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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 27th September, 2006, a lease agreement (“the Lease Agreement”) was entered into between Dickson Investment and Dickson Stores regarding the renewal of the leasing of a property in Singapore to the Group.

As Dickson Investment is wholly-owned by Mr. Dickson Poon, a Director and substantial shareholder of the Company, Dickson Investment is deemed to be a connected person of the Company for the purposes of the Listing Rules. Accordingly, the Lease Agreement therefore constitutes a Continuing Connected Transaction of the Company under Rule 14A.14 of the Listing Rules.

Given that the maximum annual cap payable by the Group under the Lease Agreement represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the Lease 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.

The Board announces that on 27th September, 2006, a lease agreement (“the Lease Agreement”) was entered into between Dickson Investment and Dickson Stores regarding the renewal of the leasing of a property in Singapore to the Group as detailed below :-

<b>Lessor:</b>	Dickson Investment
<b>Lessee:</b>	Dickson Stores
<b>Premises:</b>	A shop space in a shopping mall at #01-05/06, Centrepoint, No. 176 Orchard Road, Singapore
<b>Area:</b>	About 689 sq. ft.
<b>Period:</b>	Three years from 1st November, 2006

**Rental:** Monthly rental payment of S\$34,450 (about HK\$170,286) for the first year, S\$36,517 (about HK\$180,504) for the second year and S\$37,895 (about HK\$187,315) for the third year, to be paid in cash on the first day of each month in advance. The monthly rental was determined with reference to the open market for properties of similar size and location and the prevailing as well as the expected market conditions

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, 2005 and 31st March, 2006 were HK\$1,656,724 and HK\$1,627,000 respectively.

The maximum annual caps payable by Dickson Stores for the leasing of the shop space in Singapore under the Lease Agreement for the financial years ending 31st March, 2007, 31st March, 2008, 31st March, 2009 and 31st March, 2010, based on the aforesaid monthly rental, will be S\$173,000 (about HK\$856,000) (five months), S\$424,000 (about HK\$2,096,000), S\$446,000 (about HK\$2,205,000) and S\$266,000 (about HK\$1,315,000) (seven months) respectively. The rental will be paid from internal financial resources of Dickson Stores.

## **REASON FOR THE CONTINUING CONNECTED TRANSACTION**

The shop space under the Lease Agreement is currently used by Dickson Stores as a retail shop and the renewal of the Lease Agreement for continued operation of the relevant retail shop is a practical commercial decision of the Group.

The monthly rental under the Lease Agreement was determined with reference to the open market for premises of similar size and location 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 Lease Agreement 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 from 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 Dickson Investment is wholly-owned by Mr. Dickson Poon, a Director and substantial shareholder of the Company, Dickson Investment is deemed to be a connected person of the Company for the purposes of the Listing Rules. Accordingly, the Lease 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 annual cap payable by the Group under the Lease Agreement represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the Lease 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 over 400 retail outlets throughout Asia.

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

“associates”	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
“Dickson Investment”	Dickson Investment (Singapore) Pte. Ltd., a company incorporated in the Republic of Singapore with limited liability and which is wholly-owned by Mr. Dickson Poon, the principal activities of which are the leasing out of its leasehold shopping units and investment holding
“Dickson Stores”	Dickson Stores Pte Ltd, a company incorporated in the Republic of Singapore with limited liability and which is wholly-owned by the Company, the principal activity of which is the sale of watches, jewellery and fashion products
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiary companies
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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  
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, 27th September, 2006

\* *For identification purposes only*

Please also refer to the published version of this Announcement in The Standard.