

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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, 2025**

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, 2025 together with last year’s corresponding comparative figures are as follows :-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March, 2025

		Financial year ended 31st March,	
		2025	2024
	NOTE	HK\$’000	HK\$’000
Revenue	2	1,921,768	2,400,137
Cost of sales		<u>(1,062,672)</u>	<u>(1,302,226)</u>
Gross profit		859,096	1,097,911
Other income	3	54,302	79,728
Selling and distribution expenses		(451,632)	(572,860)
Administrative expenses		(163,083)	(150,512)
Other operating expenses		<u>(30,194)</u>	<u>(32,351)</u>
Operating profit		268,489	421,916
Finance costs		<u>(39,719)</u>	<u>(66,543)</u>
Profit before taxation	4	228,770	355,373
Taxation	5	<u>(30,758)</u>	<u>(4,606)</u>
Profit for the year attributable to equity shareholders of the Company		<u>198,012</u>	<u>350,767</u>
Earnings per share (basic and diluted)	7	<u>50.4 cents</u>	<u>89.0 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2025

	Financial year ended 31st March,	
	2025	2024
	HK\$'000	HK\$'000
Profit for the year	<u>198,012</u>	<u>350,767</u>
Other comprehensive income for the year :		
Item that will not be reclassified to profit or loss :		
Remeasurement of net defined benefit assets	552	(20)
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>(19,066)</u>	<u>(22,250)</u>
Other comprehensive income for the year	<u>(18,514)</u>	<u>(22,270)</u>
Total comprehensive income for the year attributable to equity shareholders of the Company	<u>179,498</u>	<u>328,497</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, 2025

		At 31st March, 2025	At 31st March, 2024
	NOTE	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		55,928	63,083
Right-of-use assets		125,709	212,017
Deposits and prepayments	9	51,647	60,969
Other financial assets	8	<u>336,476</u>	<u>476,751</u>
		569,760	812,820
Current assets			
Inventories		177,733	199,716
Debtors, deposits and prepayments	9	103,119	208,073
Tax recoverable		15,281	13,583
Other financial assets	8	742,019	654,628
Cash and bank balances		<u>3,275,825</u>	<u>3,469,605</u>
		<u>4,313,977</u>	<u>4,545,605</u>
Current liabilities			
Bank loans		605,309	799,093
Creditors, accruals and provisions	10	258,514	369,121
Lease liabilities		155,974	163,647
Taxation		<u>69,823</u>	<u>49,271</u>
		<u>1,089,620</u>	<u>1,381,132</u>
Net current assets		<u>3,224,357</u>	<u>3,164,473</u>
Total assets less current liabilities		<u>3,794,117</u>	<u>3,977,293</u>
Non-current liabilities			
Creditors and provisions	10	38,055	37,156
Lease liabilities		202,043	347,993
Deferred tax liabilities		<u>20,208</u>	<u>20,408</u>
Total non-current liabilities		<u>260,306</u>	<u>405,557</u>
Net assets		<u>3,533,811</u>	<u>3,571,736</u>
Capital and reserves			
Share capital	11	115,818	118,261
Reserves		<u>3,417,993</u>	<u>3,453,475</u>
Total equity attributable to equity shareholders of the Company		<u>3,533,811</u>	<u>3,571,736</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, 2025 but are extracted from those financial statements.

1. MATERIAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), 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**”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards 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,	
	2025	2024
	HK\$'000	HK\$'000
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	958,451	955,336
Cosmetics and beauty products	345,583	728,163
Fashion and accessories	<u>502,153</u>	<u>602,026</u>
	<u>1,806,187</u>	<u>2,285,525</u>
Revenue from Securities Investment		
Dividend income	—	671
Fair value change on securities held for trading	3,971	(2,053)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	<u>111,610</u>	<u>115,994</u>
	<u>115,581</u>	<u>114,612</u>
	<u>1,921,768</u>	<u>2,400,137</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, 2025 and 31st March, 2024 respectively is set out below.

