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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, 2023**

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, 2023 together with last year’s corresponding comparative figures are as follows :-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March, 2023

	NOTE	Financial year ended 31st March,	
		2023 HK\$'000	2022 HK\$'000
Revenue	2	2,130,785	2,020,334
Cost of sales		<u>(1,134,673)</u>	<u>(1,073,290)</u>
Gross profit		996,112	947,044
Other (loss) / income	3	(25,941)	20,742
Selling and distribution expenses		(495,719)	(504,111)
Administrative expenses		(133,569)	(149,934)
Other operating expenses		<u>(15,791)</u>	<u>(38,917)</u>
Operating profit		325,092	274,824
Finance costs		<u>(50,716)</u>	<u>(27,107)</u>
Profit before taxation	4	274,376	247,717
Taxation	5	<u>(21,739)</u>	<u>(46,778)</u>
Profit for the year attributable to equity shareholders of the Company		<u>252,637</u>	<u>200,939</u>
Earnings per share (basic and diluted)	7	<u>64.1 cents</u>	<u>51.0 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2023

	Financial year ended 31st March,	
	2023	2022
	HK\$'000	HK\$'000
Profit for the year	<u>252,637</u>	<u>200,939</u>
Other comprehensive income for the year :		
Item that will not be reclassified to profit or loss :		
Remeasurement of net defined benefit assets	1,108	(123)
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>(24,513)</u>	<u>(6,003)</u>
Other comprehensive income for the year	<u>(23,405)</u>	<u>(6,126)</u>
Total comprehensive income for the year attributable to equity shareholders of the Company	<u>229,232</u>	<u>194,813</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, 2023

		At 31st March, 2023 HK\$'000	At 31st March, 2022 HK\$'000
Non-current assets			
Property, plant and equipment		76,606	61,267
Right-of-use assets		275,971	260,317
Deposits and prepayments	9	76,816	80,147
Other financial assets	8	<u>1,284,856</u>	<u>1,757,112</u>
		1,714,249	2,158,843
Current assets			
Inventories		187,442	165,678
Debtors, deposits and prepayments	9	146,992	124,971
Tax recoverable		2,988	1,534
Other financial assets	8	280,410	191,773
Cash and bank balances		<u>3,267,883</u>	<u>3,165,356</u>
		<u>3,885,715</u>	<u>3,649,312</u>
Current liabilities			
Bank loans		1,005,553	1,120,155
Creditors, accruals and provisions	10	385,626	370,546
Lease liabilities		244,150	285,219
Taxation		<u>54,281</u>	<u>106,209</u>
		<u>1,689,610</u>	<u>1,882,129</u>
Net current assets		<u>2,196,105</u>	<u>1,767,183</u>
Total assets less current liabilities		<u>3,910,354</u>	<u>3,926,026</u>
Non-current liabilities			
Creditors and provisions	10	54,373	56,649
Lease liabilities		445,721	548,771
Deferred tax liabilities		<u>21,166</u>	<u>22,773</u>
Total non-current liabilities		<u>521,260</u>	<u>628,193</u>
Net assets		<u>3,389,094</u>	<u>3,297,833</u>
Capital and reserves			
Share capital	11	118,261	118,261
Reserves		<u>3,270,833</u>	<u>3,179,572</u>
Total equity attributable to equity shareholders of the Company		<u>3,389,094</u>	<u>3,297,833</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, 2023 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 or available for early adoption 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,	
	2023	2022
	HK\$'000	HK\$'000
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	980,565	1,075,798
Cosmetics and beauty products	546,691	467,816
Fashion and accessories	<u>536,995</u>	<u>502,921</u>
	<u>2,064,251</u>	<u>2,046,535</u>
Revenue from Securities Investment		
Dividend income	4,108	5,417
Fair value change on securities held for trading	(19,225)	(89,233)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	<u>81,651</u>	<u>57,615</u>
	<u>66,534</u>	<u>(26,201)</u>
	<u>2,130,785</u>	<u>2,020,334</u>

Information about major customers

The Group sells goods to numerous individual customers without concentration of reliance. There is no discloseable 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, 2023 and 31st March, 2022 respectively is set out below.

