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DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0113)

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

- A. The Board announces that on 27th March, 2009, the S&P Agreement was entered into between STD Investment, a member of the ST Dupont Group, as vendor and DTA, an indirect wholly-owned subsidiary company of the Company, as purchaser regarding purchase of the Assets by the Group with effect from the close of business on 31st March, 2009 for a total consideration of NT\$17,407,821 (equivalent to approximately HK\$3,996,000) (“the Consideration”), being the total net asset value of the Assets as at 31st March, 2009. The Group will pay the Consideration in cash to STD Investment on 31st March, 2009.

As the ST Dupont Group is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company, the ST Dupont Group is deemed to be a connected person of the Company for the purpose of the Listing Rules. Accordingly, the S&P Agreement constitutes a Connected Transaction of the Company under Rule 14A.13(1) of the Listing Rules. Given that the Consideration under the S&P Agreement represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the S&P Agreement is subject to reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and no Independent Shareholders’ approval is required.

- B. The Board also announces that on 27th March, 2009, twelve separate renewal agreements regarding sales and purchases of merchandise, provision of management and/or supporting services, provision of interior design services, licensing of a sales corner, payment of sublicense fees and provision of advertising, marketing 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”), licensing of a sales corner by the Group (“Agreement No. 6”) and payment of sublicense fees by the Group (“Agreement No. 7”); (II) Artland Group regarding sales of merchandise by the Group (“Agreement No. 8”) and purchases of merchandise by the Group (“Agreement No. 9”); (III) Dickson Communications regarding provision of advertising, marketing and

promotion services to the Group (“Agreement No. 10”); and (IV) Singapore 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 further period of 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 and the Singapore 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 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 Singapore 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; and (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 and 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.

Given that (i) the maximum aggregate annual caps payable by the Group under the Agreements Nos. 3 and 12; (ii) the maximum aggregate annual caps receivable by the Group under the Agreements Nos. 4a and 4b and 5; and (iii) the maximum annual caps receivable/payable by the Group under each of the Agreements Nos. 6, 9, 10 and 11 each represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the Agreements Nos. 3, 4a and 4b, 5, 6, 9, 10, 11 and 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.

While the maximum annual caps receivable/payable by the Group under each of the Agreements Nos. 1, 2, 7 and 8 each represents more than 2.5 per cent. of the consideration ratios (though the other applicable percentage ratios are all less than 2.5 per cent.) of the Company, the Agreements Nos. 1, 2, 7 and 8 are subject to reporting, announcement, circular, Independent Shareholders’ approval and annual review requirements under Rules 14A.45 to 14A.54 and Rules 14A.37 to 14A.40 of the Listing Rules respectively.

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Agreements Nos. 1, 2, 7 and 8 and their relevant maximum annual caps. In connection therewith, Platinum Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

A circular containing, among other matters, (i) the details of the Agreements Nos. 1, 2, 7 and 8; (ii) the advice of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the SGM will be despatched to the shareholders of the Company as soon as practicable.

A. CONNECTED TRANSACTION

The Board announces that on 27th March, 2009, the S&P Agreement was entered into between STD Investment, a member of the ST Dupont Group, as vendor and DTA, an indirect wholly-owned subsidiary of the Company, as purchaser regarding purchase of the Assets by the Group with effect from the close of business on 31st March, 2009 for a total consideration of NT\$17,407,821 (equivalent to approximately HK\$3,996,000) (“the Consideration”), being the total net asset value of the Assets as at 31st March, 2009, as detailed below :-

Purchase of the Assets by the Group

- S&P Agreement

Vendor:	STD Investment
Purchaser:	DTA
Subject:	Pursuant to the S&P Agreement, the ST Dupont Group will sell the Assets to the Group with effect from the close of business on 31st March, 2009
Consideration:	NT\$17,407,821 (equivalent to approximately HK\$3,996,000), being the total net asset value of the Assets as at 31st March, 2009. The original cost of the Assets is NT\$28,667,122 and total provision made for depreciation and impairment is NT\$11,259,301
Payment Term:	The Group will pay the Consideration in cash to the ST Dupont Group on 31st March, 2009

REASONS FOR THE CONNECTED TRANSACTION

The Group has a proven track record in developing and managing the retail and wholesale distribution of brand named lifestyle fashion apparel and accessories. The Directors believe that with the Group’s existing Taiwan retail network, the sale of the S.T. Dupont products under the right granted by the ST Dupont Group in Taiwan would contribute to the Group’s turnover as well as profits. The entering into of the S&P Agreement is a practical and commercial decision of the Group and is in line with the Group’s principal activity of the sales of luxury goods in Asia and will ensure continuous business growth.

The Directors, including the independent non-executive Directors, consider that the entering into of the S&P Agreement is in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable and were negotiated at arm’s length, and are no less favourable to the Group than those available to independent third parties. The terms of the S&P Agreement are also in the interests of the Company and its shareholders as a whole, and the Consideration is fair and reasonable.

