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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)

RENEWALS OF TWO CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 22nd March, 2023, two separate renewal agreements were entered into between BIL and STDSA regarding (I) the granting of an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) (the “**Renewal Agreement No. 1**”); and (II) the appointment of the Group by STDSA as an exclusive distributor for certain luxury products under “S.T. Dupont” and “D” trademarks in the PRC (excluding Hong Kong) (the “**Renewal Agreement No. 2**”). The Renewal Agreement No. 1 was entered into for the purpose of, inter alia, renewing the term for a further period of one year upon its expiry on 31st March, 2023. While, the Renewal Agreement No. 2 was entered into for the purpose of, inter alia, renewing the term with effect from 1st April, 2023 for a further period of three years ending on 31st March, 2026 which will supersede the Existing Exclusive Distribution Agreement (expiring on 7th June, 2023) with effect from 1st April, 2023.

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, the Chief Operating Officer 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 Renewal Agreement No. 1 and the Renewal Agreement No. 2 constitute the Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules.

For the purpose of calculating the applicable percentage ratios of the Company under the Listing Rules, the transactions under the Renewal Agreement No. 1 and the New Shoe License Agreement as disclosed in the announcement of the Company dated 16th December, 2022 are aggregated as they are of similar nature and both of them involve the payment of license fees by the Group.

Given that (i) the maximum aggregate annual cap payable by the Group under the Renewal Agreement No. 1 and the New Shoe License Agreement; and (ii) the maximum annual cap payable by the Group under the Renewal Agreement No. 2, each is more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company, the Renewal Agreement No. 1 and the Renewal Agreement No. 2 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 22nd March, 2023, two separate renewal agreements were entered into between BIL and STDSA regarding (I) the granting of an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the "S.T. Dupont" name, logo or trademark solely in the PRC (excluding Hong Kong) (the "**Renewal Agreement No. 1**"); and (II) the appointment of the Group by STDSA as an exclusive distributor for certain luxury products under "S.T. Dupont" and "D" trademarks in the PRC (excluding Hong Kong) (the "**Renewal Agreement No. 2**"). The Renewal Agreement No. 1 was entered into for the purpose of, inter alia, renewing the term for a further period of one year upon its expiry on 31st March, 2023. While, the Renewal Agreement No. 2 was entered into for the purpose of, inter alia, renewing the term with effect from 1st April, 2023 for a further period of three years ending on 31st March, 2026 which will supersede the Existing Exclusive Distribution Agreement (expiring on 7th June, 2023) with effect from 1st April, 2023. The details of the Renewal Agreement No. 1 and the Renewal Agreement No. 2 are described below :-

(I) Payment of License Fee

- Second Renewal License Agreement (the "Renewal Agreement No. 1")

STDSA as licensor and BIL as licensee entered into the Renewal Agreement No. 1 on 22nd March, 2023 regarding, inter alia, the renewal of the Existing License Agreement in respect of the granting of an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the "S.T. Dupont" name, logo or trademark solely in the PRC (excluding Hong Kong) upon its expiry on 31st March, 2023 for a further period of one year commencing from 1st April, 2023 and ending on 31st March, 2024, is detailed below :-

Licensor : STDSA

Licensee : BIL

Subject : Pursuant to the Existing License Agreement, STDSA granted an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the "S.T. Dupont" name, logo or trademark solely in the PRC (excluding Hong Kong).

Term of the Agreement : The Renewal Agreement No. 1 renewed the term of the Existing License Agreement upon its expiry on 31st March, 2023 for a further period of one year commencing from 1st April, 2023 and ending on 31st March, 2024.

License Fee and Payment Terms : The license fee payable by the Group to STDSA under the Renewal Agreement No. 1 is calculated based on a certain percentage (in the range of 50 per cent. to 70 per cent.) on the royalties received by the Group from the sub-licensees on the sales of the relevant "S.T. Dupont" ready-to-wear apparel per year in the PRC (excluding Hong Kong).