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue from external customers	<u>2,064,251</u>	<u>2,046,535</u>	<u>66,534</u>	<u>(26,201)</u>	<u>2,130,785</u>	<u>2,020,334</u>
Reportable segment revenue	<u>2,064,251</u>	<u>2,046,535</u>	<u>66,534</u>	<u>(26,201)</u>	<u>2,130,785</u>	<u>2,020,334</u>
Reportable segment profit / (loss)	305,089	243,975	(52,452)	(43,036)	252,637	200,939
Reportable segment assets	3,662,191	3,703,315	2,692,407	2,844,690	6,354,598	6,548,005
Additions to non-current segment assets during the year	200,001	321,496	—	—	200,001	321,496
Reportable segment liabilities	1,205,317	1,390,154	1,760,187	1,860,018	2,965,504	3,250,172

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	Financial year ended 31st March,					
	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment profit / (loss) included :						
Interest income	52,793	7,637	81,651	57,615	134,444	65,252
Interest expenses						
- bank loan	—	—	(34,782)	(8,750)	(34,782)	(8,750)
- lease liabilities	(15,934)	(18,357)	—	—	(15,934)	(18,357)
Depreciation						
- property, plant and equipment	(27,263)	(19,856)	—	—	(27,263)	(19,856)
- right-of-use assets	(100,995)	(103,361)	—	—	(100,995)	(103,361)
Loss on disposal of property, plant and equipment	(57)	(328)	—	—	(57)	(328)
Net realised and unrealised (loss) / gain on unlisted equity and non-equity securities	—	—	(85,913)	27,772	(85,913)	27,772
Net realised and unrealised loss on listed equity securities at fair value through profit or loss	—	—	—	(34,706)	—	(34,706)
Impairment loss recognised						
- property, plant and equipment	(5,000)	(9,800)	—	—	(5,000)	(9,800)
- right-of-use assets	(30,000)	(60,200)	—	—	(30,000)	(60,200)
Provision for taxation	(21,739)	(46,778)	—	—	(21,739)	(46,778)

- (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, 2023	At 31st March, 2022
	HK\$'000	HK\$'000
Assets		
Reportable segment assets	6,354,598	6,548,005
Elimination of inter-segment receivables	<u>(754,634)</u>	<u>(739,850)</u>
Consolidated total assets	<u>5,599,964</u>	<u>5,808,155</u>
	At 31st March, 2023	At 31st March, 2022
	HK\$'000	HK\$'000
Liabilities		
Reportable segment liabilities	2,965,504	3,250,172
Elimination of inter-segment payables	<u>(754,634)</u>	<u>(739,850)</u>
Consolidated total liabilities	<u>2,210,870</u>	<u>2,510,322</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,
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	<u>1,438,898</u>	<u>1,477,583</u>	<u>273,133</u>	<u>282,749</u>
Taiwan	<u>524,894</u>	<u>465,835</u>	<u>73,249</u>	<u>29,387</u>
Other territories	<u>100,459</u>	<u>103,117</u>	<u>6,195</u>	<u>9,448</u>
	<u>625,353</u>	<u>568,952</u>	<u>79,444</u>	<u>38,835</u>
Revenue from sales of luxury goods and net income from concession and consignment sales	<u>2,064,251</u>	<u>2,046,535</u>	—	—
Revenue from securities investment	<u>66,534</u>	<u>(26,201)</u>	—	—
Total	<u>2,130,785</u>	<u>2,020,334</u>	<u>352,577</u>	<u>321,584</u>

3. OTHER (LOSS) / INCOME

	Financial year ended 31st March,	
	2023	2022
	HK\$'000	HK\$'000
Net realised and unrealised (loss) / gain on unlisted equity and non-equity securities	<u>(85,913)</u>	<u>27,772</u>
Net realised and unrealised loss on listed equity securities at fair value through profit or loss	—	<u>(34,706)</u>
Net realised loss on listed debt securities measured at amortised cost	<u>(3,697)</u>	—
Net impairment loss on listed debt securities measured at amortised cost written back / (recognised)	<u>1,184</u>	<u>(3,230)</u>
Interest income	<u>52,793</u>	<u>7,637</u>
Loss on disposal of property, plant and equipment	<u>(57)</u>	<u>(328)</u>
Net foreign exchange gain	<u>9,749</u>	<u>23,597</u>
	<u>(25,941)</u>	<u>20,742</u>

4. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2023	2022
	HK\$'000	HK\$'000
Profit before taxation is arrived at after charging / (crediting) :-		
Depreciation		
- property, plant and equipment	27,263	19,856
- right-of-use assets	100,995	103,361
Impairment loss on property, plant and equipment recognised (Note a)	5,000	9,800
Impairment loss on right-of-use assets recognised (Note b)	30,000	60,200
Impairment loss on trade debtors written back	(2,638)	—
Interest on bank overdrafts and loans repayable within five years	34,782	8,750
Interest on lease liabilities	<u>15,934</u>	<u>18,357</u>

Notes :-

- a. During the year ended 31st March, 2023, 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. Based on the assessment, an impairment loss of HK\$5,000,000 (2022 : 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 11.6 per cent. (2022 : 10.0 per cent.) per annum.
- b. During the year ended 31st March, 2023, 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\$30,000,000 (2022 : HK\$60,200,000) was recognised in respect of the respective right-of-use assets and 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 11.6 per cent. (2022 : 10.0 per cent.) per annum.

5. TAXATION

	Financial year ended 31st March,	
	2023	2022
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	29,162	42,683
Over-provision in respect of prior years	<u>(15,730)</u>	<u>(3,886)</u>
	<u>13,432</u>	<u>38,797</u>
Current tax – Outside Hong Kong		
Provision for the year	8,245	5,977
Under-provision in respect of prior years	<u>29</u>	<u>2,032</u>
	<u>8,274</u>	<u>8,009</u>
Deferred tax		
Origination and reversal of temporary differences	<u>33</u>	<u>(28)</u>
Total income tax expense	<u>21,739</u>	<u>46,778</u>

The provision for Hong Kong Profits Tax for 2023 is calculated at 16.5 per cent. (2022 : 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,	
	2023	2022
	HK\$'000	HK\$'000
Interim dividend declared and paid of HK8 cents (2022 : 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 (2022 : 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\$252,637,000 (2022 : HK\$200,939,000) and the weighted average number of 394,202,808 ordinary shares (2022 : 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, 2023 HK\$'000	At 31st March, 2022 HK\$'000
Non-current assets		
Unlisted equity and non-equity securities designated at fair value through profit or loss	250,927	521,356
Listed debt securities measured at amortised cost net of loss allowance	<u>1,033,929</u>	<u>1,235,756</u>
	<u>1,284,856</u>	<u>1,757,112</u>
Current assets		
Listed equity and non-equity securities held for trading at fair value	—	87,997
Investment in securities held for trading at fair value	—	1,007
Unlisted equity and non-equity securities designated at fair value through profit or loss	115,057	65,682
Listed debt securities measured at amortised cost net of loss allowance	<u>165,353</u>	<u>37,087</u>
	<u>280,410</u>	<u>191,773</u>
	<u>1,565,266</u>	<u>1,948,885</u>

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 31st March, 2023 HK\$'000	At 31st March, 2022 HK\$'000
Trade debtors	49,429	54,351
Less : loss allowance	<u>(91)</u>	<u>(4,640)</u>
	49,338	49,711
Net defined benefit assets	3,188	2,193
Other debtors, deposits and prepayments	<u>171,282</u>	<u>153,214</u>
	223,808	205,118
Less : non-current portion of deposits and prepayments	<u>(76,816)</u>	<u>(80,147)</u>
	<u>146,992</u>	<u>124,971</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, 2023 HK\$'000	At 31st March, 2022 HK\$'000
Current	<u>49,338</u>	<u>49,711</u>

