
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Dickson Concepts (International) Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.



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

**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders**

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Agreement and the annual caps in relation to the Continuing Connected Transactions is set out on page 8 of this circular. A letter from Anglo Chinese, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the annual caps in relation to the Continuing Connected Transactions is set out on pages 9 to 12 of this circular.

A notice convening a special general meeting of Dickson Concepts (International) Limited to be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, 6th June, 2005 at 11:00 a.m. is set out on pages 18 to 19 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or at any adjournment thereof should you so desire.

18th May, 2005

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings :

“Agreement”	the merchandise sale and purchase agreement entered into between DCWL and Dickson Trading (S) on 25th April, 2005
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders and a deemed licensed corporation under the SFO permitted to engage in types 1, 4, 6 and 9 of the regulated activities as defined in the SFO
“associates”	has the meaning as ascribed under the Listing Rules
“Board”	the board of Directors
“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 of the Company regarding the Sales of Merchandise contemplated under the Agreement
“DCWL”	Dickson Concepts (Wholesale) Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the sale of watches and fashion products. DCWL is wholly-owned by the Company
“Dickson Trading (S)”	Dickson Trading (S) Pte Ltd, a company incorporated in Singapore with limited liability, the principal activities of which are the importing, exporting, sale of fashion consumer goods and investment holding, the subsidiary companies of which also engage in the provision of management and supporting services. Dickson Trading (S) is a member of the DTG Group and is wholly-owned by Mr. Dickson Poon
“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
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors, namely, Mr. Bhanusak Asvaintra, Mr. Nicholas Peter Etches and Mr. Christopher Patrick Langley
“Independent Shareholders”	shareholders of the Company, other than Mr. Dickson Poon and his associates

DEFINITIONS

“Latest Practicable Date”	11th May, 2005, being the latest practicable date before the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Companies
“Mr. Dickson Poon”	Mr. Dickson Poon, the group executive chairman of the Group and a substantial shareholder of the Company
“Sales of Merchandise”	sales of merchandise of different brand names including apparel, accessories and watches by the Group to the DTG Group
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Special General Meeting” or “SGM”	the special general meeting of the Company to be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, 6th June, 2005 to consider and approve the Agreement and the annual caps in relation to the Continuing Connected Transactions, including any adjourned meeting thereof, notice of which is set out on pages 18 to 19 of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singaporean dollars, the lawful currency of The Republic of Singapore
“%”	per cent.

LETTER FROM THE BOARD



DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司*
(incorporated in Bermuda with limited liability)

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

Registered Office :

Bank of Bermuda Building,
6 Front Street,
Hamilton HM 11,
Bermuda.

Head Office and

Principal Place of Business :

4th Floor, East Ocean Centre,
98 Granville Road,
Tsimshatsui East,
Kowloon,
Hong Kong.

18th May, 2005

To the shareholders of the Company

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

The Company announced on 26th April, 2005 that the Agreement was entered into between DCWL and Dickson Trading (S).

* For identification purpose only

LETTER FROM THE BOARD

DETAILS OF THE AGREEMENT

Date :	25th April, 2005
Seller :	DCWL
Purchaser :	Dickson Trading (S)
Subject :	Pursuant to the Agreement, the Group will wholesale merchandise of different brand names including apparel, accessories and watches, of which the Group owns the distribution rights of the respective merchandise in Asia, to the DTG Group
Term :	The Agreement has a fixed term of three years ending 31st March, 2008. Either party may terminate the Agreement without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew the Agreement in writing upon expiry on 31st March, 2008 for another three years subject to compliance with the applicable Listing Rules
Price :	The selling prices of the merchandise will be the standard wholesale prices or with a trade discount ranging from 5 per cent. to 10 per cent., due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days

Transactions regarding the Sales of Merchandise were disclosed in the announcement dated 30th May, 2002 of the Company and the circular dated 20th June, 2002 of the Company and were approved by the then Independent Shareholders at the special general meeting of the Company held on 8th July, 2002. A waiver from strict compliance with the disclosure and independent shareholders' approval requirements under the Listing Rules for the three financial years ended 31st March, 2005 was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the Sales of Merchandise.