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	2025 HK\$'000	2024 HK\$'000	Financial year ended 31st March,		2025 HK\$'000	2024 HK\$'000
			2025 HK\$'000	2024 HK\$'000		
Revenue from external customers	<u>1,806,187</u>	<u>2,285,525</u>	<u>115,581</u>	<u>114,612</u>	<u>1,921,768</u>	<u>2,400,137</u>
Reportable segment revenue	<u>1,806,187</u>	<u>2,285,525</u>	<u>115,581</u>	<u>114,612</u>	<u>1,921,768</u>	<u>2,400,137</u>
Reportable segment profit	138,669	297,780	59,343	52,987	198,012	350,767
Reportable segment assets	3,233,852	3,573,987	2,442,866	2,529,389	5,676,718	6,103,376
Additions to non-current segment assets during the year	45,854	103,332	—	—	45,854	103,332
Reportable segment liabilities	744,591	987,458	1,398,316	1,544,182	2,142,907	2,531,640

	<u>Sale of Luxury Goods</u>		<u>Securities Investment</u>		<u>Total</u>	
	Financial year ended 31st March,					
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Reportable segment profit included :						
Interest income	83,823	94,813	111,610	115,994	195,433	210,807
Interest expenses						
- bank loans	—	—	(26,931)	(48,617)	(26,931)	(48,617)
- lease liabilities	(12,788)	(17,926)	—	—	(12,788)	(17,926)
Depreciation						
- property, plant and equipment	(28,331)	(31,536)	—	—	(28,331)	(31,536)
- right-of-use assets	(77,259)	(100,516)	—	—	(77,259)	(100,516)
(Loss) / gain on disposal of property, plant and equipment	(149)	978	—	—	(149)	978
Net realised and unrealised loss on unlisted equity and non-equity securities	—	—	(123)	(1,697)	(123)	(1,697)
Impairment loss recognised						
- property, plant and equipment	(1,510)	(5,000)	—	—	(1,510)	(5,000)
- right-of-use assets	(22,890)	(40,000)	—	—	(22,890)	(40,000)
Provision for taxation	(30,758)	(4,606)	—	—	(30,758)	(4,606)

- (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, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Assets		
Reportable segment assets	5,676,718	6,103,376
Elimination of inter-segment receivables	<u>(792,981)</u>	<u>(744,951)</u>
Consolidated total assets	<u>4,883,737</u>	<u>5,358,425</u>
	At 31st March, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Liabilities		
Reportable segment liabilities	2,142,907	2,531,640
Elimination of inter-segment payables	<u>(792,981)</u>	<u>(744,951)</u>
Consolidated total liabilities	<u>1,349,926</u>	<u>1,786,689</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,
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	<u>1,138,546</u>	<u>1,603,529</u>	<u>128,646</u>	<u>213,361</u>
Taiwan	<u>537,341</u>	<u>560,857</u>	<u>39,202</u>	<u>54,306</u>
Other territories	<u>130,300</u>	<u>121,139</u>	<u>13,789</u>	<u>7,433</u>
	<u>667,641</u>	<u>681,996</u>	<u>52,991</u>	<u>61,739</u>
Revenue from sales of luxury goods and net income from concession and consignment sales	<u>1,806,187</u>	<u>2,285,525</u>	—	—
Revenue from securities investment	<u>115,581</u>	<u>114,612</u>	—	—
Total	<u>1,921,768</u>	<u>2,400,137</u>	<u>181,637</u>	<u>275,100</u>

3. OTHER INCOME

	Financial year ended 31st March,	
	2025	2024
	HK\$'000	HK\$'000
Net realised and unrealised loss on unlisted equity and non-equity securities	(123)	(1,697)
Net realised loss on listed debt securities measured at amortised cost	—	(878)
Net impairment loss on listed debt securities measured at amortised cost recognised	(1,477)	(1,620)
Interest income	83,823	94,813
(Loss) / gain on disposal of property, plant and equipment	(149)	978
Net foreign exchange loss	<u>(27,772)</u>	<u>(11,868)</u>
	<u>54,302</u>	<u>79,728</u>

4. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2025	2024
	HK\$'000	HK\$'000
Profit before taxation is arrived at after charging / (crediting) :-		
Depreciation		
- property, plant and equipment	28,331	31,536
- right-of-use assets	77,259	100,516
Impairment loss on property, plant and equipment recognised (Note a)	1,510	5,000
Impairment loss on right-of-use assets recognised (Note b)	22,890	40,000
Interest on bank overdrafts and loans repayable within five years	26,931	48,617
Interest on lease liabilities	<u>12,788</u>	<u>17,926</u>

Notes :-

- a. During the year ended 31st March, 2025, 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\$1,510,000 (2024 : HK\$5,000,000) 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. (2024 : 11.6 per cent.) per annum.
- b. During the year ended 31st March, 2025, 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\$22,890,000 (2024 : HK\$40,000,000) 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. (2024 : 11.6 per cent.) per annum.

5. TAXATION

Taxation in the consolidated statement of profit or loss represents :-

	Financial year ended 31st March,	
	2025	2024
	HK\$'000	HK\$'000
Current tax		
– Hong Kong Profits Tax	19,363	(5,359)
– Outside Hong Kong	<u>11,238</u>	<u>10,022</u>
	30,601	4,663
Deferred tax	<u>157</u>	<u>(57)</u>
Total income tax expense	<u>30,758</u>	<u>4,606</u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5 per cent. (2024 : 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,	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend declared and paid of HK10 cents (2024 : HK10 cents) per ordinary share	<u>39,387</u>	<u>39,420</u>
No final dividend was proposed after the end of the reporting period (2024 : HK35 cents per ordinary share)	<u>—</u>	<u>137,971</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\$198,012,000 (2024 : HK\$350,767,000) and the weighted average number of 392,810,237 ordinary shares (2024 : 394,202,808 ordinary shares) in issue during the year.

Weighted average number of ordinary shares : -

	2025	2024
	Number of shares Thousands	Number of shares Thousands
Issued ordinary shares at 1st April	394,203	394,203
Effect of repurchase of shares	<u>(1,393)</u>	<u>—</u>
Weighted average number of ordinary shares at 31st March	<u>392,810</u>	<u>394,203</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, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Non-current assets		
Unlisted equity and non-equity securities designated at fair value through profit or loss	57,435	57,926
Listed debt securities measured at amortised cost net of loss allowance	<u>279,041</u>	<u>418,825</u>
	<u>336,476</u>	<u>476,751</u>
Current assets		
Unlisted equity and non-equity securities designated at fair value through profit or loss	516,529	13,200
Listed debt securities measured at amortised cost net of loss allowance	<u>225,490</u>	<u>641,428</u>
	<u>742,019</u>	<u>654,628</u>
	<u>1,078,495</u>	<u>1,131,379</u>

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 31st March, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Trade debtors	47,229	92,198
Net defined benefit assets	3,489	3,037
Other debtors, deposits and prepayments	<u>104,048</u>	<u>173,807</u>
	154,766	269,042
Less : non-current portion of deposits and prepayments	<u>(51,647)</u>	<u>(60,969)</u>
	<u>103,119</u>	<u>208,073</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, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Current	46,894	92,090
1 to 30 days overdue	79	108
31 to 60 days overdue	<u>256</u>	<u>—</u>
	<u>47,229</u>	<u>92,198</u>

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

10. CREDITORS, ACCRUALS AND PROVISIONS

	At 31st March, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Trade creditors	107,676	150,790
Contract liabilities	8,671	31,413
Other creditors, accruals and provisions	<u>180,222</u>	<u>224,074</u>
	296,569	406,277
Less : non-current portion of creditors and provisions	<u>(38,055)</u>	<u>(37,156)</u>
	<u>258,514</u>	<u>369,121</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, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Current	<u>107,676</u>	<u>150,790</u>

11. SHARE CAPITAL

	Financial year ended 31st March,			
	2025		2024	
	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	394,203	118,261
Repurchases of shares	<u>(8,144)</u>	<u>(2,443)</u>	—	—
Balance carried forward	<u>386,059</u>	<u>115,818</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.