LISTING RULES IMPLICATIONS

As the ST Dupont Group is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company as disclosed in the “General” section below, the ST Dupont Group is deemed to be a connected person of the Company for the purpose of the Listing Rules. Accordingly, the S&P Agreement constitutes a Connected Transaction of the

Company under Rule 14A.13(1) of the Listing Rules. Given that the Consideration under the S&P Agreement represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the S&P Agreement is subject to reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and no Independent Shareholders' approval is required.

B. CONTINUING CONNECTED TRANSACTIONS

The Board also announces that on 27th March, 2009, twelve separate renewal agreements regarding sales and purchases of merchandise, provision of management and/or supporting services, provision of interior design services, licensing of a sales corner, payment of sublicense fees and provision of advertising, marketing 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"), licensing of a sales corner by the Group ("Agreement No. 6") and payment of sublicense fees by the Group ("Agreement No. 7"); (II) Artland Group regarding sales of merchandise by the Group ("Agreement No. 8") and purchases of merchandise by the Group ("Agreement No. 9"); (III) Dickson Communications regarding provision of advertising, marketing and promotion services to the Group ("Agreement No. 10"); and (IV) Singapore 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 further period of 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, an indirect wholly-owned subsidiary company of the Company, as seller and STDM, a member of the ST Dupont Group, as purchaser entered into the Agreement No. 1 on 27th March, 2009 regarding the sales of certain merchandise by the Group to the ST Dupont Group for a period of three years commencing from 1st April, 2009 which will supersede the merchandise sale and purchase agreement dated 27th March, 2006 ("Old Agreement No. 1") upon its expiry on 31st March, 2009 as detailed below :-

Seller: DCL

Purchaser: STDM

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 Singapore Group as disclosed in the announcement of the Company dated 25th March, 2008 and approved by the Independent Shareholders at the special general meeting of the Company held on 30th April, 2008 and brands and products to be sold to the Artland Group under the Agreement No. 8)

Term: The Agreement No. 1 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 1 in writing prior to expiry on 31st March, 2012 for another three years subject to compliance with the applicable Listing Rules

Selling Price: The selling prices of the obsolete merchandise are set at the Group’s purchase cost of the obsolete merchandise while the selling prices of other merchandise are set at the standard wholesale prices of the Group, due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days

The details of the Old Agreement No. 1 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps received/receivable by the Group for the sales of merchandise to the ST Dupont Group under the Old Agreement No.1 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$18,280,000 and HK\$23,764,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$10,102,000 which was below the maximum annual cap of HK\$18,280,000.

The maximum annual caps 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, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$18,596,000, HK\$22,316,000 and HK\$26,780,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said sales of merchandise to the ST Dupont Group, the market trend, the estimated annual growth of the said sales, the ST Dupont Group’s plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the estimated full year figure of HK\$15,496,000 based on the actual sales of HK\$7,748,000 for the six months ended 30th September, 2008.

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

STDM, a member of the ST Dupont Group, as seller and DCL, an indirect wholly-owned subsidiary company of the Company, as purchaser entered into the Agreement No. 2 on 27th March, 2009 regarding the purchases of certain merchandise by the Group from the ST Dupont Group for a period of three years commencing from 1st April, 2009 which will supersede the merchandise sale and purchase agreement dated 27th March, 2006 (“Old Agreement No. 2”) upon its expiry on 31st March, 2009 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. 9 and the Singapore Group under the Agreement No. 11)

Term: The Agreement No. 2 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 2 in writing prior to expiry on 31st March, 2012 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 details of the Old Agreement No. 2 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps paid/payable by the Group for the purchases of merchandise from the ST Dupont Group under the Old Agreement No. 2 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$19,790,000 and HK\$25,727,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$10,356,000 which was below the maximum annual cap of HK\$19,790,000.

The maximum annual caps 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, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$21,006,000, HK\$25,208,000 and HK\$30,250,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said purchases of merchandise from the ST Dupont Group, the market trend, the estimated annual growth of the said purchases, the Group's plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 30 per cent. (of which 10 per cent. for the sale of S.T. Dupont products in Taiwan after the signing of the S&P Agreement) for the first year and then 20 per cent. thereafter of the estimated full year figure of HK\$16,158,000 based on the actual purchases of HK\$8,079,000 for the six months ended 30th September, 2008.

