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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)

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 27th October, 2005, three separate licence agreements regarding the licensing of properties and/or their renewals were entered into by the Group with two connected persons: (A) between Hong Kong Seibu Enterprise and S.T. Dupont Marketing regarding the licensing of a sales corner in the Pacific Place Seibu Store; (B) between Hong Kong Seibu Enterprise and Top Creation regarding the licensing of a sales corner in the Pacific Place Seibu Store; and (C) between Hong Kong Seibu Enterprise and Top Creation regarding the licensing of an additional sales corner in the Pacific Place Seibu Store.

As each of S.T. Dupont Marketing and Top Creation is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company, each of these parties is deemed to be a connected person of the Company for the purpose of the Listing Rules. The aforesaid transactions therefore constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

Given that the total of the annual licence fees receivable by the Group under Agreements Nos. 1 to 3 represents less than 2.5 per cent. of the applicable percentage ratios of the Company, Agreements Nos. 1 to 3 are subject to reporting, announcement and annual review requirements under Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules respectively and no Independent Shareholders' approval is required.

The Board announces that on 27th October, 2005, three separate licence agreements regarding the licensing of properties and/or their renewals were entered into by the Group with two connected persons as described below.

(A) Renewal of Licence Agreement with S.T. Dupont Marketing (“Agreement No. 1”)

Hong Kong Seibu Enterprise and S.T. Dupont Marketing entered into a licence agreement regarding the renewal of the following licence on 27th October, 2005 under which the licence period was extended and the licence fee changed as detailed below:

Grantor: Hong Kong Seibu Enterprise
Licensee: S.T. Dupont Marketing
Premises: A sales corner in the Pacific Place Seibu Store
Area: About 762 sq. ft.
Period: Two years commencing from 2nd April, 2005
Licence Fee: Based on a certain percentage of the monthly sales made at the sales corner but subject to a minimum monthly licence fee payment of HK\$175,260, to be paid in cash within 20 days from the end of each month in arrears

S.T. Dupont Marketing has been the licensee of the above premises since 2nd April, 2003. The annual licence fees received by Hong Kong Seibu Enterprise from S.T. Dupont Marketing for the financial years ended 31st March, 2004 and 31st March, 2005 were HK\$1,761,000 and HK\$1,819,000 respectively.

The maximum annual cap receivable by Hong Kong Seibu Enterprise under the period of Agreement No. 1 for each of the financial years ending 31st March, 2006, 31st March, 2007 and 31st March, 2008 will be HK\$3,111,400, HK\$4,667,000 and HK\$12,800 respectively. The aforesaid maximum annual caps were derived based on the estimated annual growth after taking into consideration the amount of licence fee totalling HK\$1,070,187 received by Hong Kong Seibu Enterprise from S.T. Dupont Marketing in respect of the above sales corner for the period from 2nd April, 2005 to 30th September, 2005, the size and location of the sales corner, the prestige of the relevant brand and its products, the prevailing as well as the expected market conditions.

(B) Licence Agreement with Top Creation (“Agreement No. 2”)

Hong Kong Seibu Enterprise and Top Creation entered into a licence agreement regarding the following licence on 27th October, 2005:

Grantor: Hong Kong Seibu Enterprise
Licensee: Top Creation
Premises: A sales corner in the Pacific Place Seibu Store
Area: About 780 sq. ft.
Period: Two years commencing from 14th September, 2005
Licence Fee: Based on a certain percentage of the monthly sales made at the sales corner but subject to a minimum monthly licence fee payment of HK\$117,000, to be paid in cash within 20 days from the end of each month in arrears

The maximum annual cap receivable by Hong Kong Seibu Enterprise under the period of Agreement No. 2 for each of the financial years ending 31st March, 2006, 31st March, 2007 and 31st March, 2008 will be HK\$1,512,500, HK\$2,599,500 and HK\$1,765,500 respectively. The aforesaid maximum annual caps were derived based on the estimated annual growth after taking into consideration the size and location of the sales corner, the prestige of the relevant brand and its products, the prevailing as well as the expected market conditions.