During the year ended 31st March, 2025, the Company repurchased a total of 8,143,500 ordinary shares on the Stock Exchange at an aggregate purchase price (excluding expenses) of HK\$39,904,080 and such repurchased shares were subsequently cancelled during the year ended 31st March, 2025. Details of the ordinary shares repurchased on the Stock Exchange during the year ended 31st March, 2025 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\$
December 2024	329,000	4.90	4.90	1,612,100
January 2025	4,402,500	4.90	4.90	21,572,250
February 2025	1,912,000	4.95	4.89	9,369,730
March 2025	1,500,000	4.90	4.90	7,350,000

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, 2025. As at the date of these financial statements, the number of issued shares of the Company is 386,059,308 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.

During the period from 1st April, 2023 to 17th July, 2023 (i.e. the expiry date of a share option scheme (the “**Share Option Scheme**”) which was adopted by the Company on 18th July, 2013), no share options had been granted to any of the directors or employees of the Company or any of its subsidiary companies under the Share Option Scheme. Subsequent to the expiration of the Share Option Scheme, the Company did not adopt any new share option scheme during the years ended 31st March, 2024 and 31st March, 2025 respectively.

12. CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2025 not provided for in the consolidated financial statements were as follows :-

	At 31st March, 2025 HK\$'000	At 31st March, 2024 HK\$'000
Contracted for	7,386	7,698
Authorised but not contracted for	—	—
	<u>7,386</u>	<u>7,698</u>

13. CONTINGENT LIABILITIES

At 31st March, 2025, the Company had the following contingent liabilities in respect of :-

Guarantees of HK\$723,339,000 (2024 : HK\$727,730,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$71,838,000 (2024 : HK\$72,210,000) 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, 2025 and 31st March, 2024 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, 2025 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.

15. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the announcement (the "3.5 Announcement") jointly issued by Bestcity Assets Limited and the Company on 29th April, 2025 in relation to, among other things, the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act involving the cancellation of the Scheme Shares (as defined in the 3.5 Announcement) and the withdrawal of the listing of the Company's ordinary shares on the Stock Exchange, there are no other material subsequent events which have occurred since the end of the reporting period and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year ended 31st March, 2025, the Group achieved a turnover of HK\$1,921.8 million, a decrease of 19.9 per cent..

Net profit attributable to equity shareholders was HK\$198.0 million (2024 : HK\$350.8million), a decrease of 43.5 per cent..

The decrease in profit is mainly the result of a decrease in the Group's sales turnover in Hong Kong.

FINANCIAL RESULTS AND FINAL DIVIDEND

Turnover for the financial year ended 31st March, 2025 was HK\$1,921.8 million, a decrease of 19.9 per cent. compared to HK\$2,400.1 million in the previous year.

Profit attributable to shareholders was HK\$198.0 million, a decrease of 43.5 per cent. compared to HK\$350.8 million in the previous year.

In light of the current privatisation proposal of the Company and the cancellation price payable to the scheme shareholders thereunder, the Board considers it appropriate not to recommend a final dividend for the year ended 31st March, 2025.

REVIEW OF OPERATIONS

As a result of the rapidly changing retail landscape, with local travelers prioritising destinations offering the best value over shopping locally, and with shopping no longer a priority for Chinese tourists visiting Hong Kong, the consumer sentiment in Hong Kong remains extremely weak. Meanwhile, China has also extended its instant tax refund policy for foreign visitors from selected cities to nationwide, thereby making Hong Kong less attractive. All in all, the Group recorded a decrease in sales turnover of 29.0 per cent. in Hong Kong for the year ended 31st March, 2025.

In Taiwan, as a result of continued weak consumer sentiment there, the Group recorded a 0.4 per cent. decrease in sales turnover versus a 10.5 per cent. growth last year in local currency terms. The Group will continue to exercise aggressive control of operating cost and inventory.

In China, sales of the Group's retail and e-commerce business grew by 9.2 per cent. in local currency terms following the Group's strategy to consolidate its wholesale network while growing the Group's retail network.

The Group adopted the most conservative approach in managing its retail network. Today, the Group's retail network totals 63 stores, comprising 5 stores in Hong Kong, 32 in China and 26 in Taiwan.