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

STDJKK, a member of the ST Dupont Group, as service provider and DMJKK, an indirect wholly-owned subsidiary company of the Company, as service receiver entered into the Agreement No. 3 on 27th March, 2009 regarding the renewal of the management agreement dated 8th February, 2000 as amended by a renewal management agreement dated 27th March, 2006 (together “Old Agreement No. 3”) in respect of the provision of management services by the ST Dupont Group to the Group upon its expiry on 31st March, 2009 for a further period of three years commencing from 1st April, 2009 as detailed below :-

Service Provider: STDJKK

Service Receiver: DMJKK

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

The Agreement No. 3 renewed the term of the Old Agreement No. 3 for a further period of three years commencing from 1st April, 2009 upon its expiry on 31st March, 2009

Term: The Agreement No. 3 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 3 in writing prior to expiry on 31st March, 2012 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 DMJKK, excluding value added tax, plus 20 per cent. of annual pre-tax profit of DMJKK, with a maximum of 20 million Yen (approximately HK\$1.6 million) and this management fee shall be payable in cash on a yearly basis with a credit period of up to 45 days

The details of the Old Agreement No. 3 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps paid/payable by the Group for the receipt of management services from the ST Dupont Group under the Old Agreement No. 3 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$158,000 and HK\$206,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$65,000 which was below the maximum annual cap of HK\$158,000.

The maximum annual caps payable by the Group for the receipt of management services from the ST Dupont Group under the Agreement No. 3 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$78,000, HK\$94,000 and HK\$113,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said management fees paid by the Group in respect of the receipt of management services from the ST Dupont Group, the estimated annual turnover and annual pre-tax profit of DMJKK, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the historical figure of the said management fee paid by the Group of HK\$65,000 for the financial year ended 31st March, 2008.

D. Provision of Management and Supporting Services

- Renewal Services Agreement (“Agreement No. 4a”) together with Renewal Agreement on Personnel (“Agreement No. 4b”)

DCL, an indirect wholly-owned subsidiary company of the Company, as service provider and STDM, a member of the ST Dupont Group, as service receiver entered into the Agreements Nos. 4a and 4b on 27th March, 2009 regarding the renewal of each of (i) the services agreement dated 22nd January, 2003 as amended by a renewal services agreement dated 27th March, 2006 (together “Old Agreement No. 4a”); and (ii) the agreement on personnel dated 22nd January, 2003 as amended by a renewal agreement dated 27th March, 2006 (together “Old Agreement No. 4b”) in respect of the provision of certain management and supporting services by the Group to the ST Dupont Group upon its expiry on 31st March, 2009 for a further period of three years commencing from 1st April, 2009 as detailed below :-

Service Provider: DCL

Service Receiver: STDM

Subject: Pursuant to the Old Agreements Nos. 4a and 4b, (i) the Group provided office and warehouse space, stock management services, centralised administrative and supporting functions including management, stock control and information technology to the ST Dupont Group; 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

The Agreements Nos. 4a and 4b renewed the term of the Old Agreements Nos. 4a and 4b for a further period of three years commencing from 1st April, 2009 upon their expiry on 31st March, 2009 respectively

Term: Each of the Agreements Nos. 4a and 4b has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. 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 the Agreements Nos. 4a and 4b in writing prior to expiry on 31st March, 2012 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 in cash on a monthly basis with a credit period of up to 30 days

The details of the Old Agreements Nos. 4a and 4b were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps received/receivable by the Group for the provision of management and supporting services to the ST Dupont Group under the Old Agreements Nos. 4a and 4b for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$15,382,000 and HK\$19,997,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$5,373,000 which was below the maximum annual cap of HK\$15,382,000.

The maximum annual caps 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, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$8,676,000, HK\$10,412,000 and HK\$12,495,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said service fees received by the Group in respect of the

provision of management and supporting services to the ST Dupont Group, the said services estimated to be required by the ST Dupont Group, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the estimated full year figure of HK\$7,230,000 based on the actual receipt of service fees by the Group of HK\$3,615,000 for the six months ended 30th September, 2008.

E. Provision of Interior Design Services

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

DIDL, an indirect wholly-owned subsidiary company of the Company, as service provider and STDM, a member of the ST Dupont Group, as service receiver entered into the Agreement No. 5 on 27th March, 2009 regarding the provision of interior design services by the Group to the ST Dupont Group for a period of three years commencing from 1st April, 2009 which will supersede the interior design services agreement dated 27th March, 2006 (“Old Agreement No. 5”) upon its expiry on 31st March, 2009 as detailed below :-

Service Provider: DIDL

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: The Agreement No. 5 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 5 in writing prior to expiry on 31st March, 2012 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. (which is derived in accordance with industry practice) 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 in cash on a contract phase completion basis with a credit period of up to 30 days

The details of the Old Agreement No. 5 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps received/receivable by the Group for the provision of interior design services to the ST Dupont Group under the Old Agreement No. 5 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$1,138,000 and HK\$1,480,000 respectively as previously disclosed in the

announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$31,000 which was below the maximum annual cap of HK\$1,138,000.

The maximum annual caps 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, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$387,000, HK\$465,000 and HK\$558,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said service fees received by the Group in respect of the provision of interior design services to the ST Dupont Group, the said services estimated to be required by the ST Dupont Group, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the estimated full year figure of HK\$322,000 based on the actual receipt of service fees by the Group of HK\$161,000 for the six months ended 30th September, 2008.