The license fee payable under the Renewal Agreement No. 1 shall be payable on a quarterly basis with a credit period of up to 30 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 18th March, 2021 (the “**March 2021 Announcement**”).

The maximum annual caps paid / payable by the Group to STDSA for the payment of the license fee in respect of the granting of an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) under the Existing License Agreement for the financial years ended / ending 31st March, 2022 and 31st March, 2023 are HK\$13,162,000 and HK\$15,048,000 respectively as previously disclosed in the March 2021 Announcement. The actual transaction amount for the financial year ended 31st March, 2022 was HK\$9,740,000 which was below the maximum annual cap of HK\$13,162,000.

The maximum annual cap payable by the Group to STDSA for the payment of the license fee in respect of the granting of an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) under the Renewal Agreement No. 1 for the financial year ending 31st March, 2024 will be HK\$6,000,000 which is 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 cap was derived based on the market trend, the estimated annual growth of the royalties to be received by the Group from the sub-licensees on the sales of the relevant “S.T. Dupont” ready-to-wear apparel 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.

(II) Distribution of Luxury Products

- Third Renewal Exclusive Distribution Agreement (the “Renewal Agreement No. 2”)

STDSA as principal and BIL as distributor entered into the Renewal Agreement No. 2 on 22nd March, 2023 regarding, inter alia, the renewal of the Existing Exclusive Distribution Agreement in respect of the appointment of the Group by STDSA as an exclusive distributor for certain luxury products under “S.T. Dupont” and “D” trademarks in the PRC (excluding Hong Kong) with effect from 1st April, 2023 for a further period of three years ending on 31st March, 2026. The Renewal Agreement No. 2 will supersede the Existing Exclusive Distribution Agreement (expiring on 7th June, 2023) with effect from 1st April, 2023, is detailed below :-

Principal : STDSA

Distributor : BIL

Subject : Pursuant to the Existing Exclusive Distribution Agreement, STDSA appointed the Group 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 Renewal Agreement No. 2 renewed the term of the Existing Exclusive Distribution Agreement with effect from 1st April, 2023 for a further period of three years ending on 31st March, 2026 which will supersede the Existing Exclusive Distribution Agreement on 1st April, 2023. Both parties may agree to and renew the Renewal Agreement No. 2 for a further term of three years subject to compliance with the applicable Listing Rules.

Purchase Prices and Payment Term : The purchase prices of the luxury products are at the standard wholesale prices equivalent to the retail prices less normal trade discounts (in the range of 40 per cent. to 75 per cent.) as set by STDSA, to be settled in cash with a credit period of up to 45 days.

The purchase prices and other terms of the luxury 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.

The details of the Existing Exclusive Distribution Agreement were disclosed in the announcement of the Company dated 15th June, 2022 (the "**June 2022 Announcement**").

The maximum annual caps paid / payable by the Group to STDSA for the purchases of certain luxury products by the Group from STDSA for distributing the same throughout the PRC (excluding Hong Kong) under the Existing Exclusive Distribution Agreement for the financial years ending 31st March, 2023 and 31st March, 2024 are HK\$44,849,000 (nine months and twenty-three days) and HK\$29,601,000 (two months and seven days) respectively as previously disclosed in the June 2022 Announcement. The estimated transaction amount for the financial year ending 31st March, 2023 will be HK\$32,120,000 which will be below the maximum annual cap of HK\$44,849,000.

The maximum annual caps payable by the Group to STDSA for the purchases of certain luxury products by the Group from STDSA for distributing the same throughout the PRC (excluding Hong Kong) under the Renewal Agreement No. 2 for the financial years ending 31st March, 2024, 31st March, 2025 and 31st March, 2026 will be HK\$55,264,000, HK\$71,600,000 and HK\$76,177,000 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 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.

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.

In consideration of the granting of an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) under the Renewal Agreement No. 1, the Group is required to pay to STDSA the license fee for distributing the relevant “S.T. Dupont” ready-to-wear apparel by the Group in the PRC (excluding Hong Kong). It is believed that distributing of the relevant “S.T. Dupont” ready-to-wear apparel by the Group 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).