Geographically, Hong Kong contributed 63.0 per cent. of sales, Taiwan 29.8 per cent. and other territories 7.2 per cent..

In terms of sales mix, watches and jewellery represented 49.9 per cent., cosmetics and beauty products 18.0 per cent., fashion and accessories 26.1 per cent. and securities trading 6.0 per cent..

The investment market remained volatile. The Group managed its investment portfolio cautiously and achieved a profit of HK\$59.3 million. None of the carrying value of any individual investment held by the Group accounted for 5 per cent. or more of the Group's total assets as at 31st March, 2025.

FUTURE PROSPECTS AND CORPORATE STRATEGY

The consumers sentiment in Hong Kong is extremely weak. Leading luxury brands now own and operate their international network of retail shops directly while simultaneously reducing their network of wholesale partners to increase control over pricing and margins. This shift is especially disadvantageous for multi-brand retailers like Harvey Nichols in Hong Kong, where many luxury brands established their own stores in the same mall as Harvey Nichols. This limits their availability to Harvey Nichols which in turn reduces the overall appeal of Harvey Nichols' brands mix and offering. At the same time, post-pandemic shifts in consumer behavior have further impacted the Group's core business, with travelers prioritising destinations offering the best value over shopping locally. Mainland China has also extended its instant tax refund policy for foreign visitors, from selected cities to nationwide thereby allowing all its cities to apply for offering instant tax refunds. With this benefit, leading luxury brands like Louis Vuitton, Dior, Moncler, etc., will all have products cheaper in Mainland China than in Hong Kong. All in all, these measures will make Hong Kong less attractive to foreign tourists and the narrowed price gaps between Mainland China and Hong Kong pre-tax rebate have also made shopping in Hong Kong less attractive to Chinese tourists. To revive the Hong Kong retail market, a comprehensive restructuring at all levels of costs will be required.

In Taiwan, consumers sentiment has also been negatively impacted by the volatility of the stock market as a result of geopolitics, uncertainties brought by the tariffs policies of the United States and the appreciation of the Taiwan currency. The Taiwan market will remain challenging as local consumers there have also been travelling in Japan where retail prices of luxury goods are cheaper.

In China, given soft consumer sentiment and spending, the Group has a cautious near-term outlook. However, the Group remains positive on the long term outlook of China and will seek to continue growing its presence in this market.

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

With the rapidly changing retail landscape and shifting consumer spending behaviour, it is unrealistic to expect the Group to return to its historical growth trajectory in terms of sales and profitability. To pursue growth, the Group must actively identify new strategic investments which can extend beyond its current scope of business. These initiatives will inevitably require significant investments, reducing the company's cash position together with profit dilution. This will ultimately affect the Group's stable dividend history, as losses would be expected at the development stage for any new business initiatives but it is necessary for the Group to return to long term growth.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2025, the Group had 623 (2024 : 683) employees. Total staff costs (including directors' emoluments) amounted to HK\$261.7 million (2024 : HK\$300.6 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, 2025 stood at HK\$2,670.5 million (2024 : HK\$2,670.5 million), represented by cash and bank balances of HK\$3,275.8 million (2024 : HK\$3,469.6 million) less short-term bank borrowings of HK\$605.3 million (2024 : HK\$799.1 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, 2025, the Group's current ratio, being current assets divided by current liabilities, was 4.0 times (as at 31st March, 2024 : 3.3 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, 2024 : Nil).

OTHER INFORMATION

SHARE PURCHASE, SALE AND REDEMPTION

Details of ordinary shares repurchased by the Company on the Stock Exchange during the year ended 31st March, 2025 are set out in Note 11 on pages 15 to 16 of this announcement.

Save as disclosed in Note 11 on pages 15 to 16 of this announcement, there was no 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, 2025 and up to the date of this announcement. There is no treasury shares held by the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance including promotion of the Company's sustainable development. It believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders' interest in general. 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 C1 to the Listing Rules throughout the year ended 31st March, 2025 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 Code as set out in Appendix C2 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 2025 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, 2025 with the Board.

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
Lam Sze Wan Patricia

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

Hong Kong, 2nd June, 2025

** For identification purposes only*