

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, 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 document.



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 8th June, 2016, three separate agreements were entered into by the Group with the ST Dupont Group regarding (1) the appointment of the Group as an exclusive distributor of the relevant “S.T. Dupont” products in the PRC (excluding Hong Kong) (“the Agreement No. 1”); and (2) the granting of two licences to the Group for the use of various “S.T. Dupont” trademarks in order to manufacture, sell, market and promote the relevant “S.T. Dupont” (a) ready-to-wear products and leather goods; and (b) shoe products respectively, and open and operate respective points of sale within the PRC (excluding Hong Kong) (“the Agreements Nos. 2(a) and 2(b)”). The Agreements Nos. 2(a) and 2(b) will supersede the Existing Sublicence Renewal Agreement with an expiry date on 31st March, 2018.

As the ST Dupont Group is an associate of Sir Dickson Poon, a Director and substantial shareholder of the Company, the ST Dupont Group is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) constitute the Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules.

Given that the maximum annual cap payable by the Group under each of the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) is more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company, the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) are subject to announcement, annual reporting and annual review requirements under Rule 14A.35, Rule 14A.49 and Rules 14A.55 to 14A.59 of the Listing Rules respectively and are exempt from the circular and Independent Shareholders’ approval requirements under the Listing Rules.

The Board announces that on 8th June, 2016, three separate agreements were entered into by the Group with the ST Dupont Group regarding (1) the appointment of the Group as an exclusive distributor of the “S.T. Dupont” products in the PRC (excluding Hong Kong) (“the Agreement No. 1”); and (2) the granting of two licences to the Group for the use of various “S.T. Dupont” trademarks in order to manufacture, sell, market and promote the relevant “S.T. Dupont” (a) ready-to-wear products and leather goods; and (b) shoe products respectively, and open and operate respective points of sale within the PRC (excluding Hong Kong) (“the Agreements Nos. 2(a) and 2(b)”). The Agreements Nos. 2(a) and 2(b) will supersede the Existing Sublicence Renewal Agreement with an expiry date on 31st March, 2018 as detailed below :-

1. Purchases of Merchandise
- Exclusive Distribution Agreement (“the Agreement No. 1”)

STDSA as principal and BIL as distributor entered into the Agreement No. 1 on 8th June, 2016 regarding the appointment of the Group as an exclusive distributor of the relevant “S.T. Dupont” products in the PRC (excluding Hong Kong) for a period of three years commencing from the Effective Date as detailed below :-

Principal :	STDSA
Distributor :	BIL
Subject :	Pursuant to the Agreement No. 1, STDSA appointed BIL as the exclusive distributor for certain luxury products including, but not limited to, lighters, smokers’ articles, writing instruments, leather goods, belts as well as men’s accessories under “S.T. Dupont” and “D” trademarks in the PRC (excluding Hong Kong).
Term of the Agreement :	The term of the Agreement No. 1 is for a period of three years commencing from the Effective Date. Both parties may agree to and renew the Agreement No. 1 for a maximum of two 2-year periods subject to compliance with the applicable Listing Rules.
Purchase Prices and Payment Term :	<p>The purchase prices of the products are at the standard wholesale prices as set by the ST Dupont Group, to be settled in cash with a credit period of up to 45 days end of month.</p> <p>The purchase prices and other terms of the products are negotiated on an arm’s length basis between the parties thereto and be determined based on normal commercial terms with reference to the prevailing market prices that are fair and reasonable to ensure that the purchase prices are no less favourable to the Group than those available from the independent third parties at the relevant time.</p>

The maximum annual caps payable by the Group for the purchases of certain products from the ST Dupont Group for distributing the same throughout the PRC (excluding Hong Kong) under the Agreement No. 1 for the financial years ending 31st March, 2017, 31st March, 2018, 31st March, 2019 and 31st March, 2020 will be HK\$35,000,000 (nine months and twenty-three days), HK\$35,000,000, HK\$35,000,000 and HK\$5,000,000 (two months and seven days) respectively which are more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the market trend, the estimated annual growth of the said purchases, the Group's plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise.

