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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)

## **REVISION OF MAXIMUM ANNUAL CAPS FOR AN EXISTING CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcement of the Company dated 30th March, 2009 (“the March 2009 Announcement”) regarding, inter alia, the entering into of the MS&P Agreement between 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 in relation to the purchases of certain merchandise including, but not limited to, prestigious branded watches, timepieces and jewellery under various prestigious international brand names by the Group from the Artland Group.

As the Artland Group is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company, the Artland Group is deemed to be a connected person of the Company for the purposes of the Listing Rules. Accordingly, the MS&P Agreement therefore constitutes a Continuing Connected Transaction of the Company under Rule 14A.14 of the Listing Rules.

Due to an increase in customer demand for certain merchandise, the amount payable by the Group for the purchases of certain merchandise from the Artland Group under the MS&P Agreement has exceeded the original projection. It is therefore expected that the maximum annual cap for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be exceeded. Accordingly, the Company has proposed to increase the maximum annual cap for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 from HK\$1,601,000, HK\$1,922,000 and HK\$2,307,000 to HK\$2,632,000, HK\$3,158,000 and HK\$3,790,000 (“the Revised Caps”) respectively, reflecting the revised projection for the total purchases of certain merchandise by the Group from the Artland Group.

Pursuant to Rule 14A.36(1) of the Listing Rules, where a previously announced annual cap is exceeded or likely to be exceeded, the Company must re-comply with the reporting, announcement and/or Independent Shareholders' approval requirements under Rules 14A.35(3) and 14A.35(4) of the Listing Rules.

Given that the maximum annual cap payable by the Group under the MS&P Agreement (taking into account the Revised Caps) represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the MS&P Agreement and the Revised Caps are only 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.

Reference is made to the announcement of the Company dated 30th March, 2009 ("the March 2009 Announcement") regarding, inter alia, the entering into of the MS&P Agreement between 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 in relation to the purchases of certain merchandise including, but not limited to, prestigious branded watches, timepieces and jewellery under various prestigious international brand names by the Group from the Artland Group.

## **REVISION OF MAXIMUM ANNUAL CAPS RELATING TO THE MS&P AGREEMENT**

Due to an increase in customer demand for certain merchandise, the amount payable by the Group for the purchases of certain merchandise from the Artland Group under the MS&P Agreement has exceeded the original projection. The total purchases made under the MS&P Agreement for the eight months ended 30th November, 2009 amounted to HK\$1,526,000, representing 95.3 per cent. of the maximum annual cap of HK\$1,601,000 set for the financial year ending 31st March, 2010. It is therefore expected that the maximum annual cap for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 will be exceeded. Accordingly, the Company has proposed to increase the maximum annual cap for each of the financial years ending 31st March, 2010, 31st March, 2011 and 31st March, 2012 from HK\$1,601,000, HK\$1,922,000 and HK\$2,307,000 to HK\$2,632,000, HK\$3,158,000 and HK\$3,790,000 ("the Revised Caps") respectively, reflecting the revised projection for the total purchases of certain merchandise by the Group from the Artland Group.

Based on the actual transaction amount of HK\$1,526,000 for the eight months ended 30th November, 2009, the revised projection of total purchases of certain merchandise by the Group from the Artland Group for the full year ending 31st March, 2010 would be HK\$2,289,000. To derive the Revised Caps, using the said projected full year figure and taking into account the forthcoming festive sales period, an estimated annual growth rate of 15 per cent. has been applied for the first year; and then 20 per cent. has been applied thereafter. Such estimated annual growth rate has been determined based on the historical figures of the said purchases of merchandise from the Artland Group, the market trend, the Group's possible 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.

## **LISTING RULES IMPLICATIONS**

As the Artland Group is an associate of Mr. Dickson Poon, a Director and substantial shareholder of the Company as disclosed in the “General” section below, the Artland Group is deemed to be a connected person of the Company for the purposes of the Listing Rules. Accordingly, the MS&P Agreement therefore constitutes a Continuing Connected Transaction of the Company under Rule 14A.14 of the Listing Rules.

Pursuant to Rule 14A.36(1) of the Listing Rules, where a previously announced annual cap is exceeded or likely to be exceeded, the Company must re-comply with the reporting, announcement and/or Independent Shareholders’ approval requirements under Rules 14A.35(3) and 14A.35(4) of the Listing Rules.

Given that the maximum annual cap payable by the Group under the MS&P Agreement (taking into account the Revised Caps) represents less than 2.5 per cent. of the applicable percentage ratios of the Company, the MS&P Agreement and the Revised Caps are only subject to reporting, announcement and annual review requirements under Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules respectively and no Independent Shareholders’ approval is required.

The Directors, including the independent non-executive Directors, consider that the Revised Caps under the MS&P Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole, and confirm that all the terms and conditions of the MS&P Agreement as disclosed in the March 2009 Announcement remain unchanged.

## **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 531 shops throughout Asia.

Shareholders are referred to the March 2009 Announcement for further details of the MS&P Agreement, including the terms of the MS&P Agreement and the reasons for, and Directors’ views in respect of, the entering into of the MS&P Agreement.

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
“associate(s)”	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 Transaction”	the continuing connected transaction as described in this announcement which is 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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiary companies
“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
“MS&P Agreement”	Merchandise Sale and Purchase Agreement dated 27th March, 2009 entered into between 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 regarding the purchases of certain merchandise by the Group from the Artland Group
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

***Executive Directors:***

Dickson Poon (*Group Executive Chairman*)  
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, 9th December, 2009

*\* For identification purposes only*