The Sales of Merchandise by the Group to the DTG Group for the two financial years ended 31st March, 2003 and 31st March, 2004 were HK\$68,289,000 and HK\$99,400,000 respectively.

The Directors propose that the annual caps for the Sales of Merchandise under the Agreement for the three financial years ending 31st March, 2006, 31st March, 2007 and 31st March, 2008 will be HK\$102 million, HK\$120 million and HK\$157 million respectively ("Annual Caps"). The Annual Caps are derived based on the annual historical value of branded merchandise sold, the estimated annual sales growth, taking into account the DTG Group's plans for further expansion of its retail network, and the prevailing and anticipated market conditions.

LETTER FROM THE BOARD

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group wholesales merchandise of different brand names including apparel, accessories and watches, of which the Group owns the distribution rights of the respective merchandise in Asia, to the DTG Group. The selling prices of the merchandise to the DTG Group are equal to the standard wholesale prices or with a trade discount ranging from 5 per cent. to 10 per cent. which are no less favourable to the Group than those available to or from (as appropriate) independent third parties. The trade discount is given to the members of the DTG Group in Malaysia and Singapore as promotional and brand building subsidy where the Group does not have a direct presence.

The Directors consider that the Continuing Connected Transactions will continue to be conducted in the ordinary and usual course of business of the Group and on a frequent basis. Accordingly, it would be impracticable and too costly for the Group to negotiate with each group company of the DTG Group in respect of the Continuing Connected Transactions, or to make press announcements and/or seek Independent Shareholders' prior approval for the Continuing Connected Transactions as each of the relevant transactions arises, and hence the entering into of the Agreement in the form of a master agreement will be beneficial to the Company and its shareholders as a whole. The Agreement is in line with the principal activity of the sale of luxury goods of the Group and will ensure continuous business growth and contribute to the Group's turnover and profits. The Directors are of the view that the terms of the Agreement are on normal commercial terms which were negotiated at arm's length, in the ordinary and usual course of business, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The DTG Group is wholly-owned by Mr. Dickson Poon, a Director and substantial shareholder of the Company, and is deemed to be a connected person for the purpose of the Listing Rules. Accordingly, the Sales of Merchandise under the Agreement constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules, and are therefore subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Rules 14A.45 to 14A.48 and Rules 14A.37 to 14A.40 of the Listing Rules respectively.

The Company will therefore seek the approval of the Agreement and the Annual Caps by the Independent Shareholders in relation to the Continuing Connected Transactions on the following conditions :

- (a) the Annual Caps for the Continuing Connected Transactions for the three financial years ending 31st March, 2006, 31st March, 2007 and 31st March, 2008 will be HK\$102 million, HK\$120 million and HK\$157 million respectively;
- (b) the Continuing Connected Transactions will be entered into :
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms or, if there is no available comparison, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the Agreement on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole;

LETTER FROM THE BOARD

- (c) the independent non-executive Directors will review the Continuing Connected Transactions annually and confirm in the Company's next and successive annual reports that the Continuing Connected Transactions have been conducted in the manner as stated in paragraphs (a) and (b) above;
- (d) the auditors of the Company will review the Continuing Connected Transactions annually and confirm in a letter to the Board, a copy of which will be provided to the Stock Exchange, stating whether :
 - (i) the Continuing Connected Transactions have been approved by the Board;
 - (ii) the Continuing Connected Transactions have been entered into in accordance with the pricing policies as stated in the Agreement;
 - (iii) the Continuing Connected Transactions have been entered into in accordance with the terms of the Agreement; and
 - (iv) the Annual Caps set out in paragraph (a) above have been exceeded.