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

10. CREDITORS, ACCRUALS AND PROVISIONS

	At 31st March, 2023 HK\$'000	At 31st March, 2022 HK\$'000
Trade creditors	199,787	141,053
Contract liabilities	21,442	19,650
Other creditors, accruals and provisions	<u>218,770</u>	<u>266,492</u>
	439,999	427,195
Less : non-current portion of creditors and provisions	<u>(54,373)</u>	<u>(56,649)</u>
	<u><u>385,626</u></u>	<u><u>370,546</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, 2023 HK\$'000	At 31st March, 2022 HK\$'000
Current	199,787	140,839
1 to 30 days overdue	<u>—</u>	<u>214</u>
	<u><u>199,787</u></u>	<u><u>141,053</u></u>

11. SHARE CAPITAL

	Financial year ended 31st March,			
	2023		2022	
	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, 2023 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, 2023 not provided for in the consolidated financial statements were as follows :-

	At 31st March, 2023 HK\$'000	At 31st March, 2022 HK\$'000
Contracted for	293	9,037
Authorised but not contracted for	<u>—</u>	<u>3,041</u>
	<u>293</u>	<u>12,078</u>

13. CONTINGENT LIABILITIES

At 31st March, 2023, the Company had the following contingent liabilities in respect of :-

- (a) Guarantees of HK\$797,813,000 (2022 : HK\$808,590,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$72,565,000 (2022 : HK\$72,672,000) 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. There was no amount due under the agreements at the end of the reporting period (2022 : HK\$168,000).

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, 2023 and 31st March, 2022 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, 2023 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, 2023, the Group achieved a turnover of HK\$2,130.8 million, an increase of 5.5 per cent..

Net profit attributable to equity shareholders was HK\$252.6 million (2022: HK\$200.9 million), an increase of 25.7 per cent..

The increase in profit is the result of the increase in the Group's sales turnover and strict control of margins and costs at all levels of the Group's operation.

FINANCIAL RESULTS AND FINAL DIVIDEND

Turnover for the financial year ended 31st March, 2023 was HK\$2,130.8 million, an increase of 5.5 per cent. compared to HK\$2,020.3 million in the previous year.

Profit attributable to shareholders was HK\$252.6 million, an increase of 25.7 per cent. compared to HK\$200.9 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\$4.01 per share on 31st March, 2023, the total proposed dividend represents a dividend yield of 8.73 per cent. per annum.

REVIEW OF OPERATIONS

During the year under review, the retail environments in Hong Kong remained extremely difficult as a result of the outbreak of the 5th wave of COVID-19 and the consumer sentiments being very cautious. Despite the full re-opening of borders with Mainland China in early February 2023, the impact of post re-opening was inadequate to recover the decline in sales turnover recorded in the earlier months of the financial year. As a result, the Group's sales turnover in Hong Kong decreased by 2.6 per cent. in the financial year ended 31st March, 2023.

In Taiwan, the Group successfully overcame the outbreak of the COVID-19 from April 2022 and managed to achieve a 22.1 per cent. growth in sales turnover and a 62.1 per cent. growth in profit in local currency terms during the year. This is a direct result of the continued improvement in sales and margins and aggressive cost and inventory control.

In China, sales of the Group's retail and wholesale business grew by 7.6 per cent. in local currency terms. This is despite significant COVID-19 related impact during the year, where all of the Group's key stores experienced periods of temporary closure.

The Group adopted the most conservative approach in managing its retail network. Today, the Group's retail network totals 62 stores, comprising 7 stores in Hong Kong, 29 in China and 26 in Taiwan.

Geographically, Hong Kong contributed 69.7 per cent. of sales, Taiwan 25.4 per cent. and other territories 4.9 per cent..

In terms of sales mix, watches and jewellery represented 46.0 per cent., cosmetics and beauty products 25.7 per cent., fashion and accessories 25.2 per cent. and securities trading 3.1 per cent..

The global investment markets deteriorated and experienced extreme volatility during the year under review as the Federal Reserve increased interest rates at the fastest pace in 40 years. As a result, the Group's investment portfolio incurred a loss of HK\$52.4 million during the period under review.

FUTURE PROSPECTS

The Group expects the retail climate in Hong Kong to remain difficult. The downturn in the stock and property markets combined with inflation and increasing interest rates will undoubtedly have a negative impact on consumer spendings. Despite the re-opening of the borders with Mainland China and other countries, Hong Kong will face stiff competition from other markets such as Japan and Europe where retail prices for luxury goods are significantly cheaper due to their weak currencies and tax rebates to tourists.

