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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 TRANSACTION

The Board announces that on 3rd October, 2007, a licence agreement (“the Licence Agreement”) was entered into between HK Seibu Enterprise, an indirect wholly-owned subsidiary company of the Company, and Precision Watch regarding the renewal of the licensing of a sales corner in the Pacific Place Seibu Store by the Group.

As Precision Watch is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company, Precision Watch is deemed to be a connected person of the Company for the purposes of the Listing Rules. Accordingly, the Licence Agreement therefore constitutes a Continuing Connected Transaction of the Company under Rule 14A.14 of the Listing Rules.

Given that the maximum aggregate annual cap receivable by the Group under the Licence Agreement and a separate licence agreement dated 26th March, 2007 previously disclosed on 26th March, 2007 represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the Licence Agreement is 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.

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- Grantor:** HK Seibu Enterprise
- Licensee:** Precision Watch
- Premises:** A sales corner in the Pacific Place Seibu Store
- Lettable Area:** About 1,161 sq. ft.

Period: Three years commencing from 12th September, 2007

Licence Fee: Monthly licence fee of HK\$487,620, to be paid in cash within 20 days from the end of each month in arrears. This licence fee was determined with reference to the size and location of the sales corner within the Pacific Place Seibu Store, the prestige of the relevant brand and its products and the prevailing as well as the expected market conditions

Precision Watch has been the licensee of the above premises since 23rd October, 1997 with the retailing area expanded under the previous licence agreement dated 27th March, 2006 (“the Old Licence Agreement”) as disclosed on 4th April, 2006.

The maximum annual caps receivable by HK Seibu Enterprise for the licensing of the same sales corner in the Pacific Place Seibu Store under the Old Licence Agreement for the financial years ended/ending 31st March, 2007 and 31st March, 2008, based on the monthly licence fee of HK\$396,880, are HK\$4,604,000 (eleven months and eighteen days) and HK\$2,130,000 (five months and eleven days) respectively as previously disclosed on 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2007 was HK\$4,604,000 which was the same as the maximum annual cap, while for the period from 1st April, 2007 to 11th September, 2007, the actual transaction amount was HK\$2,130,000 which was the same as the maximum annual cap for the financial year ending 31st March, 2008.

The maximum annual caps receivable by HK Seibu Enterprise for the licensing of the sales corner in the Pacific Place Seibu Store under the Licence Agreement for the financial years ending 31st March, 2008, 31st March, 2009, 31st March, 2010 and 31st March, 2011, based on the monthly licence fee of HK\$487,620, will be HK\$3,235,000 (six months and nineteen days), HK\$5,852,000, HK\$5,852,000 and HK\$2,617,000 (five months and eleven days) respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said monthly licence fee was determined with reference to the size and location of the sales corner within the Pacific Place Seibu Store, the prestige of the relevant brand and its products and the prevailing as well as the expected market conditions.

REASONS FOR THE CONTINUING CONNECTED TRANSACTION

The renewal of the Licence Agreement for the continued licensing of the relevant sales corner in the Pacific Place Seibu Store is a practical commercial decision of the Group and will ensure steady income to the Group. The housing of the sales corner in the Pacific Place Seibu Store will reinforce Hong Kong Seibu’s status as one of the most prestigious store groups in Hong Kong.

The licence fee under the Licence Agreement was determined with reference to the size and location of the sales corner within the Pacific Place Seibu Store, the prestige of the relevant brand and its products and the prevailing as well as the expected market conditions.

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

RELATIONSHIP BETWEEN THE PARTIES

As Precision Watch is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company as disclosed in the “General” section below, Precision Watch is deemed to be a connected person of the Company for the purposes of the Listing Rules. Accordingly, the Licence Agreement therefore constitutes a Continuing Connected Transaction of the Company under Rule 14A.14 of the Listing Rules.

INDEPENDENT SHAREHOLDERS’ APPROVAL NOT REQUIRED

Given that the maximum aggregate annual cap receivable by the Group under the Licence Agreement and a separate licence agreement dated 26th March, 2007 previously disclosed on 26th March, 2007 represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the Licence Agreement is 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 a total of 500 retail outlets throughout Asia.

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

“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
“Continuing Connected Transaction”	the continuing connected transaction as described in this Announcement which is subject to disclosure under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiary companies
“HK Seibu Enterprise”	Hong Kong Seibu Enterprise Company Limited, a company incorporated in Hong Kong with limited liability and which is indirectly wholly-owned by the Company, the principal activity of which is the operation of and investment in Seibu stores

“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
“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 Seibu store located at Two Pacific Place, 88 Queensway, Hong Kong
“Precision Watch”	Precision Watch Company Limited, a company incorporated in Hong Kong with limited liability and which is indirectly wholly-owned by Mr. Dickson Poon, the principal activity of which is the sale of watches and jewellery in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
and Chief Executive Officer*)
Chan Tsang Wing, Nelson
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, 3rd October, 2007

** For identification purposes only*