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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 15th December, 2022, STDSA as licensor and BHL as a new licensee entered into the New Shoe License Agreement regarding, inter alia, the renewal of the Existing Shoe 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) for a period of two years commencing from 1st April, 2023 and ending on 31st March, 2025. The New Shoe License Agreement will supersede the Existing Shoe License Agreement upon its expiry on 31st March, 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 New Shoe License 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 New Shoe License 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 New Shoe License 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 15th December, 2022, STDSA as licensor and BHL as a new licensee entered into the New Shoe License Agreement regarding, inter alia, the renewal of the Existing Shoe 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) for a period of two years commencing from 1st April, 2023 and ending on 31st March, 2025. The New Shoe License Agreement, which will supersede the Existing Shoe License Agreement upon its expiry on 31st March, 2023, is described below :-

- Licensor :** STDSA
- Licensee :** BHL
- Subject :** Pursuant to the New Shoe 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 New Shoe License Agreement is for a period of two years commencing 1st April, 2023 and ending on 31st March, 2025 with an option to renew for a maximum of two two-year periods.
- License Fee and Payment Term :** The license fee payable by the Group under the New Shoe License 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 New Shoe License 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.

BIL is a fellow subsidiary company of BHL, which has been the licensee of the Existing Shoe License Agreement since 8th June, 2016. The details of the Existing Shoe License Agreement were disclosed in the announcement of the Company dated 26th November, 2020 (the “**Nov 2020 Announcement**”).

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 Shoe License Agreement for the financial years ended / ending 31st March, 2022 and 31st March, 2023 are HK\$4,725,000 and HK\$5,250,000 respectively as previously disclosed in the Nov 2020 Announcement. The license fee paid by the Group to STDSA in respect of the granting of a license to the Group for the use of various “S.T. Dupont” trademarks under the Existing Shoe License Agreement during the financial year ended 31st March, 2022 was HK\$3,150,000 which was below the maximum annual cap of HK\$4,725,000.

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 New Shoe License Agreement for the financial years ending 31st March, 2024 and 31st March, 2025 will be HK\$5,250,000 and HK\$5,565,000 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 the Group 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 New Shoe License 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 New Shoe License Agreement is a practical and commercial decision of the Group. Furthermore, the transaction under the New Shoe License Agreement is 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 the New Shoe License 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 New Shoe License 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, 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 New Shoe License 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 New Shoe License 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 New Shoe License 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 New Shoe License 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.

## 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 :-

|                         |   |
|-------------------------|---|
| “ <b>associate(s)</b> ” | has the meaning as ascribed under the Listing Rules   |
| “ <b>BHL</b> ”          | 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. BHL is also a fellow subsidiary company of BIL |
| “ <b>BIL</b> ”          | 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. BIL is also a fellow subsidiary company of BHL         |
| “ <b>Board</b> ”        | the board of Directors of the Company   |
| “ <b>Company</b> ”      | 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   |

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| <b>“connected person(s)”</b>              | has the meaning as ascribed under the Listing Rules  |
| <b>“Continuing Connected Transaction”</b> | the continuing connected transaction as described in this announcement which is subject to disclosure under the Listing Rules  |
| <b>“Director(s)”</b>                      | the director(s) of the Company   |
| <b>“Existing Shoe License Agreement”</b>  | Second Renewal Shoe License Agreement dated 26th November, 2020 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 period of two years commencing from 1st April, 2021 and ending on 31st March, 2023 |
| <b>“Group”</b>                            | the Company and its subsidiary companies   |
| <b>“Independent Shareholders”</b>         | shareholders of the Company, other than Sir Dickson Poon and Mr. Pearson Poon and their respective associates  |
| <b>“Listing Rules”</b>                    | the Rules Governing the Listing of Securities on the Stock Exchange  |
| <b>“Mr. Pearson Poon”</b>                 | 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”)   |
| <b>“New Shoe License Agreement”</b>       | Shoe License Agreement dated 15th December, 2022 entered into between STDSA as licensor and BHL as a new licensee regarding, inter alia, the renewal of the Existing Shoe License Agreement for a 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. The New Shoe License Agreement will supersede the Existing Shoe License Agreement upon its expiry on 31st March, 2023                            |
| <b>“percentage ratio(s)”</b>              | has the meaning as ascribed under the Listing Rules  |
| <b>“PRC”</b>                              | the People’s Republic of China   |
| <b>“Sir Dickson Poon”</b>                 | 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, 16th December, 2022

*\* For identification purposes only*