The Taiwan market remains to be our strongest market during the year with record sales and profit. However, with the presidential election scheduled to be held in January 2024, market conditions may be affected by political activities during the second half of the year.

In China, although domestic consumption has partially recovered, consumer sentiment remains tepid and we expect to see a degree of domestic luxury spending being diverted internationally with the re-opening of borders. However, the Group remains optimistic regarding the long-term outlook of China and will seek to continue expanding its retail network in the region.

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\$2,262.3 million and its strong balance sheet, the Group is in a strong position to cope with the risk of a potential worldwide recession and the 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, 2023, the Group had 732 (2022 : 743) employees. Total staff costs (including directors' emoluments) amounted to HK\$261.8 million (2022 : HK\$279.9 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, 2023 stood at HK\$2,262.3 million (2022 : HK\$2,045.2 million), represented by cash and bank balances of HK\$3,267.9 million (2022 : HK\$3,165.4 million) less short-term bank borrowings of HK\$1,005.6 million (2022 : HK\$1,120.2 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, 2023, the Group's current ratio, being current assets divided by current liabilities, was 2.3 times (as at 31st March, 2022 : 1.9 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, 2022 : Nil).

OTHER INFORMATION

DIVIDENDS

In view of the results, the Board is recommending the payment of a final dividend of HK27 cents (2022 : HK27 cents) per ordinary share for the year ended 31st March, 2023. The final dividend which will be paid on or about Friday, 25th August, 2023, will absorb a total of about HK\$106,435,000 (2022 : HK\$106,435,000) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Friday, 18th August, 2023. Together with the interim dividend of HK8 cents (2022 : HK8 cents) per ordinary share, the dividend payout is HK35 cents (2022 : 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 Thursday, 10th August, 2023 (the "2023 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 2023 AGM :-

Latest time to lodge transfer documents for registration	4:30 p.m. on Friday, 4th August, 2023
Closure of Register of Members	Monday, 7th August, 2023 to Thursday, 10th August, 2023 (both days inclusive)
Record Date	Thursday, 10th August, 2023

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

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 16th August, 2023
Closure of Register of Members	Thursday, 17th August, 2023 to Friday, 18th August, 2023 (both days inclusive)
Record Date	Friday, 18th August, 2023

During the above closure periods, no transfer of shares will be effected. In order to be eligible to attend and vote at the 2023 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 Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, 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 Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules throughout the year ended 31st March, 2023 except code provision C.2.1 of the 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.

Detailed information on the Company's other corporate governance practices is set out in the Corporate Governance Report included in the 2023 Annual Report which will be despatched to the shareholders in due course.

CHANGES IN DIRECTORS' INFORMATION

There have been changes in directors' information since the date of the Interim Report 2022-2023 of the Company (the "**2022-2023 Interim Report**") that are required to be disclosed pursuant to Rules 13.51B(1) and 13.51(B)(2) of the Listing Rules are as follows :-

Subsequent to the year end, Ms. Lam Sze Wan Patricia was appointed as an Independent Non-Executive Director and a member of the Nomination Committee of the Company with effect from 15th June, 2023, the details of which were disclosed in the announcement of the Company dated 13th June, 2023.

Save as disclosed above, there was no other change of directors' information since the date of the Interim Report 2022-2023 that is required to be disclosed pursuant to Rules 13.51B(1) and 13.51(B)(2) of the Listing Rules.

REVIEW OF GROUP FINAL RESULTS

The Audit Committee has reviewed the consolidated final results of the Group for the year ended 31st March, 2023 with the Board.

ANNUAL GENERAL MEETING

The 2023 AGM will be held at Orchid Room, 2/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 10th August, 2023 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/wp-content/uploads/EAGM100723.pdf and included in the 2023 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*)

Poon Dickson Pearson Guanda

(*Chief Operating Officer*)

Chan Hon Chung, Johnny Pollux

Lau Yu Hee, Gary

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, 13th June, 2023

** For identification purposes only*