Where, for whatever reason, the auditors decline to accept the engagement or are unable to provide the letter referred to in paragraph (d) above, the Directors will contact the Listing Division of the Stock Exchange immediately;

- (e) details of the Continuing Connected Transactions in each financial year will be disclosed in the annual report of the Company for that financial year together with a statement of the opinion of the independent non-executive Directors and confirmation from the auditors of the Company referred to in paragraphs (c) and (d) above; and
- (f) the DTG Group will provide to the Stock Exchange an undertaking that, for so long as the Company's shares are listed on the Stock Exchange, it will provide the Company's auditors with full access to its relevant records for the purpose of the auditors' review of the Continuing Connected Transactions referred to in paragraph (d) above.

SPECIAL GENERAL MEETING

Set out on pages 18 to 19 of this circular is a notice convening the SGM to be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, 6th June, 2005 at 11:00 a.m.. The SGM will be held for the purpose of considering and, if thought fit, approving the Agreement and the Annual Caps in relation to the Continuing Connected Transactions. The vote of the Independent Shareholders at the SGM will be taken by poll.

Having made all reasonable enquires, as at the Latest Practicable Date, Mr. Dickson Poon and his associates are interested in and control the voting rights of 163,590,180 shares, representing 57.99 per cent. of the issued share capital of the Company. The aforementioned shares are comprised of 136,827,037 shares disclosed in paragraph 2(a) of the appendix to this circular as Mr. Dickson Poon's total interests and 26,763,143 shares attributable to additional persons deemed to be associates of Mr. Dickson Poon pursuant to Rule 14A.11(4) of the Listing Rules. In view of the interest of Mr. Dickson Poon in the Continuing Connected Transactions, he and his associates will abstain from voting at the SGM.

LETTER FROM THE BOARD

A proxy form for use at the SGM is enclosed herewith. Whether or not you are able to attend the SGM in person, you are requested to complete and return the proxy form in accordance with the instructions printed thereon to the Hong Kong Branch Registrar of the Company, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or at any adjournment thereof should you so desire.

Pursuant to Bye-law 78 of the new Bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded :

- (a) by the chairman of the meeting; or
- (b) by at least three shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (d) by a shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from Anglo Chinese set out in this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders; and (ii) the letter from the Independent Board Committee set out in this circular which contains its advice to the Independent Shareholders.

The Board, having taken into account the advices of Anglo Chinese and the Independent Board Committee, considers that the Sales of Merchandise to the DTG Group are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole and the Annual Caps are fair and reasonable so far as the shareholders of the Company, as a whole, are concerned. Accordingly, the Board recommends that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreement and the Annual Caps in relation to the Continuing Connected Transactions.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

Yours faithfully,

For and on behalf of the Board of

DICKSON CONCEPTS (INTERNATIONAL) LIMITED

Raymond Lee

Deputy Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司*
(incorporated in Bermuda with limited liability)

18th May, 2005

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders in respect of the Agreement and the Annual Caps in relation to the Continuing Connected Transactions, details of which are set out in the letter from the Board in the circular dated 18th May, 2005 (the “Circular”) to the shareholders of the Company. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the letter of advice of Anglo Chinese set out in the Circular as well as the letter from the Board set out in the Circular.

In view of the information contained in the letter from the Board and taking into account the advice from Anglo Chinese, we consider that the Sales of Merchandise to the DTG Group are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole and the Annual Caps are fair and reasonable so far as the shareholders of the Company, as a whole, are concerned. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreement and the Annual Caps in relation to the Continuing Connected Transactions.

Yours faithfully,

For and on behalf of

Independent Board Committee

Bhanusak Asvaintra Nicholas Peter Etches Christopher Patrick Langley

Independent non-executive Directors

* For identification purpose only

LETTER FROM ANGLO CHINESE

The following is the text of the letter from Anglo Chinese to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

財務顧問有限公司
美高

40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

The Independent Board Committee
and the Independent Shareholders
Dickson Concepts (International) Limited
4th Floor, East Ocean Centre
98 Granville Road
Tsimshatsui East
Kowloon
Hong Kong

18th May, 2005

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sales of Merchandise by the Group to the DTG Group and the Annual Caps.

