

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 27th March, 2006, twelve separate renewal agreements regarding the sales and purchases of merchandise, provision of management and/or supporting services, provision of interior design services, payment of sublicence fees, licensing of a property and provision of advertising and promotion services were entered into by the Group with four connected persons, namely: (I) ST Dupont Group regarding sales of merchandise by the Group (“Agreement No. 1”), purchases of merchandise by the Group (“Agreement No. 2”), provision of management services to the Group (“Agreement No. 3”), provision of management and supporting services by the Group (“Agreements Nos. 4a and 4b”), provision of interior design services by the Group (“Agreement No. 5”) and payment of sublicence fees by the Group (“Agreement No. 6”); (II) Artland Group regarding sales of merchandise by the Group (“Agreement No. 7”), purchases of merchandise by the Group (“Agreement No. 8”) and licensing of a property by the Group (“Agreement No. 9”); (III) Dickson Communications Limited regarding provision of advertising and promotion services to the Group (“Agreement No. 10”); and (IV) DTG Group regarding purchases of merchandise by the Group (“Agreement No. 11”) and provision of management and supporting services to the Group (“Agreement No. 12”). All the agreements were entered into for the purpose of, inter alia, renewing the term of each for a period not exceeding three years in compliance with the requirements of Rule 14A.35 of the Listing Rules.

As each of the ST Dupont Group, the Artland Group, Dickson Communications Limited and the DTG Group is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company, each of these parties is deemed to be a connected person of the Company for the purpose of the Listing Rules. Accordingly, Agreements Nos. 1 to 12 therefore constitute Continuing Connected Transactions of the Company under Rule 14A.14 of the Listing Rules.

For the purpose of calculating the applicable percentage ratios of the Company under the Listing Rules, (i) the transactions regarding receipt of management and/or supporting services from the ST Dupont Group and the DTG Group under the Agreements Nos. 3 and 12 respectively are aggregated as they are of similar nature and both of them involve the receipt of management and/or supporting services from Mr. Dickson Poon's associates; (ii) the transactions regarding provision of management and supporting and/or interior design services by the Group to the ST Dupont Group under Agreements Nos. 4a, 4b and 5 respectively are aggregated as they are of similar nature and all of them involve the provision of management and supporting services and/or interior design services to Mr. Dickson Poon's associate; and (iii) the transaction regarding the licensing of a property under the Agreement No. 9 is aggregated with the transactions regarding licensing of properties under three separate licence agreements all dated 27th October, 2005 as disclosed in the announcement of the Company dated 27th October, 2005 as they are of similar nature.

Given that (i) the maximum aggregate annual cap payable by the Group under the Agreements Nos. 3 and 12; (ii) the maximum aggregate annual cap receivable by the Group under the Agreements Nos. 4a, 4b and 5; (iii) the maximum aggregate annual cap receivable by the Group under the Agreement No. 9 and the three separate licence agreements previously disclosed on 27th October, 2005; and (iv) the maximum annual cap receivable/payable by the Group under each of the Agreements Nos. 1, 2, 6, 7, 8, 10 and 11 each represents less than 2.5 per cent. of the applicable percentage ratios of the Company, Agreements Nos. 1 to 12 are 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 March, 2006, twelve separate renewal agreements regarding the sales and purchases of merchandise, provision of management and/or supporting services, provision of interior design services, payment of sublicense fees, licensing of a property and provision of advertising and promotion services were entered into by the Group with four connected persons, namely: (I) ST Dupont Group regarding sales of merchandise by the Group ("Agreement No. 1"), purchases of merchandise by the Group ("Agreement No. 2"), provision of management services to the Group ("Agreement No. 3"), provision of management and supporting services by the Group ("Agreements Nos. 4a and 4b"), provision of interior design services by the Group ("Agreement No. 5") and payment of sublicense fees by the Group ("Agreement No. 6"); (II) Artland Group regarding sales of merchandise by the Group ("Agreement No. 7"), purchases of merchandise by the Group ("Agreement No. 8") and licensing of a property by the Group ("Agreement No. 9"); (III) Dickson Communications Limited regarding provision of advertising and promotion services to the Group ("Agreement No. 10"); and (IV) DTG Group regarding purchases of merchandise by the Group ("Agreement No. 11") and provision of management and supporting services to the Group ("Agreement No. 12"). All the agreements were entered into for the purpose of, inter alia, renewing the term of each for a period not exceeding three years in compliance with the requirements of Rule 14A.35 of the Listing Rules as described below.

