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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 3rd February, 2005, agreements regarding the leasing and licensing of properties and their renewals were entered into by the Group and various connected persons: (A) between Dickson Stores and Dickson Investment regarding the lease of a premises in Singapore; (B) between Hong Kong Seibu Enterprise and Precision Watch regarding the licensing of a sales corner in the Pacific Place Seibu Store; (C) between Hong Kong Seibu Enterprise and Top Creation regarding the licensing of a sales corner in the Pacific Place Seibu Store; (D) between Hong Kong Seibu Enterprise and S.T. Dupont Marketing regarding the licensing of a sales corner in the Langham Place Seibu Store; and (E) between Hong Kong Seibu Enterprise and Tommy Hilfiger Marketing regarding the licensing of a sales corner in the Langham Place Seibu Store.

As each of Dickson Investment, Precision Watch, Top Creation, S.T. Dupont Marketing and Tommy Hilfiger Marketing 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 for the purpose of the Listing Rules and these transactions therefore constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

Given that the total of the annual rental and licence fees payable/receivable by the Group under Agreements Nos. 1 to 5 represents less than 2.5 per cent. of the applicable percentage ratios of the Company, Agreements Nos. 1 to 5 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 agreements regarding the leasing and licensing of properties and their renewals were entered into on 3rd February, 2005 by the Group and various connected persons as described below.

(A) Renewal of Lease Agreement with Dickson Investment (“Agreement No. 1”)

Dickson Stores and Dickson Investment entered into a lease agreement regarding the renewal of

the following lease on 3rd February, 2005 under which the lease period was extended and the rental changed as detailed below:

Lessor: Dickson Investment

Lessee: Dickson Stores

Premises: A shop space in a shopping mall at #01-05/06, Centrepoint, No. 176 Orchard Road, Singapore

Area: About 689 sq. ft.

Period: Two years from 1st November, 2004

Rental: Monthly rental payment of S\$27,560 (about HK\$131,516) for the first year and monthly rental payment of S\$31,005 (about HK\$147,956) for the second year, to be paid in cash on the first day of each month in advance

Dickson Stores has been the lessee of the above premises since 1st February, 2002. The annual rentals paid by Dickson Stores to Dickson Investment for the financial years ended 31st March, 2003 and 31st March, 2004 were HK\$1,539,000 and HK\$1,678,000 respectively.

The maximum annual caps payable by Dickson Stores under the period of Agreement No. 1 for the financial years ending 31st March, 2005, 31st March, 2006 and 31st March, 2007, based on the aforesaid monthly rental payment term, will be about HK\$657,580, HK\$1,660,392 and HK\$1,035,692 respectively. The rental will be paid from internal financial resources of Dickson Stores.

(B) Renewal of Licence Agreement with Precision Watch (“Agreement No. 2”)

Hong Kong Seibu Enterprise and Precision Watch entered into a licence agreement regarding the renewal of the following licence on 3rd February, 2005 under which the licence period was extended and the licence fee changed as detailed below:

Grantor: Hong Kong Seibu Enterprise

Licensee: Precision Watch

Premises: A sales corner in the Pacific Place Seibu Store

Area: About 616 sq. ft.

Period: Three years from 12th September, 2004

Licence Fee: Monthly licence fee payment of HK\$270,080, to be paid in cash within 20 days of each month in arrears

Precision Watch has been the licensee of the above premises since 23rd October, 1997. The annual licence fees received by Hong Kong Seibu Enterprise from Precision Watch for the financial years ended 31st March, 2003 and 31st March, 2004 were HK\$2,957,000 and HK\$2,957,000 respectively.

The maximum annual caps receivable by Hong Kong Seibu Enterprise under the period of Agreement No. 2 for the financial years ending 31st March, 2005, 31st March, 2006, 31st March, 2007 and 31st March, 2008, based on the aforesaid monthly licence fee, will be HK\$1,791,531, HK\$3,240,960, HK\$3,240,960 and HK\$1,449,429 respectively.

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

Hong Kong Seibu Enterprise and Top Creation entered into a licence agreement regarding the renewal of the following licence on 3rd February, 2005 under which the licence period was extended and the licence fee changed as detailed below:

- Grantor: Hong Kong Seibu Enterprise
- Licensee: Top Creation
- Premises: A sales corner in the Pacific Place Seibu Store
- Area: About 760 sq. ft.
- Period: Two years and five months from 15th August, 2004
- Licence Fee:
 - (i) For the five months from 15th August, 2004, based on certain percentages of the monthly sales made at the sales corner, to be paid in cash within 20 days of each month in arrears
 - (ii) For the two years from 15th January, 2005, 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\$154,050, to be paid in cash within 20 days of each month in arrears

Top Creation has been the licensee of the above premises since 15th August, 2000. The annual licence fees received by Hong Kong Seibu Enterprise from Top Creation for the financial years ended 31st March, 2003 and 31st March, 2004 were HK\$1,122,000 and HK\$1,330,000 respectively.

The maximum annual caps receivable by Hong Kong Seibu Enterprise under the period of Agreement No. 3 for the financial years ending 31st March, 2005, 31st March, 2006 and 31st March, 2007 will be HK\$953,929, HK\$1,848,600 and HK\$1,682,355 respectively. The aforesaid maximum annual caps were derived based on the estimated annual growth after taking into consideration the amount of licence fee of HK\$960,594 received by Hong Kong Seibu Enterprise from Top Creation in respect of the above sales corner for the period from 1st April, 2004 to 14th January, 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.