DTG Group is presently wholly-owned by Mr. Dickson Poon, the Executive Chairman of the Group and a substantial shareholder of the Company. Mr. Dickson Poon is a connected person under the definitions of the Listing Rules and, accordingly, the Sales of Merchandise by the Group to the DTG Group are connected transactions and require to be approved by the Independent Shareholders, being those shareholders of the Company, other than Mr. Dickson Poon and persons associated with him. Details of these transactions are contained in the circular of the Company dated 18th May, 2005 (the "Circular"), of which this letter forms part. Expressions used in this letter have the same meanings as defined in the Circular.

The Independent Board Committee, comprising the Company's three independent non-executive Directors, namely Messrs. Bhanusak Asvaintra, Nicholas Peter Etches and Christopher Patrick Langley, has been formed to consider whether the Sales of Merchandise are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole and the Annual Caps are fair and reasonable so far as the shareholders of the Company, as a whole, are concerned. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in these regards.

In formulating our recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors. We have also assumed that the information and representations contained or referred to it in the Circular were true and accurate at the time they were made and continued to be so at the date of the despatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the

LETTER FROM ANGLO CHINESE

information and representations provided to us by the Directors. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular. We have not, however, conducted an independent investigation into the affairs of the Group.

We consider we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation.

Apart from normal professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby Anglo Chinese will receive any benefits from Mr. Dickson Poon, the Company or any of their respective associates.

PRINCIPAL FACTORS

We have set out below the principal factors that we have taken into account in arriving at our advice to the Independent Board Committee and the Independent Shareholders.

Background

The Group, in its normal course of business, wholesales branded merchandise to which it owns the distribution rights in Asia, to the DTG Group. The branded merchandise includes apparel, accessories and watches. The branded merchandise is subsequently sold, by members of the DTG Group, primarily in Singapore and Malaysia, where the Group does not have a direct presence.

On 30th May, 2002, the Company announced these continuing connected transactions and sought approval from the then Independent Shareholders. Upon obtaining approval from its then Independent Shareholders, on 15th July, 2002 the Stock Exchange granted to the Company a waiver from strict compliance with the disclosure and approval requirements under the then Listing Rules for the three financial years ended 31st March, 2005. Details of the aforementioned waiver are set out in the circular of the Company dated 20th June, 2002 and the Company's annual report.

Terms of the Agreement

On 25th April, 2005, DCWL, a wholly-owned subsidiary of the Company, and a member of the DTG Group entered into the Agreement pursuant to which the Group will wholesale the branded merchandise to the DTG Group. The Agreement is for a term of three years ending 31st March, 2008 and can be terminated unilaterally by either party by serving three months prior written notice. The prices of the branded merchandise to be sold to the DTG Group will be at standard wholesale prices, or with a trade discount ranging from 5% to 10%. Payment for merchandise is to be settled in cash, with a payment credit period of 60 days from delivery of merchandise. The terms of the Agreement are on materially the same terms as the previous arrangements approved by the then Independent Shareholders and the waiver granted to the Company on 15th July, 2002.

We have reviewed, among other things, the terms of sale of merchandise given to independent third parties, gross margins and retail markups, wholesale price lists, sample invoices, and promotion and marketing expenses. The payment credit period given under the Agreement of 60 days from delivery of merchandise, is the same as that given to independent third parties. The trade discount is given to the members of the DTG Group as an advertising, promotion and brand building subsidy for the branded merchandise in Singapore and Malaysia as