(I) CONTINUING CONNECTED TRANSACTIONS WITH THE ST DUPONT GROUP

A. Sales of Merchandise

- Merchandise Sale and Purchase Agreement ("Agreement No. 1")

DCL and STDM entered into the Agreement No. 1 on 27th March, 2006 regarding the sales of certain merchandise by the Group to the ST Dupont Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

Seller: DCL

- Purchaser:** STD M
- Subject:** Pursuant to the Agreement No. 1, the Group will sell to the ST Dupont Group certain merchandise including, but not limited to, luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches as well as fragrances under the brand name of “S.T. Dupont” or names of product lines under “S.T. Dupont” (for that merchandise manufactured in the PRC only) (apart from brands and products sold or to be sold to the DTG Group as disclosed in the announcement of the Company dated 26th April, 2005 and approved by the Independent Shareholders at the Special General Meeting held on 6th June, 2005 and brands and products to be sold to the Artland Group under the Agreement No. 7)
- Term:** Agreement No. 1 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 1 without cause by serving the other party with not less than three months’ prior written notice. Both parties may agree to and renew Agreement No. 1 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules
- Selling Price:** The selling prices of the merchandise are at or above the Group’s purchase cost of the merchandise, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days

The transaction regarding sales of merchandise to the ST Dupont Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the sales of merchandise to the ST Dupont Group.

The sales of merchandise to the ST Dupont Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$6,203,000 and HK\$8,320,000 respectively.

The maximum annual cap receivable by the Group for the sales of merchandise to the ST Dupont Group under the Agreement No. 1 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$14,061,000, HK\$18,280,000 and HK\$23,764,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the sales of merchandise to the ST Dupont Group, the estimated annual growth of the said sales, the ST Dupont Group’s plan for further expansion of its retail network, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the historical figure of the said sales for the year ended 31st March, 2005.

B. Purchases of Merchandise
- Merchandise Sale and Purchase Agreement (“Agreement No. 2”)

STD M and DCL entered into the Agreement No. 2 on 27th March, 2006 regarding the purchases of certain merchandise by the Group from the ST Dupont Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

- Seller:** STDM
- Purchaser:** DCL
- Subject:** Pursuant to the Agreement No. 2, the Group will purchase from the ST Dupont Group certain merchandise including, but not limited to, luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches as well as fragrances under the brand name of “S.T. Dupont” or names of product lines under “S.T. Dupont” (for that merchandise manufactured outside the PRC only) (apart from brands and products to be purchased from the Artland Group under the Agreement No. 8 and the DTG Group under the Agreement No. 11)
- Term:** Agreement No. 2 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 2 without cause by serving the other party with not less than three months’ prior written notice. Both parties may agree to and renew Agreement No. 2 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules
- Purchase Price:** The purchase prices of the merchandise are at the standard wholesale prices as set by the ST Dupont Group, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days

The transaction regarding purchases of merchandise from the ST Dupont Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the purchases of merchandise from the ST Dupont Group.

The purchases of merchandise from the ST Dupont Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$1,879,000 and HK\$4,745,000 respectively.

The maximum annual cap payable by the Group for the purchases of merchandise from the ST Dupont Group under the Agreement No. 2 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$15,223,000, HK\$19,790,000 and HK\$25,727,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the purchases of merchandise from the ST Dupont Group, the estimated annual growth of the said purchases, the Group’s plan for further expansion of its retail network and the opening of new Seibu stores in the PRC, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the estimated full year figure of HK\$11,710,000 based on the actual purchases of HK\$3,903,000 for the six-month period ended 30th September, 2005.

C. Receipt of Management Services
- Renewal Management Agreement (“Agreement No. 3”)

ST Dupont Japan and D Marketing Japan entered into the Agreement No. 3 on 27th March, 2006 regarding the renewal of the management agreement dated 8th February, 2000 for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

Service Provider: ST Dupont Japan

Service Receiver: D Marketing Japan

Subject: Pursuant to the Agreement No. 3, ST Dupont Group will provide various specialised services to the Group, including specialised knowledge, resources and data pertaining to the managing, marketing and sale of watches in Japan

Term: Agreement No. 3 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 3 without cause by serving the other party with not less than three months’ prior written notice. Both parties may agree to and renew Agreement No. 3 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules

Management Fee: The management fee payable by the Group is equal to the initial amount of 1 per cent. of annual turnover of D Marketing Japan, excluding value added tax, plus 20 per cent. of annual pre-tax profit of D Marketing Japan, with a maximum of 20 million Yen (approximately HK\$1.3 million) and this management fee shall be payable on a yearly basis with a credit period of up to 45 days

The transaction regarding receipt of management services from the ST Dupont Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the receipt of management services from the ST Dupont Group.

The management fees paid by the Group to the ST Dupont Group in respect of the receipt of the management services from the ST Dupont Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$73,000 and HK\$71,000 respectively.

The maximum annual cap payable by the Group for the receipt of the management services from the ST Dupont Group under the Agreement No. 3 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$121,000, HK\$158,000 and HK\$206,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the management fees paid by the Group in respect of the receipt of the management services from the ST Dupont Group, the estimated annual turnover and annual pre-tax profit of D Marketing Japan, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the historical figure of the said management fees paid by the Group for the year ended 31st March, 2005.