F. Licensing of a Sales Corner
- Licence Agreement (“Agreement No. 6”)

HKSE, an indirect wholly-owned subsidiary company of the Company, as grantor and STD M, a member of the ST Dupont Group, as licensee entered into the Agreement No. 6 on 27th March, 2009 regarding the licensing of a sales corner in the Pacific Place Seibu Store by the Group to the ST Dupont Group for a period of two years commencing from 2nd April, 2009 which will supersede the licence agreement dated 26th March, 2007 (“Old Agreement No. 6”) upon its expiry on 1st April, 2009 as detailed below :-

Grantor:	HKSE
Licensee:	STD M
Premises:	A sales corner in the Pacific Place Seibu Store
Area:	About 762 sq. ft.
Period:	Two years commencing from 2nd April, 2009 and expiring on 1st April, 2011 (both days inclusive)
Licence Fee:	Based on a certain percentage of the monthly sales made at the sales corner but subject to a minimum monthly licence fee payment of HK\$213,360 (which is derived in accordance with the prevailing market rental within the Pacific Place Seibu Store), to be paid in cash within 20 days from the end of each month in arrears

The details of the Old Agreement No. 6 were disclosed in the announcement of the Company dated 26th March, 2007.

STDM has been the licensee of the above premises since 2nd April, 2005. The maximum annual caps received/receivable by HKSE for the licensing of the same sales corner under the Old Agreement No. 6 for the financial years ended/ending 31st March, 2008, 31st March, 2009 and 31st March, 2010 are HK\$3,102,000 (11 months and 29 days), HK\$4,044,000 and HK\$15,000 (one day) respectively as previously disclosed in the announcement of the Company dated 26th March, 2007. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$2,711,000 (11 months and 29 days) which was below the maximum annual cap of HK\$3,102,000.

The maximum annual caps receivable by the Group for the licensing of the sales corner in the Pacific Place Seibu Store under the Agreement No. 6 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$3,255,000 (11 months and 29 days), HK\$3,906,000, HK\$14,000 (one day) 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said licence fees received by the Group from the ST Dupont Group in respect of the licensing of the sales corner in the Pacific Place Seibu Store, the size and location of the sales corner in the Pacific Place Seibu Store, the market rental within the Pacific Place Seibu Store, the prestige of the relevant brand and its products, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the historical figure of the said licence fees received by the Group of HK\$2,720,000 for the financial year ended 31st March, 2008.

G. Payment of Sublicence Fees
- Renewal Sublicence Agreement (“Agreement No. 7”)

STDM, a member of the ST Dupont Group, as licensor and Bondwood, an indirect wholly-owned subsidiary company of the Company, as licensee entered into the Agreement No. 7 on 27th March, 2009 regarding the renewal of the sublicence agreement dated 1st April, 1999 as amended by a renewal sublicence agreement dated 27th March, 2006 (together “Old Agreement No. 7”) in respect of the granting of a sublicence by the ST Dupont Group to the Group for the use of various S.T. Dupont trademarks and logos under which S.T. Dupont products are marketed, sold and manufactured upon its expiry on 31st March, 2009 for a further period of three years commencing from 1st April, 2009 as detailed below :-

Licensor: STDM

Licensee: Bondwood

Subject: Pursuant to the Old Agreement No. 7, the ST Dupont Group granted to the Group a sublicence for the use of various S.T. Dupont trademarks and logos under which S.T. Dupont products are marketed, sold, and manufactured within the limits of the PRC (excluding Hong Kong). The Group paid to the ST Dupont Group sublicence fees in respect of S.T. Dupont products which the Group distributes in the PRC

(excluding Hong Kong) in its capacity as both retailer and wholesaler

The Agreement No. 7 (i) renewed the term of the Old Agreement No. 7 for a further period of three years commencing from 1st April, 2009 upon its expiry on 31st March, 2009; and (ii) expanded the term “Territory” as defined in the Old Agreement No. 7 to include Taiwan

Term: The Agreement No. 7 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 7 in writing prior to expiry on 31st March, 2012 for another three years subject to compliance with the applicable Listing Rules

Sublicence Fee: The sublicence fees are calculated based on certain percentages (which is in line with market practice) on each of the retail and wholesale 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 in cash on a quarterly basis with a credit period of up to 45 days

The details of the Old Agreement No. 7 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps paid/payable by the Group for the payment of sublicence fees in respect of S.T. Dupont products distributed by the Group in the PRC (excluding Hong Kong) under the Old Agreement No. 7 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$37,370,000 and HK\$44,097,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$19,482,000 which was below the maximum annual cap of HK\$37,370,000.