LETTER FROM ANGLO CHINESE

the Group does not have any direct presence in these countries. As no other customer of the Group provides promotion and marketing services, there are no independent third parties of the Group to which a trade discount is given. In assessing the trade discount, we have considered: (i) the amount of promotion and marketing expenses incurred by the DTG Group in Singapore and Malaysia during the prior three financial years in relation to the branded merchandise; (ii) the aggregate amount of discount given during the same period; (iii) the proportional promotion and marketing expenses of the DTG Group in Singapore and Malaysia with that of the Group in Hong Kong; (iv) the marketing risk taken by the DTG Group by accepting to provide the promotion and marketing services in Singapore and Malaysia; and (v) the local expertise of the DTG Group in Singapore and Malaysia. A trade discount has been given to the DTG Group for the branded merchandise since the commencement of the Group's sales to the DTG Group. The success of the DTG Group's marketing efforts is evident in the increased purchase amounts of branded merchandise from the Group. During the five years ended 31st March, 2004, the Sales of Merchandise to the DTG Group were HK\$44.8 million, HK\$65.4 million, HK\$73.4 million, HK\$68.3 million and HK\$99.4 million, respectively, representing a compound annual growth rate of approximately 22.0%. Having reviewed and compared the terms of the Agreement, including the pricing terms, trade discount and payment credit period, we are satisfied that the terms of the Agreement are on normal commercial terms and equivalent to those which are given, or would be given, to or from independent third parties which engage in similar distribution of branded merchandise and associated brand building activities.

Reasons for the Sales of Merchandise to the DTG Group

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. It also has extensive experience in the development of retail distribution and brand building for international brands, and has used this experience in the development of such specialty retail shops in Singapore and Malaysia. As the Group does not have the local expertise or a direct presence in Singapore and Malaysia, the Directors believe that the Sales of Merchandise to, and the development of distribution by, the DTG Group in Singapore and Malaysia is in the interests of the Company. Given the Group's lack of expertise and direct presence in Singapore and Malaysia, and the potential risks involved in developing its own distribution in Singapore and Malaysia, we consider the Sales of Merchandise to the DTG Group is in the interests of the Company and its shareholders as a whole.

Annual Caps

The Directors propose that the annual caps for the Sales of Merchandise under the Agreement for the three financial years ending 31st March, 2008 to be HK\$102 million, HK\$120 million and HK\$157 million, respectively ("Annual Caps"). The Directors have determined the proposed Annual Caps with reference to the annual historical value of branded merchandise sold, the estimated annual sales growth, taking into account the DTG Group's plans for further expansion of its retail network, and the prevailing and anticipated market conditions. Having reviewed the calculations of the Annual Caps and the assumptions made, we consider the Annual Caps to be reasonable and in the interests of the Company and its shareholders as a whole.

LETTER FROM ANGLO CHINESE

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that the Sales of Merchandise to the DTG Group are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole and the Annual Caps are fair and reasonable so far as the shareholders of the Company, as a whole, are concerned. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreement and the Annual Caps and that the Independent Board Committee advises the Independent Shareholders accordingly.

Yours faithfully,

For and on behalf of

Anglo Chinese Corporate Finance, Limited

Dennis Cassidy

Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

(a) Interests in the Company and associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange :

Dickson Concepts (International) Limited

Name of Director	Capacity	Ordinary shares of HK\$0.30 each				Total	Percentage (iii)
		Personal Interests	Family Interests	Corporate Interests	Other Interests		
Dickson Poon	Beneficial owner, interest of spouse and trust founder	12,764	1,000,000 (i)	–	135,814,273 (ii)	136,827,037	48.50
Edwin Ing	Beneficial owner	24,200	–	–	–	24,200	0.0086
Walter Josef Wuest	Beneficial owner	11,906,927	–	–	–	11,906,927	4.22

Note :

- (i) These shares are held by Ms. Yu Kwai Chu, Pearl, the spouse of Mr. Dickson Poon.
- (ii) These shares are held through two trusts. Among these shares, there is a short position of 14,800,000 underlying shares arising under an unlisted physically settled option given by one of the trustees of the aforesaid two trusts for the period from 6th November, 2004 to 5th November, 2005.
- (iii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

In addition, Mr. Dickson Poon is deemed to be interested in the share capital of all of the subsidiary and associated companies of the Company by virtue of his interest in the Company.

