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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)**

## **RENEWAL OF A CONTINUING CONNECTED TRANSACTION**

The Board announces that on 26th November, 2020, STDSA as licensor and BIL as licensee entered into the Second Renewal Agreement regarding the renewal of the Existing License Agreement in respect of the granting of a license 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” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) with effect from 1st April, 2021 for a further period of two years ending on 31st March, 2023. The Second Renewal Agreement will supersede the Existing License Agreement (expiring on 7th June, 2021) with effect from 1st April, 2021.

As STDSA is an associate of each of Sir Dickson Poon, the group executive chairman and a substantial shareholder of the Company, and Mr. Pearson Poon, an executive Director and a substantial shareholder of the Company, STDSA is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Second Renewal Agreement constitutes a Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules.

Given that the maximum annual cap payable by the Group under the Second Renewal Agreement is more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company, the Second Renewal Agreement is 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 is exempt from the circular and Independent Shareholders’ approval requirements under the Listing Rules.

The Board announces that on 26th November, 2020, STDSA as licensor and BIL as licensee entered into the Second Renewal Agreement regarding the renewal of the Existing License Agreement in respect of the granting of a license 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” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) with effect from 1st April, 2021 for a further period of two years ending on 31st March, 2023. The Second Renewal Agreement will supersede the Existing License Agreement (expiring on 7th June, 2021) with effect from 1st April, 2021 as described below :-

- Licensor :** STDSA
- Licensee :** BIL
- Subject :** Pursuant to the Existing License Agreement, STDSA granted a license 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” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong).
- Term of the Agreement :** The term of the Second Renewal Agreement is for a period of two years commencing 1st April, 2021 and ending on 31st March, 2023.
- License Fee and Payment Term :** The license fee payable by the Group under the Second Renewal Agreement is calculated based on 70 per cent. on the total shoe license royalty revenue received from third parties for the shoe products manufactured in the PRC.  
  
The license fee payable under the Second Renewal Agreement shall be payable on a quarterly basis with a credit period of up to 45 days. The license fee payable is negotiated on an arm’s length basis between the parties thereto and be determined based on normal commercial terms, after considering the participation and role of the Group, to ensure that the license fee is fair and reasonable and no less favourable to the Group than those available from the independent third parties at the relevant time.

The details of the Existing License Agreement were disclosed in the announcement of the Company dated 3rd June, 2019.

The maximum annual caps paid / payable by the Group for the payment of the license fee in respect of the granting of a license 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” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) under the Existing License Agreement for the financial years ended /ending 31st March, 2020, 31st March, 2021 and 31st March, 2022 are HK\$8,342,000 (nine months and twenty-three days), HK\$10,920,000 and HK\$2,002,000 (two months and seven days) respectively as previously disclosed in the announcement of the Company dated 3rd June, 2019. The actual transaction amount for the financial year ended 31st March, 2020 was HK\$4,550,000 (nine months and twenty-three days) which was below the maximum annual cap of HK\$8,342,000 (nine months and twenty-three days). The estimated transaction amount for the financial year ending 31st March, 2021 is HK\$7,840,000 which will be below the maximum annual cap of HK\$10,920,000.

The maximum annual caps payable by the Group for the payment of the license fee in respect of the granting of a license 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” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) under the Second Renewal Agreement for the financial years ending 31st March, 2022 and 31st March, 2023 will be HK\$4,725,000 and HK\$5,250,000 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 royalties to be received by BIL from the sub-licensees on the sales of the relevant “S.T. Dupont” shoe products in the PRC (excluding Hong Kong) per year, 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 TRANSACTION**

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

In consideration of the granting of a license 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” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) under the Second Renewal Agreement, the Group is required to pay to STDSA the license fee for distributing the relevant “S.T. Dupont” shoe products by the Group in the PRC (excluding Hong Kong). It is believed that distributing of the relevant “S.T. Dupont” shoe 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 the Second Renewal Agreement is a practical and commercial decision of the Group. Furthermore, the transaction under the Second Renewal Agreement is 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 and Mr. Pearson Poon who were considered to be materially interested in the transaction under each of the Second Renewal Agreement due to their relationships with STDSA and they did not vote on the relevant resolutions regarding the Continuing Connected Transaction), including the independent non-executive Directors, consider that (i) the entering into of the Second Renewal 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 from independent third parties; and (ii) the Continuing Connected Transaction is 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 STDSA is an associate of each of Sir Dickson Poon, the group executive chairman and a substantial shareholder of the Company, and Mr. Pearson Poon, an executive Director and a substantial shareholder of the Company (as disclosed in the “General” section below), STDSA is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Second Renewal Agreement constitutes a Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules. In view of the interests of Sir Dickson Poon and Mr. Pearson Poon in the Second Renewal Agreement, they have abstained from voting on the relevant resolutions regarding the Continuing Connected Transaction.

Given that the maximum annual cap payable by the Group under the Second Renewal Agreement is more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company, the Second Renewal Agreement is 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 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 lighters, writing instruments, leather goods, watches 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 Transaction”	the continuing connected transaction as described in this announcement which are subject to disclosure under the Listing Rules
“Director(s)”	the director(s) of the Company

“Existing License Agreement”	Renewal Shoe License Agreement dated 3rd June, 2019 entered into between STDSA as licensor and BIL as licensee regarding the granting of a license 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” shoe products, and open and operate respective points of sale within the PRC (excluding Hong Kong) for a further period of two years commencing from 8th June, 2019 and ending on 7th June, 2021
“Group”	the Company and its subsidiary companies
“Independent Shareholders”	shareholders of the Company, other than Sir Dickson Poon and Mr. Pearson Poon and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pearson Poon”	Mr. Poon Dickson Pearson Guanda, an executive Director and a substantial shareholder of the Company. He is also a son of Sir Dickson Poon, the vice-chairman of the supervisory board of STDSA and a beneficiary of the Trust (as defined under “STDSA”)
“percentage ratio(s)”	has the meaning as ascribed under the Listing Rules
“PRC”	the People’s Republic of China
“Second Renewal Agreement”	Second Renewal Shoe License Agreement dated 26th November, 2020 entered into between STDSA as licensor and BIL as licensee regarding the renewal of the Existing License Agreement with effect from 1st April, 2021 for a period of two years ending on 31st March, 2023. The Second Renewal Agreement will supersede the Existing License Agreement with effect from 1st April, 2021
“Sir Dickson Poon”	Sir Dickson Poon, the group executive chairman of the Group and a substantial shareholder of the Company. He is also the father of Mr. Pearson Poon
“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 79.708 per cent. of its issued share capital as at 31st March, 2020 by a trust established for the benefit of the members of Sir Dickson Poon’s family (“the Trust”), 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

“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 Hon Chung, Johnny Pollux  
 Lau Yu Hee, Gary  
 Poon Dickson Pearson Guanda

***Independent Non-Executive Directors:***

Bhanusak Asvaintra  
 Nicholas Peter Etches  
 Fung Yue Ming, Eugene Michael

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

Hong Kong, 26th November, 2020

*\* For identification purposes only*