D. Provision of Management and Supporting Services
- Renewal Services Agreement (“Agreement No. 4a”) together with Renewal Agreement on Personnel (“Agreement No. 4b”)

DCL and STDM entered into the Agreements Nos. 4a and 4b on 27th March, 2006 regarding (i) the renewal of each of the services agreement dated 22nd January, 2003 (the “Services Agreement”) and the agreement on personnel dated 22nd January, 2003 (the “Agreement on Personnel”) in respect of the provision of certain management and supporting services by the Group to the ST Dupont Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules; and (ii) sharing of salaries of employees in charge of marketing and selling of products provided by the ST Dupont Group and the Group and supervising exclusive S.T. Dupont boutiques in the PRC as detailed below:

Service Provider: DCL

Service Receiver: STDM

Subject: Pursuant to the Services Agreement and the Agreement on Personnel, the Group will provide office and warehouse space, stock management services, centralised administrative and supporting functions including management, stock control and information technology to the ST Dupont Group

Pursuant to the Agreements Nos. 4a and 4b, (i) the term of each of the Services Agreement and the Agreement on Personnel was renewed for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules; and (ii) the salaries of employees in charge of marketing and selling of products provided by the ST Dupont Group and the Group and supervising exclusive S.T. Dupont boutiques in the PRC to be shared between the Group and the ST Dupont Group

Term: Each of the Agreements Nos. 4a and 4b has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate each of the Agreements Nos. 4a and 4b without cause by serving the other party with not less than three months’ prior written notice. Both parties may agree to and renew Agreements Nos. 4a and 4b in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules

Service Fee: The service fee payable by the ST Dupont Group is calculated on a cost and/or cost plus (as may be required by the relevant tax or other rulings or regulations) allocation basis and this service fee shall be payable on a monthly basis with a credit period of up to 30 days

The transactions regarding provision of management and supporting services to the ST Dupont Group were disclosed in the announcements of the Company dated 30th May, 2002 and 29th January, 2003 respectively. Two waivers from strict compliance with the disclosure requirements under the Listing Rules were then granted by the Stock Exchange to the Company on 15th July, 2002 and 12th February, 2003 respectively in respect of the provision of management and supporting services to the ST Dupont Group.

The service fees received by the Group from the ST Dupont Group in respect of the management and supporting services provided to the ST Dupont Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$3,817,000 and HK\$5,009,000 respectively.

The maximum annual cap receivable by the Group for the provision of management and supporting services to the ST Dupont Group under the Agreements Nos. 4a and 4b for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$11,832,000, HK\$15,382,000 and HK\$19,997,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the service fees received by the Group in respect of the management and supporting services provided to the ST Dupont Group, the said services estimated to be required by the ST Dupont Group, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the estimated full year figure of HK\$9,101,000 based on the actual service fees received by the Group of HK\$3,034,000 for the six-month period ended 30th September, 2005.

E. Provision of Interior Design Services
- Interior Design Services Agreement (“Agreement No. 5”)

Dickson Interior Design and STDM entered into the Agreement No. 5 on 27th March, 2006 regarding the provision of interior design services by the Group to the ST Dupont Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

Service Provider: Dickson Interior Design

Service Receiver: STDM

Subject: Pursuant to the Agreement No. 5, the Group will provide interior design services relating to the retail outlets and sales corners of the ST Dupont Group

Term: Agreement No. 5 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 5 without cause by serving the other party with not less than three months’ prior written notice. Both parties may agree to and renew Agreement No. 5 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules

Service Fee: The interior design service fee payable by the ST Dupont Group is charged at a rate of 10 per cent. of the total contract sum for the building and fitting out of any of its freestanding boutiques, department store corners and retail outlets and this interior design service fee shall be payable on a contract phase completion basis with a credit period of up to 30 days

The transaction regarding provision of interior design services to the ST Dupont Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the provision of interior design services to the ST Dupont Group.

The interior design service fees received by the Group from the ST Dupont Group in respect of the interior design services provided to the ST Dupont Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$102,000 and HK\$518,000 respectively.

The maximum annual cap receivable by the Group for the provision of interior design services to the ST Dupont Group under the Agreement No. 5 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$875,000, HK\$1,138,000 and HK\$1,480,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the service fees received by the Group in respect of the interior design services provided to the ST Dupont Group, the said services estimated to be required by the ST Dupont Group, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the historical figure of the service fees received by the Group for the year ended 31st March, 2005.