The maximum annual caps payable by the Group for the payment of sublicence fees in respect of S.T. Dupont products distributed by the Group in the PRC (excluding Hong Kong) and Taiwan under the Agreement No. 7 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$33,722,000, HK\$40,467,000 and HK\$48,561,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said 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 market trend, the estimated annual growth of both the retail and wholesale turnover of S.T. Dupont products distributed in the PRC (excluding Hong Kong) and Taiwan, the Group’s plan for further expansion of its retail network in the PRC and Taiwan, the prevailing and the expected market conditions as well as the input of the

management and general managers based on their experience and expertise. The estimated growth rate representing about 30 per cent. (of which 10 per cent. for the sale of S.T. Dupont products in Taiwan after the signing of the S&P Agreement) for the first year and then 20 per cent. thereafter of the estimated full year figure of HK\$25,940,000 based on the actual payment of sublicense fees by the Group of HK\$12,970,000 for the six months ended 30th September, 2008.

(II) CONTINUING CONNECTED TRANSACTIONS WITH THE ARTLAND GROUP

A. Sales of Merchandise

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

Castlereagh, a direct wholly-owned subsidiary company of the Company, as seller and Artland Watch and Precision Watch, both of which are members of the Artland Group, as purchasers entered into the Agreement No. 8 on 27th March, 2009 regarding the sales of certain merchandise by the Group to the Artland Group for a period of three years commencing from 1st April, 2009 which will supersede the merchandise sale and purchase agreement dated 27th March, 2006 (“Old Agreement No. 8”) upon its expiry on 31st March, 2009 as detailed below :-

Seller:	Castlereagh
Purchasers:	Artland Watch Precision Watch
Subject:	Pursuant to the Agreement No. 8, 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 Singapore Group as disclosed in the announcement of the Company dated 25th March, 2008 and approved by the Independent Shareholders at the special general meeting of the Company held on 30th April, 2008 and brands and products to be sold to the ST Dupont Group under the Agreement No. 1)
Term:	The Agreement No. 8 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 8 in writing prior to expiry on 31st March, 2012 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 details of the Old Agreement No. 8 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps received/receivable by the Group for the sales of merchandise to the Artland Group under the Old Agreement No. 8 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$16,813,000 and HK\$21,857,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$12,639,000 which was below the maximum annual cap of HK\$16,813,000.

The maximum annual caps receivable by the Group for the sales of merchandise to the Artland Group under the Agreement No. 8 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$18,420,000, HK\$22,104,000 and HK\$26,525,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said sales of merchandise to the Artland Group, the market trend, the estimated annual growth of the said sales, the Artland Group's plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the estimated full year figure of HK\$15,350,000 based on the actual sales of HK\$7,675,000 for the six months ended 30th September, 2008.

B. Purchases of Merchandise

- Merchandise Sale and Purchase Agreement (“Agreement No. 9”)

Artland Watch and Precision Watch, both of which are members of the Artland Group, as sellers and DCL, an indirect wholly-owned subsidiary company of the Company, as purchaser entered into the Agreement No. 9 on 27th March, 2009 regarding the purchases of certain merchandise by the Group from the Artland Group for a period of three years commencing from 1st April, 2009 which will supersede the merchandise sale and purchase agreement dated 27th March, 2006 (“Old Agreement No. 9”) upon its expiry on 31st March, 2009 as detailed below :-

Sellers: Artland Watch
Precision Watch

Purchaser: DCL

Subject: Pursuant to the Agreement No. 9, 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 Singapore Group under the Agreement No. 11)

- Term:** The Agreement No. 9 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the Agreement No. 9 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 No. 9 in writing prior to expiry on 31st March, 2012 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 details of the Old Agreement No. 9 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps paid/payable by the Group for the purchases of merchandise from the Artland Group under the Old Agreement No. 9 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$12,666,000 and HK\$16,466,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the year ended 31st March, 2008 was HK\$1,334,000 which was below the maximum annual cap of HK\$12,666,000.

The maximum annual caps payable by the Group for the purchases of merchandise from the Artland Group under the Agreement No. 9 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$1,601,000, HK\$1,922,000 and HK\$2,307,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said purchases of merchandise from the Artland Group, the market trend, the estimated annual growth of the said purchases, the Group's plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the historical figure of the said purchases of HK\$1,334,000 for the financial year ended 31st March, 2008.

(III) CONTINUING CONNECTED TRANSACTION WITH DICKSON COMMUNICATIONS

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

Dickson Communications as service provider and DCL, an indirect wholly-owned subsidiary company of the Company, as service receiver entered into the Agreement No. 10 on 27th March, 2009 regarding the provision of certain advertising, marketing and promotion services by Dickson Communications to the Group for a period of three years commencing from 1st April, 2009 which will supersede the promotional services agreement dated 27th March, 2006 (“Old

Agreement No. 10”) upon its expiry on 31st March, 2009 as detailed below :-

Service Provider: Dickson Communications

Service Receiver: DCL

Subject: Pursuant to the Agreement No. 10, Dickson Communications will provide certain advertising, marketing and promotion services to the Group

Term: The Agreement No. 10 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 10 in writing prior to expiry on 31st March, 2012 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. (which is derived in accordance with industry practice) 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 in cash on a monthly basis with a credit period of up to 30 days

The details of the Old Agreement No. 10 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps paid/payable by the Group to Dickson Communications in respect of the receipt of advertising, marketing and promotion services from Dickson Communications under the Old Agreement No. 10 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$26,937,000 and HK\$40,406,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$10,182,000 which was below the maximum annual cap of HK\$26,937,000.