(b) Other Interests

- (i) Pursuant to a lease agreement dated 3rd February, 2005 entered into between Dickson Stores Pte Ltd (“Dickson Stores”), a member of the Group, and Dickson Investment

(Singapore) Pte. Ltd. (“Dickson Investment”), a member of the DTG Group and is wholly-owned by Mr. Dickson Poon, Dickson Investment leased to Dickson Stores a shopping space in a shopping mall in Singapore for a period of two years from 1st November, 2004 at a monthly rental payment of S\$27,560 (about HK\$131,516) for the first year and a monthly rental payment of S\$31,005 (about HK\$147,956) for the second year.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31st March, 2004 (being the date to which the latest published audited accounts of the Company were made up).

- (ii) Pursuant to a sublicense agreement dated 1st April, 1999 and entered into between a member of the Group and a member of the ST Dupont Group (i.e. S.T. Dupont S.A., which is owned as to 55.52 per cent. of its issued share capital by a trust established for the benefit of members of Mr. Dickson Poon’s family, and its subsidiary companies, and is principally engaged in the manufacture and distribution of luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches and fragrances), the Group is required to pay the ST Dupont Group royalties on the S.T. Dupont products which the Group distributes in China excluding Hong Kong. The royalties are calculated based on certain percentages on the wholesale turnover of S.T. Dupont products per year.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

- (iii) The following are interests of the Directors in businesses which compete or are likely to compete, either directly or indirectly, with the Group’s businesses :

- (aa) Mr. Walter Josef Wuest, an executive director of the Company, is a member of the supervisory board of S.T. Dupont S.A. and is deemed to have an interest in S.T. Dupont S.A. under Rule 8.10 of the Listing Rules. S.T. Dupont S.A. is owned as to 55.52 per cent. of its issued share capital by a trust established for the benefit of members of Mr. Dickson Poon’s family.

Certain subsidiary companies of S.T. Dupont S.A. carry on the sale of S.T. Dupont products in Hong Kong, China, Taiwan, Singapore and Malaysia and are deemed as competing with the wholesale and retail businesses of the Group. However, the S.T. Dupont brand is targeted at its own specific customer base which is attracted by its unique history and exclusive product range. Given the distinct features of the S.T. Dupont brand, the Group considers that its interests are adequately safeguarded. The day to day operations of the Group and the ST Dupont Group are managed by two distinct management teams based in Hong Kong and France respectively except for Mr. Walter Josef Wuest who as aforementioned is one of the three supervisory board members.

In order to further safeguard the interests of the Group, those directors of the Company not interested in this competing business would on a regular basis review the businesses and operations of the Group to ensure that its businesses are run on the basis that they are independent of, and at arm's length from, these subsidiary companies of S.T. Dupont S.A..

- (bb) Mr. Dickson Poon is a director of Artland Watch Company Limited (“Artland”) and Precision Watch Company Limited (“Precision”) and the ultimate shareholder of the Artland Group (i.e. Artland and Precision, together with their subsidiary companies) which is engaged in the sale of watches, jewellery and fashion products in Hong Kong and China. These businesses are deemed as competing with the wholesale and retail businesses of the Group. However, the Artland Group targets its own specific customer base which is attracted by its unique history, reputation and image. Given the distinct features of the Artland Group's customer base, the Group considers that its interests are adequately safeguarded. The day to day operations of the Group and the Artland Group are managed by two distinct management teams except for Mr. Dickson Poon who as aforementioned is one of the four board members of Artland and one of the five board members of Precision.

In order to further safeguard the interests of the Group, those directors of the Company not interested in this competing business would on a regular basis review the businesses and operations of the Group to ensure that its businesses are run on the basis that they are independent of, and at arm's length from, the Artland Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests which compete or are likely to compete, either directly or indirectly, with the Group's businesses.