F. Payment of Sublicence Fees
- Renewal Sublicence Agreement (“Agreement No. 6”)

STDM and Bondwood entered into the Agreement No. 6 on 27th March, 2006 regarding (i) the renewal of the sublicence agreement dated 1st April, 1999 (the “Sublicence Agreement”) for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules; and (ii) amendment of certain provisions of the Sublicence Agreement in relation to the change of the capacity of Bondwood from wholesaler only to both wholesaler and retailer for distributing S.T. Dupont products in the PRC (excluding Hong Kong) as detailed below:

Licensor: STDM

Licensee: Bondwood

Subject: Pursuant to the Agreement No. 6, the Group will pay the ST Dupont Group sublicence fees on S.T. Dupont products which the Group distributes in the PRC (excluding Hong Kong) in its capacity as wholesaler and retailer in consideration of the sublicence granted by the ST Dupont Group to Bondwood

Term: Agreement No. 6 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 6 without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew Agreement No. 6 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules

Sublicence Fee: The sublicence fees are calculated based on certain percentages on each of the wholesale and retail turnover (excluding sales of imported products purchased from the ST Dupont Group) of S.T. Dupont products per year and the sublicence fees shall be payable on a quarterly basis with a credit period of up to 45 days

The transaction regarding payment of the sublicence fees was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the payment of the sublicence fees.

The sublicence fees paid by the Group to the ST Dupont Group in respect of S.T. Dupont products distributed by the Group in the PRC (excluding Hong Kong) for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$14,921,000 and HK\$15,408,000 respectively.

The maximum annual cap payable by the Group for the payment of the sublicence fees under the Agreement No. 6 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$31,669,000, HK\$37,370,000 and HK\$44,097,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the sublicence fees paid by the Group to the ST Dupont Group in respect of S.T. Dupont products distributed by the Group in the PRC (excluding Hong Kong), the estimated annual growth of both the retail and wholesale turnover of S.T. Dupont products distributed in the PRC (excluding Hong Kong), the Group's plan for further expansion of its retail network in the PRC, the prevailing as well as the expected market conditions and the estimated growth rate representing about 18 per cent. of the estimated full year figure of HK\$26,838,000 based on the actual sublicence fees paid by the Group of HK\$10,736,000 for the six-month period ended 30th September, 2005.

(II) CONTINUING CONNECTED TRANSACTIONS WITH THE ARTLAND GROUP

A. Sales of Merchandise

- Merchandise Sale and Purchase Agreement ("Agreement No. 7")

Castlereagh, Artland Watch Company Limited and Precision Watch Company Limited entered into the Agreement No. 7 on 27th March, 2006 regarding the sales of certain merchandise by the Group to the Artland Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

Seller: Castlereagh

- Purchasers:** Artland Watch Company Limited
Precision Watch Company Limited
- Subject:** Pursuant to the Agreement No. 7, the Group will sell certain merchandise including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names to the Artland Group (apart from brands and products sold or to be sold to the DTG Group as disclosed in the announcement of the Company dated 26th April, 2005 and approved by the Independent Shareholders at the Special General Meeting held on 6th June, 2005 and brands and products to be sold to the ST Dupont Group under the Agreement No. 1)
- Term:** Agreement No. 7 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 7 without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew Agreement No. 7 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules
- Selling Price:** The selling prices of the merchandise are equal to the retail prices less normal trade discounts, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 90 days

The transaction regarding sales of merchandise to the Artland Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the sales of merchandise to the Artland Group.

The sales of merchandise to the Artland Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$2,768,000 and HK\$739,000 respectively.

The maximum annual cap receivable by the Group for the sales of merchandise to the Artland Group under the Agreement No. 7 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$12,933,000, HK\$16,813,000 and HK\$21,857,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the sales of merchandise to the Artland Group, the estimated annual growth of the said sales, the Artland Group's plan for further expansion of its retail network, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the estimated full year figure of HK\$9,948,000 based on the actual sales of HK\$3,316,000 for the six-month period ended 30th September, 2005.

B. Purchases of Merchandise
- Merchandise Sale and Purchase Agreement (“Agreement No. 8”)

Artland Watch Company Limited, Precision Watch Company Limited and DCL entered into the Agreement No. 8 on 27th March, 2006 regarding the purchases of certain merchandise by the Group from the Artland Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

- Sellers:** Artland Watch Company Limited
Precision Watch Company Limited
- Purchaser:** DCL
- Subject:** Pursuant to the Agreement No. 8, the Group will purchase certain merchandise including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names from the Artland Group (apart from brands and products to be purchased from the ST Dupont Group under the Agreement No. 2 and the DTG Group under the Agreement No. 11)
- Term:** Agreement No. 8 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 8 without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew Agreement No. 8 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules
- Purchase Price:** The purchase prices of the merchandise are equal to the retail prices less normal trade discounts, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 30 days

The transaction regarding purchases of merchandise from the Artland Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the purchases of merchandise from the Artland Group.

The purchases of merchandise from the Artland Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$1,804,000 and HK\$5,764,000 respectively.

The maximum annual cap payable by the Group for the purchases of merchandise from the Artland Group under the Agreement No. 8 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$9,743,000, HK\$12,666,000 and HK\$16,466,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the purchases of merchandise from the Artland Group, the estimated annual growth of the said purchases, the Group's plan for further expansion of its retail network and the opening of new Seibu stores in the PRC, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the historical figure of the said purchases for the year ended 31st March, 2005.