The maximum annual caps payable by the Group for the receipt of advertising, marketing and promotion services from Dickson Communications under the Agreement No. 10 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$12,219,000, HK\$14,663,000 and HK\$17,596,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said service fees paid by the Group in respect of the receipt of advertising, marketing and promotion services from Dickson Communications, the said services estimated to be required by the Group, the Group’s plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their

experience and expertise. The estimated annual growth rate representing about 20 per cent. of the historical figure of the said service fees paid by the Group of HK\$10,182,000 for the financial year ended 31st March, 2008.

(IV) CONTINUING CONNECTED TRANSACTIONS WITH THE SINGAPORE GROUP

A. Purchases of Merchandise

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

DTS, a member of the Singapore Group, as seller and Dickson Stores, an indirect wholly-owned subsidiary company of the Company, as purchaser entered into the Agreement No. 11 on 27th March, 2009 regarding the purchases of certain merchandise by the Group from the Singapore Group for a period of three years commencing from 1st April, 2009 which will supersede the merchandise sale and purchase agreement dated 27th March, 2006 (“Old Agreement No. 11”) upon its expiry on 31st March, 2009 as detailed below :-

Seller: DTS

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 Singapore 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. 9)

Term: The Agreement No. 11 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 11 in writing prior to expiry on 31st March, 2012 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 details of the Old Agreement No. 11 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps paid/payable by the Group for the purchases of merchandise from the Singapore Group under the Old Agreement No. 11 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$1,007,000 and HK\$1,259,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction

amount for the financial year ended 31st March, 2008 was HK\$73,000 which was below the maximum annual cap of HK\$1,007,000.

The maximum annual cap payable by the Group for the purchases of merchandise from the Singapore Group under the Agreement No. 11 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$88,000, HK\$106,000 and HK\$128,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said purchases of merchandise from the Singapore Group, the market trend, the estimated annual growth of the said purchases, the Group's plan for further expansion of its retail network, the prevailing and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the historical figure of the said purchases of HK\$73,000 for the financial year ended 31st March, 2008.

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

DTS, a member of the Singapore Group, as service provider and Dickson Stores, an indirect wholly-owned subsidiary company of the Company, as service receiver entered into the Agreement No. 12 on 27th March, 2009 regarding the provision of certain management and supporting services by the Singapore Group to the Group for a period of three years commencing from 1st April, 2009 which will supersede the services agreement dated 27th March, 2006 (“Old Agreement No. 12”) upon its expiry on 31st March, 2009 as detailed below :-

Service Provider: DTS

Service Receiver: Dickson Stores

Subject: Pursuant to the Agreement No. 12, the Singapore 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: The Agreement No. 12 has a fixed term of three years commencing from 1st April, 2009 and ending on 31st March, 2012. Either party may terminate the 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 the Agreement No. 12 in writing prior to expiry on 31st March, 2012 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 Singapore Group in providing these services on a cost recovery basis to the Group and this service fee shall be payable in cash on a

monthly basis with no credit period

The details of the Old Agreement No. 12 were disclosed in the announcement of the Company dated 4th April, 2006.

The maximum annual caps paid/payable by the Group to the Singapore Group in respect of the receipt of management and supporting services from the Singapore Group under the Old Agreement No. 12 for the financial years ended/ending 31st March, 2008 and 31st March, 2009 are HK\$8,916,000 and HK\$11,591,000 respectively as previously disclosed in the announcement of the Company dated 4th April, 2006. The actual transaction amount for the financial year ended 31st March, 2008 was HK\$395,000 which was below the maximum annual cap of HK\$8,916,000.

The maximum annual caps payable by the Group for the receipt of management and supporting services from the Singapore Group under the Agreement No. 12 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$694,000, HK\$833,000 and HK\$1,000,000 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 (including the actual transaction amounts for the year ended 31st March 2008 and for the six months period ended 30th September, 2008) of the said service fees paid by the Group in respect of the receipt of management and supporting services from the Singapore 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 and the expected market conditions as well as the input of the management and general managers based on their experience and expertise. The estimated annual growth rate representing 20 per cent. of the estimated full year figure of HK\$578,000 based on the actual payment of service fees by the Group of HK\$289,000 for the six months ended 30th September, 2008.