2. Payment of License Fees

- License Agreement (“the Agreement No. 2(a)”) together with Shoe License Agreement (“the Agreement No. 2(b)”) (Collectively, “the Agreements Nos. 2(a) and 2(b)”)

STDSA as licensor and BIL as licensee entered into the Agreements Nos. 2(a) and 2(b) on 8th June, 2016 regarding the granting of two licenses to the Group for the use of various “S.T. Dupont” trademarks in order to manufacture, sell, market and promote the relevant “S.T. Dupont” (a) ready-to-wear products and leather goods; and (b) shoe products respectively, and open and operate respective points of sale within the PRC (excluding Hong Kong) for a period of three years commencing from the Effective Date. The Agreements Nos. 2(a) and 2(b) will supersede the Existing Sublicence Renewal Agreement with an expiry date on 31st March, 2018 as detailed below :-

Licensor :	STDSA
Licensee :	BIL
Subject :	Pursuant to the Agreements Nos. 2(a) and 2(b), the ST Dupont Group granted two licences to the Group for the use of various “S.T. Dupont” trademarks in order to manufacture, sell, market and promote the relevant “S.T. Dupont” (a) ready-to-wear products and leather goods; and (b) shoe products respectively, and open and operate respective points of sale within the PRC (excluding Hong Kong).
Term of the Agreements :	The term of each of the Agreements Nos. 2(a) and 2(b) is for a period of three years commencing from the Effective Date. Both parties may agree to and renew the Agreements Nos. 2(a) and 2(b) for a maximum of two 2-year periods subject to compliance with the applicable Listing Rules.
License Fees and Payment Terms :	The license fee payable by the Group under (a) the Agreement No. 2(a) is calculated based on certain percentage on the total net sales of the relevant “S.T. Dupont” ready-to-ready and leather goods per year; and (b) the Agreement No. 2(b) is calculated based on a certain percentage on the total shoe license royalty revenue received from third parties for the shoe products per year.

The license fee payable under each of the Agreements Nos. 2(a) and 2(b) shall be payable on a quarterly basis with a credit period of up to 45 days. The license fees payable are negotiated on an arm's length basis between the parties thereto and be determined based on normal commercial terms which are in line with the market practices that are fair and reasonable to ensure that the license fees are no less favourable to the Group than those available from the independent third parties at the relevant time.

Details of the Existing Sublicence Renewal Agreement were disclosed in the announcement of the Company dated 20th March, 2015.

The maximum annual caps payable by the Group for the payment of the license fees in respect of the granting of two licenses to the Group for the use of various "S.T. Dupont" trademarks in order to manufacture, sell, market and promote the relevant "S.T. Dupont" (a) ready-to-wear products and leather goods; and (b) shoe products respectively, and open and operate respective points of sale within the PRC (excluding Hong Kong) under the Agreements Nos. 2(a) and 2(b) for the financial years ending 31st March, 2017, 31st March, 2018, 31st March, 2019 and 31st March, 2020 will be HK\$12,500,000 (nine months and twenty-three days), HK\$14,000,000, HK\$22,500,000 and HK\$5,000,000 (two months and seven days) respectively which are more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the market trend, the estimated annual growth of the turnover of "S.T. Dupont" products distributed in the PRC (excluding Hong Kong), the Group's plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Continuing Connected Transactions are conducted on normal commercial terms and in the ordinary and usual course of business of the Group.

Purchases of certain products from the ST Dupont Group for distributing the same throughout the PRC (excluding Hong Kong) under the Agreement No.1 can ensure timely and reliable supply of certain luxury goods to the Group and thereby reduce the operational risks and can enhance the daily operation of the Group.

In consideration of the granting of two licenses to the Group for the use of various "S.T. Dupont" trademarks in order to manufacture, sell, market and promote the relevant "S.T. Dupont" products and open and operate respective points of sale within the PRC (excluding Hong Kong) under the Agreements Nos. 2(a) and 2(b), the Group is required to pay to the ST Dupont Group the license fees for distributing the relevant "S.T. Dupont" products by the Group in the PRC (excluding Hong Kong). It is believed that distributing of the relevant "S.T. Dupont" products in the PRC (excluding Hong Kong) can extend the Group's geographical reach and strengthen the Group's retail network in the PRC which can enable the Group to take advantage of any improving domestic consumer spending in the PRC (excluding Hong Kong).