C. Licensing of a Property - Licence Agreement ("Agreement No. 9")

Hong Kong Seibu Enterprise and Precision Watch Company Limited entered into the Agreement No. 9 on 27th March, 2006 regarding the following licence due to the expansion of the retailing area of a sales corner in the Pacific Place Seibu Store which supersedes the licence agreement dated 3rd February, 2005 as detailed below:

| | |
|---------------------|--|
| Grantor: | Hong Kong Seibu Enterprise |
| Licensee: | Precision Watch Company Limited |
| Premises: | A sales corner in the Pacific Place Seibu Store |
| Area: | About 847 sq. ft. |
| Period: | One year four months and twenty-nine days commencing from 13th April, 2006 and expiring on 11th September, 2007 (both days inclusive) |
| Licence Fee: | Monthly licence fee payment of HK\$396,880, to be paid in cash within 20 days from the end of each month in arrears. This licence fee was determined with reference to the size and location of the sales corner within the Pacific Place Seibu Store, the prestige of the relevant brand and its products and the prevailing marketing conditions |

Precision Watch Company Limited has been the licensee of the above premises before expansion since 23rd October, 1997. The licence agreement regarding renewal of the above premises (before the aforesaid expansion) was entered into between Hong Kong Seibu Enterprises and Precision Watch Company Limited on 3rd February, 2005 for a period of three years commencing from 12th September, 2004 and ending on 11th September, 2007 and the said transaction was disclosed in the announcement of the Company dated 3rd February, 2005.

The annual licence fees received by Hong Kong Seibu Enterprise from Precision Watch Company Limited in respect of the above premises before expansion for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$2,957,000 and HK\$3,114,000 respectively.

The maximum annual cap receivable by the Group for the licensing of the sales corner in the Pacific Place Seibu Store under the Agreement No. 9 for each of the financial years ending 31st March, 2007 and 31st March, 2008, based on the aforesaid monthly licence fee, will be HK\$4,604,000 and HK\$2,130,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said monthly licence fee was derived based on the size and location of the relevant sales corner in the Pacific Place Seibu Store, the prestige of the relevant brand and its products, the prevailing as well as the expected market conditions.

(III) CONTINUING CONNECTED TRANSACTION WITH DICKSON COMMUNICATIONS LIMITED

A. Receipt of Advertising and Promotion Services - Promotional Services Agreement (“Agreement No. 10”)

Dickson Communications Limited and DCL entered into the Agreement No. 10 on 27th March, 2006 regarding the renewal of the service agreement dated 1st April, 2001 in respect of the provision of advertising and promotion services by Dickson Communications Limited to the Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

- Service Provider:** Dickson Communications Limited
- Service Receiver:** DCL
- Subject:** Pursuant to the Agreement No. 10, Dickson Communications Limited will provide advertising and promotion services to the Group
- Term:** Agreement No. 10 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 10 without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew Agreement No. 10 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules
- Service Fee:** The Group pays a monthly retainer fee and a handling service fee at a rate of 10 per cent. of the media or other costs incurred and paid by the Group to any third party media specialists, agents or independent contractors in connection with the provision of these services to the Group and this handling service fee shall be payable on a monthly basis with a credit period of up to 30 days

The transaction regarding receipt of the advertising and promotion services from D Promotion Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the receipt of the advertising and promotion services from D Promotion Group.

The service fees paid by the Group to Dickson Communications Limited in respect of the receipt of the advertising and promotion services from Dickson Communications Limited for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$8,306,000 and HK\$8,811,000 respectively.

The maximum annual cap payable by the Group for the receipt of the advertising and promotion services from Dickson Communications Limited under the Agreement No. 10 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$17,958,000, HK\$26,937,000 and HK\$40,406,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the service fees paid by the Group in respect of the receipt of the advertising and promotion services from Dickson Communications Limited, the said services estimated to be required by the Group, the Group's plan for further expansion of its retail network and the opening of new Seibu stores in the PRC, the prevailing as well as the expected market conditions and the estimated annual growth rate representing about 50 per cent. of the estimated full year figure of HK\$11,972,000 based on the actual service fees paid by the Group of HK\$3,991,000 for the six-month period ended 30th September, 2005.

(IV) CONTINUING CONNECTED TRANSACTIONS WITH THE DTG GROUP

A. Purchases of Merchandise

- Merchandise Sale and Purchase Agreement (“Agreement No. 11”)

Dickson Trading (S) and Dickson Stores entered into the Agreement No. 11 on 27th March, 2006 regarding the purchases of certain merchandise by the Group from the DTG Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

| | |
|------------------------|--|
| Seller: | Dickson Trading (S) |
| Purchaser: | Dickson Stores |
| Subject: | Pursuant to the Agreement No. 11, the Group will purchase certain merchandise including, but not limited to, certain watches and leather goods under various international brand names from the DTG Group (apart from brands and products to be purchased from the ST Dupont Group under the Agreement No. 2 and the Artland Group under the Agreement No. 8) |
| Term: | Agreement No. 11 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 11 without cause by serving the other party with not less than three months’ prior written notice. Both parties may agree to and renew Agreement No. 11 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules |
| Purchase Price: | The purchase prices of the merchandise are equal to the standard wholesale prices, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 30 days |

The transaction regarding purchases of merchandise from the DTG Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the purchases of merchandise from the DTG Group.