Purchases of certain luxury products under “S.T. Dupont” and “D” trademarks by the Group from STDSA for distributing the same throughout the PRC (excluding Hong Kong) under the Renewal Agreement No. 2 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.

Given the above, the entering into of each of the Renewal Agreement No. 1 and the Renewal Agreement No. 2 is a practical and commercial decision of the Group. Furthermore, the transactions under the Renewal Agreement No. 1 and the Renewal Agreement No. 2 are in line with the Group’s principal activity of the sale 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 Renewal Agreement No. 1 and the Renewal Agreement No. 2 due to their relationships with STDSA and they 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 Renewal Agreement No. 1 and the Renewal Agreement No. 2 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 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, the Chief Operating Officer 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 Renewal Agreement No. 1 and the Renewal Agreement No. 2 constitute the Continuing Connected Transactions 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 Renewal Agreement No. 1 and the Renewal Agreement No. 2, they have abstained from voting on the relevant resolutions regarding the Continuing Connected Transactions.

For the purpose of calculating the applicable percentage ratios of the Company under the Listing Rules, the transactions under the Renewal Agreement No. 1 and the New Shoe License Agreement as disclosed in the announcement of the Company dated 16th December, 2022 are aggregated as they are of similar nature and both of them involve the payment of license fees by the Group.

In view of the above, the maximum aggregate annual cap payable by the Group under the Renewal Agreement No. 1 and the New Shoe License Agreement for the payment of license fees by the Group for the financial year ending 31st March, 2024 will be HK\$11,250,000.

Given that (i) the maximum aggregate annual cap payable by the Group under the Renewal Agreement No. 1 and the New Shoe License Agreement; and (ii) the maximum annual cap payable by the Group under the Renewal Agreement No. 2, each is more than 0.1 per cent. but less than 5 per cent. of each of the applicable percentage ratios of the Company, the Renewal Agreement No. 1 and the Renewal Agreement No. 2 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 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
“BHL”	Bestway Holdings Limited (裕宏集團有限公司), a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company, the principal activity of which is the investment holding, sale of watches and licensing of leather goods
“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 and licensing of fashion products and accessories
“Board”	the board of Directors of the Company
“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
“Existing Exclusive Distribution Agreement”	Second Renewal Exclusive Distribution Agreement dated 15th June, 2022 entered into between STDSA as principal and BIL as distributor regarding the appointment of the Group by STDSA as an exclusive distributor for certain luxury products under “S.T. Dupont” and “D” trademarks in the PRC (excluding Hong Kong) for a further period of one year commencing from 8th June, 2022 and ending on 7th June, 2023
“Existing License Agreement”	First Renewal License Agreement dated 18th March, 2021 entered into between STDSA as licensor and BIL as licensee regarding the granting of an exclusive license by STDSA to the Group to distribute ready-to-wear apparel bearing the “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) for a further period of two years commencing from 1st April, 2021 and ending on 31st March, 2023
“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, the Chief Operating Officer 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”)
“New Shoe License Agreement”	Shoe License Agreement dated 15th December, 2022 entered into between STDSA as licensor and BHL as a new licensee regarding the granting of a license by STDSA 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 1st April, 2023 and ending on 31st March, 2025 with an option to renew for a maximum of two two-year periods
“percentage ratio(s)”	has the meaning as ascribed under the Listing Rules

“PRC”	the People’s Republic of China
“Sir Dickson Poon”	Sir Dickson Poon, the Group Executive Chairman 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 87.039 per cent. of its issued share capital as at 30th September, 2022 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning as ascribed under the Listing Rules
“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*)
Poon Dickson Pearson Guanda
(*Chief Operating Officer*)
Chan Hon Chung, Johnny Pollux
Lau Yu Hee, Gary

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, 22nd March, 2023

** For identification purposes only*