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, Dickson Communications and the Singapore Group. These transactions involve sales and purchases of merchandise, provision of management and/or supporting services, provision of interior design services, licensing of sales corners, payment of sublicense fees and provision of advertising, marketing 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 8 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 Singapore Group under the Agreements Nos. 2, 9 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 and 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.

Housing of various brands in the Pacific Place Seibu Store will reinforce Hong Kong Seibu's status as one of the most prestigious store groups in Hong Kong. The continued licensing of the relevant sales corner in the Pacific Place Seibu Store under the Agreement No. 6 will ensure steady income to the Group.

In consideration of the granting of a sublicense for the use of various S.T. Dupont trademarks and logos in the PRC (excluding Hong Kong) and Taiwan under the Agreement No. 7, the Group is required to pay to the ST Dupont Group the sublicense fees for distributing S.T. Dupont products by the Group in the PRC (excluding Hong Kong) and Taiwan in its capacity as both retailer and wholesaler. It is believed that distributing of S.T. Dupont products in the PRC (excluding Hong Kong) and Taiwan can extend the Group's geographical reach and strengthen the Group's retail network in the PRC and Taiwan which can enable the Group to take advantage of any improving domestic consumer spending in those territories.

As Dickson Communications has provided advertising, marketing 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 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, provision of quality and reliable advertising, marketing and promotion services to the Group will be ensured.

Since the early 1980s, the Singapore 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 Singapore 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 (whose recommendation in respect of the Agreements Nos. 1, 2, 7 and 8 will be given in the circular to be despatched to the shareholders of the Company after taking into account the advice of the Independent Financial Adviser), 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 are fair and reasonable and were negotiated at arm's length, are no less favourable to the Group than those available to or from (as appropriate) independent third parties and are in the

interests of the Company and its shareholders as a whole, and that the relevant maximum annual caps are fair and reasonable.

LISTING RULES IMPLICATIONS

As each of the ST Dupont Group, the Artland Group, Dickson Communications and the Singapore Group is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company as disclosed in the “General” section below, 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 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 Singapore 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; and (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 and 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. As regards the sales and purchases of merchandise by the Company, each of the Agreements Nos. 1, 2, 8, 9 and 11 are viewed separately as different brands and types of products as well as different territories are involved. The Agreements Nos. 6, 7 and 10 are also viewed separately as they are of different nature and are related to the licensing of a sales corner in the Pacific Place Seibu Store, the payment of sublicense fees for distributing S.T. Dupont products by the Group in the PRC (excluding Hong Kong) and Taiwan and the receipt of advertising, marketing and promotion services by the Group in respect of various brands of the Group respectively.

In view of the above, (i) the maximum aggregate annual caps payable by the Group for the receipt of the management and/or supporting services from the ST Dupont Group and the Singapore Group under the Agreements Nos. 3 and 12 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$772,000, HK\$927,000 and HK\$1,113,000 respectively; and (ii) the maximum aggregate annual caps 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 and 4b and 5 for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be HK\$9,063,000, HK\$10,877,000 and HK\$13,053,000 respectively.

Given that (i) the maximum aggregate annual caps payable by the Group under the Agreements Nos. 3 and 12; (ii) the maximum aggregate annual caps receivable by the Group under the Agreements Nos. 4a and 4b and 5; and (iii) the maximum annual caps receivable/payable by the Group under each of the Agreements Nos. 6, 9, 10 and 11 each represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the Agreements Nos. 3, 4a and 4b, 5, 6, 9, 10, 11 and 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.

While the maximum annual caps receivable/payable by the Group under each of the Agreements Nos. 1, 2, 7 and 8 each represents more than 2.5 per cent. of the consideration ratios (though the other applicable percentage ratios are all less than 2.5 per cent.) of the

Company, the Agreements Nos. 1, 2, 7 and 8 are subject to reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Rules 14A.45 to 14A.54 and Rules 14A.37 to 14A.40 of the Listing Rules respectively.

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Agreements Nos. 1, 2, 7 and 8 and their relevant maximum annual caps. In connection therewith, Platinum Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

The SGM will be convened as soon as practicable at which resolutions will be proposed to approve the Agreements Nos. 1, 2, 7 and 8 and their relevant maximum annual caps. In view of the interest of Mr. Dickson Poon in the Agreements Nos. 1, 2, 7 and 8, he and his associates will abstain from voting at the SGM.

A circular containing, among other matters, (i) the details of the Agreements Nos. 1, 2, 7 and 8; (ii) the advice of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the SGM will be despatched to the shareholders of the Company as soon as practicable.