(D) Licence Agreement with S.T. Dupont Marketing (“Agreement No. 4”)

Hong Kong Seibu Enterprise and S.T. Dupont Marketing entered into a licence agreement regarding the following licence on 3rd February, 2005:

- Grantor: Hong Kong Seibu Enterprise

Licensee: S.T. Dupont Marketing

Premises: A sales corner in the Langham Place Seibu Store

Area: About 328 sq. ft.

Period: Two years from 1st November, 2004

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\$82,000, to be paid in cash within 20 days of each month in arrears

Fixture Fee: HK\$6,600 per month, to be paid in cash within 20 days of each month in arrears

The maximum annual caps (including licence fees and fixture fees) receivable by Hong Kong Seibu Enterprise under the period of Agreement No. 4 for the financial years ending 31st March, 2005, 31st March, 2006 and 31st March, 2007 will be HK\$443,000, HK\$1,209,200 and HK\$838,700 respectively. The aforesaid maximum annual caps were derived based on the estimated annual growth after taking into consideration the amount of licence fee and fixture fee for a total of HK\$265,800 received by Hong Kong Seibu Enterprise from S.T. Dupont Marketing in respect of the above sales corner for the three months commencing 1st November, 2004, 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.

(E) Licence Agreement with Tommy Hilfiger Marketing (“Agreement No. 5”)

Hong Kong Seibu Enterprise and Tommy Hilfiger Marketing entered into a licence agreement regarding the following licence on 3rd February, 2005:

Grantor: Hong Kong Seibu Enterprise

Licensee: Tommy Hilfiger Marketing

Premises: A sales corner in the Langham Place Seibu Store

Area: About 337 sq. ft.

Period: Two years from 1st November, 2004

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\$84,250, to be paid in cash within 20 days of each month in arrears

Fixture Fee: HK\$9,000 per month, to be paid in cash within 20 days of each month in arrears

The maximum annual caps (including licence fees and fixture fees) receivable by Hong Kong Seibu Enterprise under the period of Agreement No. 5 for the financial years ending 31st March, 2005, 31st March, 2006 and 31st March, 2007 will be HK\$466,250, HK\$1,119,000 and HK\$689,250 respectively. The aforesaid maximum annual caps were derived based on the estimated annual growth after taking into consideration the amount of licence fee and fixture fee for a total of HK\$279,750 received by Hong Kong Seibu Enterprise from Tommy Hilfiger Marketing in respect of the above sales corner for the three months commencing 1st November, 2004, 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.

REASON FOR THE TRANSACTIONS

The shop space under Agreement No. 1 is currently used by Dickson Stores as a retail shop and the renewal of Agreement No. 1 for continued operation of the relevant retail shop is a practical commercial decision of the Group. The licensing of the sales corners under Agreements Nos. 2 to 5 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 relevant Hong Kong Seibu department stores will reinforce Hong Kong Seibu's status as one of the most prestigious department store groups in Hong Kong.

The rental payment under Agreement No. 1 was determined with reference to the open market for properties of similar size and location and prevailing market conditions. The licence fee and fixture fee (if applicable) payments under Agreements Nos. 2 to 5 were determined with reference to prevailing market conditions, the size and location of the respective sales corners within the Hong Kong Seibu department stores and the relevant brands.

The Directors, including the independent non-executive Directors, consider that the entering into of Agreements Nos. 1 to 5 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 or from (as appropriate) 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 Dickson Investment, Precision Watch, Top Creation, S.T. Dupont Marketing and Tommy Hilfiger Marketing 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 for the purpose of the Listing Rules. Agreements Nos. 1 to 5 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 rental and licence fees payable/receivable by the Group under Agreements Nos. 1 to 5 represents less than 2.5 per cent. of the applicable percentage ratios of the Company, Agreements Nos. 1 to 5 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 380 retail outlets throughout Asia.

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

“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
“DTG Group”	Dickson Trading (S) Pte Ltd, a company incorporated in Singapore with limited liability and wholly-owned by Mr. Dickson Poon and together with its group companies
“Dickson Investment”	Dickson Investment (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability, the principal activities of which are the leasing out of its leasehold shopping units and investment holding. Dickson Investment is a member of the DTG Group and is wholly-owned by Mr. Dickson Poon
“Dickson Stores”	Dickson Stores Pte Ltd, a company incorporated in Singapore with limited liability, the principal activities of which are the retailing of consumer goods. Dickson Stores is wholly-owned by the Company
“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 investing 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
“Langham Place Seibu Store”	a department store at Langham Place, 8 Argyle Street, Kowloon, Hong Kong
“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 department store at Pacific Place, 88 Queensway, Hong Kong
“Precision Watch”	Precision Watch Company Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the retailing of watches. Precision Watch is wholly-owned by Mr. Dickson Poon
“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 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
“Tommy Hilfiger Marketing”	Tommy Hilfiger Marketing Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the sale of fashion products. Tommy Hilfiger Marketing is a member of the Artland Group and is wholly-owned by Mr. Dickson Poon
“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
“S\$”	Singaporean dollars, the lawful currency of The Republic of Singapore

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, 3rd February, 2005

* *For identification purpose only*