The purchases of merchandise from the DTG Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$815,000 and HK\$515,000 respectively.

The maximum annual cap payable by the Group for the purchases of merchandise from the DTG Group under the Agreement No. 11 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$805,000, HK\$1,007,000 and HK\$1,259,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the purchases of merchandise from the DTG Group, the estimated annual growth of the said purchases, the Group’s plan for further expansion of its retail network and the opening of new Seibu stores in the PRC, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 25 per cent. of the historical figure of the said purchases for the year ended 31st March, 2005.

**B. Receipt of Management and Supporting Services
- Services Agreement (“Agreement No. 12”)**

Dickson Stores and Dickson Trading (S) entered into the Agreement No. 12 on 27th March, 2006 regarding the provision of certain management and supporting services by the DTG Group to the Group for a period not exceeding three years commencing from 1st April, 2006 and ending on 31st March, 2009 in compliance with the requirements of Rule 14A.35 of the Listing Rules as detailed below:

Service Provider: Dickson Trading (S)

Service Receiver: Dickson Stores

Subject: Pursuant to the Agreement No. 12, DTG Group will provide certain management and supporting services to the Group’s Singapore retail shops. The services include the maintenance of accounting records and management supervision

Term: Agreement No. 12 has a fixed term of three years commencing from 1st April, 2006 and ending on 31st March, 2009. Either party may terminate Agreement No. 12 without cause by serving the other party with not less than three months’ prior written notice. Both parties may agree to and renew Agreement No. 12 in writing prior to expiry on 31st March, 2009 for another three years subject to compliance with the applicable Listing Rules

Service Fee: The service fee payable by the Group is based on the overhead costs incurred by the DTG Group in providing these services on a cost recovery basis to the Group and this service fee shall be payable on a monthly basis with no credit period

The transaction regarding receipt of management and supporting services from the DTG Group was disclosed in the announcement of the Company dated 30th May, 2002. A waiver from strict compliance with the disclosure requirements under the Listing Rules was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the receipt of management and supporting services from the DTG Group.

The service fees paid by the Group to the DTG Group in respect of the receipt of the management and supporting services from the DTG Group for the two financial years ended 31st March, 2004 and 31st March, 2005 were HK\$4,129,000 and HK\$4,057,000 respectively.

The maximum annual cap payable by the Group for the receipt of management and supporting services from the DTG Group under the Agreement No. 12 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$6,858,000, HK\$8,916,000 and HK\$11,591,000 respectively which represents less than 2.5 per cent. of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures of the service fees paid by the Group in respect of the receipt of the management and supporting services from the DTG Group, the Group’s plan for further expansion of its retail network in Singapore, the said services estimated to be required by the Group, the prevailing as well as the expected market conditions and the estimated annual growth rate representing 30 per cent. of the historical figure of the said service fees paid by the Group for the year ended 31st March, 2005.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

Since the founding of the Dickson group in 1980, the Group has on an on-going basis conducted transactions with the ST Dupont Group, the Artland Group, the D Promotion Group and the DTG Group. These transactions involve sales and purchases of merchandise, provision of management and/or supporting services, provision of interior design services, payment of sublicense fees, licensing of properties and provision of advertising and promotion services, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group.

Sales of merchandise to each of the ST Dupont Group and the Artland Group under the Agreements Nos. 1 and 7 respectively will ensure steady income to the Group and can minimise the management and operational costs of the Group due to close proximity between the Group and each of the ST Dupont Group and the Artland Group. Purchases of merchandise from each of the ST Dupont Group, the Artland Group and the DTG Group under the Agreements Nos. 2, 8 and 11 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.

Provision of management and supporting services and/or interior design services by the Group to the ST Dupont Group under the Agreements Nos. 4a, 4b and 5 will ensure steady income to the Group, while the provision of management services by the ST Dupont Group to the Group under Agreement No. 3 can minimise the management and operational costs of the Group due to close proximity between the Group and the ST Dupont Group. It is believed that these transactions can create synergy and generate operating efficiencies by enhancing utilisation of the resources, technical expertise and technological know-how of the Group and the ST Dupont Group on a sharing basis and will be of mutual benefit to both the Group and the ST Dupont Group.

Payment of sublicense fees by the Group to the ST Dupont Group under the Agreement No. 6 is required for distributing S.T. Dupont products by the Group in the PRC (excluding Hong Kong) in its capacity as both wholesaler and retailer. It is believed that distributing of 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 strong domestic consumer spending in the PRC.

Housing of various brands in the Pacific Place Seibu Store will reinforce Hong Kong Seibu's status as one of the most prestigious department store groups in Hong Kong. The continued licensing of the expanded relevant sales corner in the Pacific Place Seibu Store under the Agreement No. 9 will ensure steady income to the Group.