(C) Licence Agreement with Top Creation (“Agreement No. 3”)

Hong Kong Seibu Enterprise and Top Creation entered into another licence agreement regarding the following licence on 27th October, 2005:

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| Grantor: | Hong Kong Seibu Enterprise |
| Licensee: | Top Creation |
| Premises: | A sales corner in the Pacific Place Seibu Store |
| Area: | About 890 sq. ft. |
| Period: | Two years commencing from 19 th September, 2005 |
| Licence Fee: | Based on a certain percentage of the monthly sales made at the sales corner but subject to a minimum monthly licence fee payment of HK\$195,800, to be paid in cash within 20 days from the end of each month in arrears |

The maximum annual cap receivable by Hong Kong Seibu Enterprise under the period of Agreement No. 3 for each of the financial years ending 31st March, 2006, 31st March, 2007 and 31st March, 2008 will be HK\$1,967,500, HK\$3,718,500 and HK\$2,603,000 respectively. The aforesaid maximum annual caps were derived based on the estimated annual growth after taking into consideration the size and location of the sales corner, the prestige of the relevant brand and its products, the prevailing as well as the expected market conditions.

REASONS FOR THE TRANSACTIONS

The renewal of Agreement No. 1 for the continued operation of the relevant sales corner in the Pacific Place Seibu Store and the licensing of the sales corners in the Pacific Place Seibu Store under Agreements Nos. 2 and 3 are practical commercial decisions of the Group and will ensure steady income to Hong Kong Seibu Enterprise. The housing of the various brands in the Pacific Place Seibu Store will reinforce Hong Kong Seibu’s status as one of the most prestigious department store groups in Hong Kong.

The licence fees under Agreements Nos. 1 to 3 were determined with reference to the size and location of the respective sales corners within the Pacific Place Seibu Store, the prestige of the relevant brands and their products and the prevailing market conditions.

The Directors, including the independent non-executive Directors, consider that the entering into of Agreements Nos. 1 to 3 is in the ordinary and usual course of business of the Group, on normal commercial terms which were negotiated at arm’s length, are no less favourable to the Group than those available to independent third parties, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

RELATIONSHIP BETWEEN THE PARTIES

As each of S.T. Dupont Marketing and Top Creation is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company as disclosed in the “General” section below, each of these parties is deemed to be a connected person of the Company for the purpose of the Listing Rules. Agreements Nos. 1 to 3 therefore constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

INDEPENDENT SHAREHOLDERS’ APPROVAL NOT REQUIRED

Given that the total of the annual licence fees receivable by the Group under Agreements Nos. 1 to 3 represents less than 2.5 per cent. of the applicable percentage ratios of the Company, Agreements Nos. 1 to 3 are subject to reporting, announcement and annual review requirements under Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules respectively and no Independent Shareholders’ approval is required.

GENERAL

The Company is an investment holding company and the Group is principally engaged in the sale of luxury goods with over 370 retail outlets throughout Asia.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

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| “Artland Group” | Artland Watch Company Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Mr. Dickson Poon, and together with its subsidiary companies |
| “associate(s)” | has the meaning as ascribed under the Listing Rules |
| “Board” | the board of Directors |
| “Company” | Dickson Concepts (International) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiary companies |
| “Hong Kong Seibu Enterprise” | Hong Kong Seibu Enterprise Company Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the operation of and investment in department stores in Hong Kong. Hong Kong Seibu Enterprise is wholly-owned by the Company |
| “Independent Shareholders” | shareholders of the Company, other than Mr. Dickson Poon and his associates |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

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| “Mr. Dickson Poon” | Mr. Dickson Poon, the group executive chairman of the Group and a substantial shareholder of the Company |
| “Pacific Place Seibu Store” | a department store located at Pacific Place Phase II, 88 Queensway, Hong Kong |
| “ST Dupont” | S.T. Dupont S.A., a company incorporated in France with limited liability, the shares of which are listed on the Paris Bourse in France and which is owned as to 55.52 per cent. of its issued share capital by a trust established for the benefit of the members of Mr. Dickson Poon’s family |
| “S.T. Dupont Marketing” | S.T. Dupont Marketing Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the sale of S.T. Dupont products including luxury lighters and writing instruments, leathersgoods, fashion and accessories. S.T. Dupont Marketing is wholly-owned by ST Dupont |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Top Creation” | Top Creation Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the sale of fashion products. Top Creation is a member of the Artland Group and is wholly-owned by Mr. Dickson Poon |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

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

Executive Directors:

Dickson Poon (*Group Executive Chairman*)
Raymond Lee (*Deputy Chairman*)
Chan Tsang Wing, Nelson
Ching Sau Hong, Kevin
Edwin Ing
Ng Chan Lam
Walter Josef Wuest

Independent Non-Executive Directors:

Bhanusak Asvaintra
Nicholas Peter Etches
Christopher Patrick Langley, OBE

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

Hong Kong, 27th October, 2005

* *For identification purpose only*