GENERAL

The Company is an investment holding company and the Group is principally engaged in the sale of luxury goods with a comprehensive retail network totalling 495 shops throughout Asia.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise :-

“Artland Group”	Artland Watch and Precision Watch, together with their subsidiary companies, which are principally engaged in the sale of watches and jewellery in Hong Kong
“Artland Watch”	Artland Watch Company Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Mr. Dickson Poon, together with its subsidiary companies, which are principally engaged in the sale of watches and jewellery in Hong Kong
“Assets”	Certain assets comprised of fixed assets (including leasehold improvements, furniture and fixture) and inventory (including lighters, writing instruments, leather goods, accessories, fragrances) as detailed in the S&P Agreement bearing the brand name of “S.T. Dupont” in Taiwan
“associate(s)”	has the meaning as ascribed under the Listing Rules
“Board”	the board of Directors

“Bondwood”	Bondwood Investments Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company, the principal activity of which is the sale of leather goods and fashion products
“Castlereagh”	Castlereagh Limited, a company incorporated in the British Virgin Islands with limited liability and 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
“Connected Transaction”	the connected transaction as described in this announcement which is subject to disclosure under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions as described in this announcement which are subject to disclosure under the Listing Rules
“DCL”	Dickson Concepts Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company, the principal activities of which are investment holding and provision of management and technical advisory services
“Dickson Communications”	Dickson Communications Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Mr. Dickson Poon, the principal activity of which is the provision of advertising, marketing and promotion services
“Dickson Stores”	Dickson Stores Pte Ltd, a company incorporated in the Republic of Singapore and indirectly wholly-owned by the Company, the principal activity of which is the sale of watches, jewellery and fashion products
“DIDL”	Dickson Interior Design Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company, the principal activity of which is the provision of interior design services
“Director(s)”	the director(s) of the Company
“DMJKK”	D Marketing Japan K.K., a company incorporated in Japan and indirectly wholly-owned by the Company, the principal activity of which is the sale of watches, lighters and pens

“DTA”	Dickson Trading (Asia) Company Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company, the principal activity of which is the sale of fashion products
“DTS”	Dickson Trading (S) Pte Ltd, a company incorporated in the Republic of Singapore with limited liability and indirectly wholly-owned by Mr. Dickson Poon, together with its subsidiary companies, which are principally engaged in the importing, exporting, sale of fashion consumer goods, investment holding and provision of management and supporting services. DTS is a member of the Singapore Group
“Group”	the Company and its subsidiary companies
“HKSE”	Hong Kong Seibu Enterprise Company Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company, the principal activity of which is the operation of and investment in Seibu stores
“Independent Board Committee”	an independent committee of the Board comprising the three independent non-executive Directors, namely, Mr. Bhanusak Asvaintra, Mr. Nicholas Peter Etches and Mr. Christopher Patrick Langley
“Independent Financial Adviser” or “Platinum Securities”	Platinum Securities Company Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreements Nos. 1, 2, 7 and 8, which is licensed to conduct Type 1 (dealing in securities) and type 6 (advising corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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 Seibu store located at Two Pacific Place, 88 Queensway, Hong Kong
“PRC”	the People’s Republic of China
“Precision Watch”	Precision Watch Company Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Mr. Dickson Poon, the

	principal activity of which is the sale of watches and jewellery in Hong Kong
“S&P Agreement”	the Sale and Purchase Agreement dated 27th March, 2009 entered into between STD Investment as vendor and DTA as purchaser regarding purchase of the Assets by the Group with effect from the close of business on 31st March, 2009 for a total consideration of NT\$17,407,821 (equivalent to approximately HK\$3,996,000), being the total net asset value of the Assets as at 31st March, 2009
“Singapore Group”	DTS and TCS, together with their group companies
“SGM”	the special general meeting, including any adjourned meeting thereof, of the Company to be convened to consider and approve the Agreements Nos. 1, 2, 7 and 8 and their relevant maximum annual caps
“STD Investment”	STD Investment Pte Ltd, a company incorporated in the Republic of Singapore with limited liability and directly wholly-owned by STDSA, the principal activity of which is investment holding while its Taiwan branch is engaged in importing, exporting and sale of fashion and various types of general commodities bearing the brand name of “S.T. Dupont” in Taiwan. STD Investment is a member of the ST Dupont Group
“STDJJK”	S.T. Dupont Japan K.K., a company incorporated in Japan and directly wholly-owned by STDSA, the principal activity of which is the sale of watches, fashion products, jewellery, lighters and pens. STDJJK is a member of the ST Dupont Group
“STDM”	S.T. Dupont Marketing Limited, a company incorporated in Hong Kong with limited liability and directly wholly-owned by STDSA, 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
“STDSA”	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 68.9 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 Group”	STDSA and its subsidiary companies

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCS”	Top Creation Singapore Pte. Ltd., a company incorporated in the Republic of Singapore with limited liability and beneficially owned by Mr. Dickson Poon, the principal activity of which is the sale of fashion consumer goods. TCS is a member of the Singapore Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“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
and Chief Executive Officer*)
Chan Tsang Wing, Nelson
Edwin Ing
Lau Yu Hee, Gary
Ng Chan Lam

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, 30th March, 2009

** For identification purposes only*