including sending by electronic communication, financial reports of the Company and summaries thereof to its shareholders;
- (16) to provide that the shareholders may, at any general meeting convened and held in accordance with the New Bye-laws, by extraordinary resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term in alignment with Paragraph 17 of Appendix 3 to the Listing Rules;
- (17) to provide that the remuneration of the auditor shall be fixed by the Company by ordinary resolution in general meeting or in such manner as the shareholders may determine in alignment with Paragraph 17 of Appendix 3 to the Listing Rules;
- (18) to provide that the Directors may fill any casual vacancy in the office of auditor and an auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the shareholders under the New Bye-laws at such remuneration to be determined by the shareholders under the New Bye-laws;
- (19) subject to the New Bye-laws, to allow for the Company to send notices by electronic communication; and
- (20) other house-keeping amendments to the New Bye-laws are proposed including the removal of inoperative definitions and provisions, various consequential amendments made in line with the proposed amendments, as well as the updating of certain provisions with reference to the applicable laws of Bermuda and the Listing Rules currently in force.

The New Bye-laws are subject to consideration and approval by the shareholders of the Company by way of a special resolution at the 2022 AGM. A circular containing, among other things, particulars relating to the New Bye-laws will be despatched to the shareholders of the Company 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, 15th June, 2022

** For identification purposes only*