3. SUBSTANTIAL SHAREHOLDERS AND OTHERS

- (a) Save as disclosed below, as at the Latest Practicable Date, the Directors are not aware of any person (other than a Director or chief executive) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO :

Name of shareholder	Ordinary shares of HK\$0.30 each	Percentage ^(iv)	Capacity
Yu Kwai Chu, Pearl	136,827,037 (i)	48.50	Beneficial owner and interest of spouse
Dickson Investment Holding Corporation ("DIHC")	135,814,273 (ii)	48.14	Trustee
Paicolex Trust Company (BVI) Limited ("Paicolex BVI")	135,814,273 (ii)	48.14	Trustee
Paicolex Trust Management AG ("Paicolex AG")	135,814,273 (ii)	48.14	Trustee
JP Morgan Chase & Co. ("JP Morgan")	22,114,728 (iii)	7.84	Investment manager and custodian corporation/ approved lending agent

Note :

- (i) These include a personal interest in 1,000,000 shares and a family interest attributable to Mr. Dickson Poon, the spouse of Ms. Pearl Yu, in 135,827,037 shares (among these shares, there is a short position of 14,800,000 underlying shares arising under an unlisted physically settled option given by DIHC for the period from 6th November, 2004 to 5th November, 2005). Mr. Dickson Poon is a director of DIHC.
 - (ii) These shares refer to the same block of shares. DIHC, Paicorex BVI and Paicorex AG are trustees of two trusts. These shares are also included in the 135,814,273 shares which were disclosed as "Other Interests" of Mr. Dickson Poon in the Directors' Interests section of this appendix. Among these shares, there is a short position of 14,800,000 underlying shares arising under an unlisted physically settled option given by DIHC for the period from 6th November, 2004 to 5th November, 2005.
 - (iii) These shares are held through companies controlled by JP Morgan and among which, 6,430,728 shares belonged to a lending pool.
 - (iv) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.
- (b) Save as disclosed below, as at the Latest Practicable Date, the Directors are not aware of any person (other than a Director) who was directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital :

Name of member of the Group	Name of shareholder	Number of shares held	Percentage of shareholding
Ining Investments Limited	Golden Eagle Investment Limited	1	10

4. SERVICE CONTRACT

None of the Directors has entered or is proposing to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation other than statutory compensation).

5. NO MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 31st March, 2004 (being the date to which the latest published audited accounts of the Company were made up).

6. QUALIFICATION OF EXPERT

Name	Qualifications
Anglo Chinese Corporate Finance, Limited	A deemed licensed corporation under the SFO permitted to engage in types 1, 4, 6 and 9 of the regulated activities as defined in the SFO

As at the Latest Practicable Date, Anglo Chinese does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Anglo Chinese does not have any interests, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31st March, 2004 (being the date to which the latest published audited accounts of the Company were made up).

7. CONSENT OF EXPERT

Anglo Chinese has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or the references to its name in the form and context in which it appears in this circular.

8. GENERAL

The English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours up to and including 6th June, 2005 at the office of the Company at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong :

- (a) the Agreement;
- (b) the letter from the Independent Board Committee, the text of which was set out on page 8 of this circular.
- (c) the letter from Anglo Chinese the text of which was set out on pages 9 to 12 of this circular; and
- (d) the written consent referred to in paragraph 7 of this appendix in this circular.

NOTICE OF SPECIAL GENERAL MEETING



DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司*

(incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of Dickson Concepts (International) Limited (the “Company”) will be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, 6th June, 2005 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as an ordinary resolution of the Company :

ORDINARY RESOLUTION

“**THAT** the Agreement and the annual caps in relation to the Continuing Connected Transactions (as respectively defined and described in the circular of the Company dated 18th May, 2005 and despatched to the shareholders of the Company, a copy of which has been produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and are hereby generally and unconditionally approved, ratified and confirmed and the Directors of the Company be and are hereby authorised to take all steps necessary or expedient in their opinion in respect of the Continuing Connected Transactions.”

By Order of the Board

DICKSON CONCEPTS (INTERNATIONAL) LIMITED

Or Suk Ying, Stella

Company Secretary

Hong Kong, 18th May, 2005

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A member may appoint a proxy in respect of part only of his holding of shares in the Company. A proxy need not also be a member of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company’s Hong Kong Branch Registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event before 11:00 a.m. on Saturday, 4th June, 2005.

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

3. As at the date of this Notice, the Board of Directors of the Company 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