As the D Promotion Group has provided advertising and promotion services to the Group since its founding and has extensive experience in this field, it is believed that the continuation of provision of such services by Dickson Communications Limited to the Group under the Agreement No. 10 is essential for promoting the image of the Group as one of the most prestigious retail groups in Hong Kong, enhancing the sales of the Group's luxury goods as well as brand building for those newly introduced brands. Furthermore, with the expertise and experience of Dickson Communications Limited, provision of quality and reliable advertising and promotion services to the Group will be ensured.

Since the early 1980s, the DTG Group has been engaged in the importing, exporting, wholesaling and retailing of branded merchandise as well as the provision of management and supporting services in Singapore and Malaysia. As the Group does not have a direct presence in Singapore, it is believed that the provision of management and supporting services by the DTG Group to the Group's Singapore retail shops under the Agreement No. 12 is crucial to the daily operation of the Group's retail shops in Singapore and is in the interest of the Company.

Given the above, the entering into of each of the Agreements Nos. 1 to 12 is a practical and commercial decision of the Group. Furthermore, the transactions under the Agreements Nos. 1 to 12 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, including the independent non-executive Directors, consider that the entering into of the Agreements Nos. 1 to 12 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 to or from (as appropriate) 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 each of the ST Dupont Group, the Artland Group, Dickson Communications Limited and the DTG Group is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company, each of these parties is deemed to be a connected person of the Company for the purpose of the Listing Rules. Accordingly, Agreements Nos. 1 to 12 therefore constitute Continuing Connected Transactions of the Company under Rule 14A.14 of the Listing Rules.

LISTING RULES REQUIREMENTS

Since the implementation of the changes in the applicable Listing Rules on connected transactions in March 2004, Management of the Company has been reviewing and considering with all contracting parties the relevant continuing connected transactions of the Group, in particular, in relation to their renewals, the terms of the agreements, and restricting the agreements to a period of not more than three years with further renewal terms subject to compliance with the applicable Listing Rules. Given the number of parties involved, this has inevitably taken time, and it was deemed appropriate to target all renewals to be completed by 31st March, 2006 which would also tie in with the financial year end of the Group. The corresponding figures of the Continuing Connected Transactions for the year ended 31st March, 2005 represents less than 2.5 per cent. of the applicable percentage ratios of the Company and no Independent Shareholders' approval is required and the Company has complied with the reporting requirements of the applicable Listing Rules for the year ended 31st March, 2005.

For the purpose of calculating the applicable percentage ratios of the Company under the Listing Rules, (i) the transactions regarding receipt of management and/or supporting services from the ST Dupont Group and the DTG Group under the Agreements Nos. 3 and 12 respectively are aggregated as they are of similar nature and both of them involve the receipt of management and/or supporting services from Mr. Dickson Poon's associates; (ii) the transactions regarding provision of management and supporting and/or interior design services by the Group to the ST Dupont Group under the Agreements Nos. 4a, 4b and 5 respectively are aggregated as they are of similar nature and all of them involve the provision of management and supporting services and/or interior design services to Mr. Dickson Poon's associate; and (iii) the transactions regarding the licensing of a property under the Agreement No. 9 is aggregated with the transactions regarding licensing of properties under three separate licence agreements all dated 27th October, 2005 as disclosed in the announcement of the Company dated 27th October, 2005 as they are of similar nature. As regards the sales and purchases of merchandise by the Company, each of the Agreements Nos. 1, 2, 7, 8 and 11 are viewed separately as different brands and types of products as well as different territories are involved. Agreements Nos. 6 and 10 are also viewed separately as they are of different nature and are related to payment of sublicense fee due to distributing S.T. Dupont products and the receipt of promotion services by the Group regarding various brands of the Group respectively.

In view of the above, (i) the maximum aggregate annual cap payable by the Group for the receipt of the management and/or supporting services from the ST Dupont Group and the DTG Group under the Agreements Nos. 3 and 12 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$6,979,000, HK\$9,074,000 and HK\$11,797,000 respectively; (ii) the maximum aggregate annual cap receivable by the Group for the provision of management and supporting services and/or interior design services to the ST Dupont Group under the Agreements Nos. 4a, 4b and 5 for each of the financial years ending 31st March, 2007, 31st March, 2008 and 31st March, 2009 will be HK\$12,707,000, HK\$16,520,000 and HK\$21,447,000 respectively; and (iii) the maximum aggregate annual caps receivable by the Group for the licensing of a property under the Agreement No. 9 and the three separate licence agreements previously disclosed on 27th October, 2005 for each of the financial years ending 31st March, 2007 and 31st March, 2008 will be HK\$15,589,000 and HK\$6,511,300 respectively.