Given the above, the entering into of each of the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) is a practical and commercial decision of the Group. Furthermore, the transactions under the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) are in line with the Group’s principal activity of the sales of luxury goods in Asia and will ensure continuous business growth and contribute to the Group’s turnover and profits.

The Directors (except Sir Dickson Poon who was considered to be materially interested in the transaction under each of the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) due to his relationship with the ST Dupont Group and did not vote on the relevant resolutions regarding the Continuing Connected Transactions), including the independent non-executive Directors, consider that (i) the entering into of each of the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) 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 from independent third parties; and (ii) the Continuing Connected Transactions are in the interests of the Company and its shareholders as a whole, and that the relevant maximum annual caps are fair and reasonable.

LISTING RULES IMPLICATIONS

As the ST Dupont Group is an associate of Sir Dickson Poon, a Director and substantial shareholder of the Company as disclosed in the “General” section below, the ST Dupont Group is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) constitute the Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules. In view of the interest of Sir Dickson Poon in the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b), he has abstained from voting on the relevant resolutions regarding the Continuing Connected Transactions.

Given that the maximum annual cap payable by the Group under each of the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) is more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company, the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b) are subject to announcement, annual reporting and annual review requirements under Rule 14A.35, Rule 14A.49 and Rules 14A.55 to 14A.59 of the Listing Rules respectively and are exempt from the circular and Independent Shareholders’ approval requirements under the Listing Rules.

GENERAL

The Company is an investment holding company and the Group is principally engaged in the sale of luxury goods with a comprehensive retail network totalling 132 shops throughout Asia and in securities investments.

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

“BIL”	Bondwood Investments Limited (寶活投資有限公司), a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company, the principal activity of which is the sale of leather goods and fashion products
“Company”	Dickson Concepts (International) Limited (迪生創建(國際)有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions as described in this announcement which are subject to disclosure under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the date of signing of the Agreement No. 1 and the Agreements Nos. 2(a) and 2(b)
“Existing Sublicence Renewal Agreement”	Sublicence Renewal Agreement dated 20th March, 2015 entered into between STDML, a member of the ST Dupont Group, as licensor and BIL, an indirectly wholly-owned subsidiary company of the Company, as licensee regarding the granting of a sublicense by the ST Dupont Group to the Group for the use of various “S.T. Dupont” trademarks and logos under which “S.T. Dupont” products are marketed, sold and manufactured within the limits of the PRC (excluding Hong Kong) and Taiwan in its capacity as both retailer and wholesaler for a period of three years commencing from 1st April, 2015 and ending on 31st March, 2018
“Group”	the Company and its subsidiary companies
“Independent Shareholders”	shareholders of the Company, other than Sir Dickson Poon and his associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the meaning as ascribed under the Listing Rules
“Sir Dickson Poon”	Sir Dickson Poon, the group executive chairman of the Group and a substantial shareholder of the Company
“PRC”	the People’s Republic of China

“STDML”	S.T. Dupont Marketing Limited (都彭市場推廣有限公司), a company incorporated in Hong Kong with limited liability and directly wholly-owned by STDSA, the principal activity of which is the sale of “S.T. Dupont” products including luxury lighters and writing instruments, leather goods, fashion and accessories. STDML is a member of the ST Dupont Group
“STDSA”	S.T. Dupont S.A., a company incorporated in France with limited liability, the shares of which are listed on the Euronext Paris in France and which is owned as to 79.61 per cent. of its issued share capital as at 31st March, 2016 by a trust established for the benefit of the members of Sir Dickson Poon’s family, together with its subsidiary companies, which are principally engaged in the manufacture and distribution of luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches and fragrances
“ST Dupont Group”	STDSA and its subsidiary companies
“substantial shareholder(s)”	has the meaning as ascribed under the Listing Rules
“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*)
Chan Tsang Wing, Nelson
(*Chief Operating Officer*)
Chan Hon Chung, Johnny Pollux
Lau Yu Hee, Gary

Independent Non-Executive Directors:

Bhanusak Asvaintra
Nicholas Peter Etches
Leung Kai Hung, Michael

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

Hong Kong, 8th June, 2016

** For identification purposes only*