Given that (i) the maximum aggregate annual cap payable by the Group under the Agreements Nos. 3 and 12; (ii) the maximum aggregate annual cap receivable by the Group under the Agreements Nos. 4a, 4b and 5; (iii) the maximum aggregate annual cap receivable by the Group under the Agreement No. 9 and the three separate licence agreements previously disclosed on 27th October, 2005; and (iv) the maximum annual cap receivable/payable by the Group under each of the Agreements Nos. 1, 2, 6, 7, 8, 10 and 11 each represents less than 2.5 per cent. of the applicable percentage ratios of the Company, Agreements Nos. 1 to 12 are 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:

| | |
|-----------------|---|
| “Artland Group” | Artland Watch Company Limited and Precision Watch Company Limited, both companies incorporated in Hong Kong with limited liability and which are indirectly wholly-owned by Mr. Dickson Poon, together with their subsidiary companies, which are principally engaged in the sale of watches, jewellery and fashion products in Hong Kong and the PRC |
| “associate(s)” | has the meaning ascribed under the Listing Rules |
| “Board” | the board of Directors |
| “Bondwood” | Bondwood Investments Limited, a company incorporated in Hong Kong with limited liability and which is indirectly wholly-owned by the Company, the principal activity of which is the sale of leather goods and fashion products |
| “Castlereagh” | Castlereagh Limited, a company incorporated in the British Virgin Islands with limited liability and which is directly wholly-owned by the Company, the principal activity of which is investment holding |

| | |
|-------------------------------------|--|
| “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 Transactions” | the continuing connected transactions as described in this Announcement which are subject to disclosure under the Listing Rules |
| “D Marketing Japan” | D Marketing Japan K.K., a company incorporated in Japan and which is indirectly wholly-owned by the Company, the principal activity of which is the sale of watches, lighters and pens |
| “D Promotion Group” | Dickson Promotion Company Limited and Dickson Communications Limited, both companies incorporated in Hong Kong with limited liability and which are indirectly wholly-owned by Mr. Dickson Poon, of which Dickson Promotion Company Limited has been dormant since the financial year ended 31st March, 2003 while Dickson Communications Limited is principally engaged in the provision of advertising and promotion services |
| “DCL” | Dickson Concepts Limited, a company incorporated in Hong Kong with limited liability and which is indirectly wholly-owned by the Company, the principal activities of which are investment holding and provision of management and technical advisory services |
| “Dickson Interior Design” | Dickson Interior Design Limited, a company incorporated in Hong Kong with limited liability and which is indirectly wholly-owned by the Company, the principal activity of which is the provision of interior design services |
| “Dickson Stores” | Dickson Stores Pte Ltd, a company incorporated in the Republic of Singapore and which is indirectly wholly-owned by the Company, the principal activity of which is the sale of watches, jewellery and fashion products |
| “Dickson Trading (S)” | Dickson Trading (S) Pte Ltd, a company incorporated in the Republic of Singapore with limited liability and which is indirectly wholly-owned by Mr. Dickson Poon, the principal activities of which are the importing, exporting, sale of fashion consumer goods and investment holding, the subsidiary companies of which are also engaged in the provision of management and supporting services. Dickson Trading (S) is a member of the DTG Group |
| “Director(s)” | the director(s) of the Company |
| “DTG Group” | Dickson Trading (S) and together with its group companies |
| “Group” | the Company and its subsidiary companies |

| | |
|------------------------------|--|
| “Hong Kong Seibu Enterprise” | Hong Kong Seibu Enterprise Company Limited, a company incorporated in Hong Kong with limited liability and which is indirectly wholly-owned by the Company, the principal activity of which is the operation of and investment in department stores |
| “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 |
| “Pacific Place Seibu Store” | a department store located at Pacific Place Phase II, 88 Queensway, Hong Kong |
| “PRC” | the People’s Republic of China |
| “ST Dupont Group” | S.T. Dupont S.A., a company incorporated in France with limited liability, the shares of which are listed on the Paris Bourse in France and which is owned as to 55.52 per cent. of its issued share capital by a trust established for the benefit of the members of Mr. 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 Japan” | S.T. Dupont Japan K.K., a company incorporated in Japan and which is directly wholly-owned by S.T. Dupont S.A., the principal activity of which is the sale of watches, fashion products, jewellery, lighters and pens. ST Dupont Japan is a member of the ST Dupont Group |
| “STDM” | S.T. Dupont Marketing Limited, a company incorporated in Hong Kong with limited liability and which is directly wholly-owned by S.T. Dupont S.A., the principal activity of which is the sale of S.T. Dupont products including luxury lighters and writing instruments, leather goods, fashion and accessories. STDM is a member of the ST Dupont Group |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Yen” | Japanese Yen, the lawful currency of Japan |

As at the date of this announcement, the Board comprises:

Executive Directors:

Dickson Poon (*Group Executive Chairman*)
Raymond Lee (*Deputy Chairman*)
Chan Tsang Wing, Nelson
Ching Sau Hong, Kevin
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, 4th April, 2006

* *For identification purposes only*