DICKSON

DICKSON CONCEPTS (INTERNATIONAL) LIMITED
廸生創建(國際)有限公司*
(incorporated in Bermuda with limited liability)

(Stock Code: 0113)

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 26th March, 2012, eight separate renewal agreements were entered into by the Group with (I) the ST Dupont Group regarding sales of merchandise by the Group ("the Renewal Agreement No. 1"), purchases of merchandise by the Group ("the Renewal Agreement No. 2"), provision of management and supporting services by the Group ("the Renewal Agreements Nos. 3(a) and 3(b)"), provision of interior design services by the Group ("the Renewal Agreement No. 4") and payment of sublicence fees by the Group ("the Renewal Agreement No. 5"); (II) the Artland Group regarding sales of merchandise by the Group ("the Renewal Agreement No. 6") and purchases of merchandise by the Group ("the Renewal Agreement No. 7"); and (III) Dickson Communications regarding provision of advertising, marketing and promotion services to the Group ("the Renewal Agreement No. 8"). All the renewal agreements were entered into for the purpose of, inter alia, renewing the term of each for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015.

As each of the ST Dupont Group, the Artland Group and Dickson Communications 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, the Renewal Agreements Nos. 1 to 8 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 under the Renewal Agreements Nos. 1 and 6 are aggregated as they are of similar nature and both of them involve the sales of merchandise by the Group; (ii) the transactions under the Renewal Agreements Nos. 2 and 7 are aggregated as they are of similar nature and both of them involve the purchases of merchandise by the Group; and (iii) the transactions under the Renewal Agreements Nos. 3(a) and 3(b) and 4 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 by the Group.

Given that (i) the maximum aggregate annual cap receivable by the Group under the Renewal Agreements Nos. 1 and 6; (ii) the maximum aggregate annual cap payable by the Group under the Renewal Agreements Nos. 2 and 7; (iii) the maximum aggregate annual cap receivable by the Group under the Renewal Agreements Nos. 3(a) and 3(b) and 4; and (iv) the maximum annual cap payable by the Group under each of the Renewal Agreements Nos. 5 and 8 each represents less than 5 per cent. of each of the applicable percentage ratios of the Company, the Renewal Agreements Nos. 1 to 8 are subject to reporting, announcement and annual review requirements under Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules respectively and no Independent Shareholders' approval is required.

The Board announces that on 26th March, 2012, eight separate renewal agreements were entered into by the Group with (I) the ST Dupont Group regarding sales of merchandise by the Group ("the Renewal Agreement No. 1"), purchases of merchandise by the Group ("the Renewal Agreement No. 2"), provision of management and supporting services by the Group ("the Renewal Agreements Nos. 3(a) and 3(b)"), provision of interior design services by the Group ("the Renewal Agreement No. 4") and payment of sublicence fees by the Group ("the Renewal Agreement No. 5"); (II) the Artland Group regarding sales of merchandise by the Group ("the Renewal Agreement No. 6") and purchases of merchandise by the Group ("the Renewal Agreement No. 7"); and (III) Dickson Communications regarding provision of advertising, marketing and promotion services to the Group ("the Renewal Agreement No. 8"). All the renewal agreements were entered into for the purpose of, inter alia, renewing the term of each for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as described below :-

(I) CONTINUING CONNECTED TRANSACTIONS WITH THE ST DUPONT GROUP

A. Sales of Merchandise
- Renewal Merchandise Sale and Purchase Agreement ("the Renewal Agreement No. 1")

DCL, an indirect wholly-owned subsidiary company of the Company, as seller and STDML, a member of the ST Dupont Group, as purchaser entered into the Renewal Agreement No. 1 on 26th March, 2012 regarding the renewal of the merchandise sale and purchase agreement dated 27th March, 2009 ("the MS&P Agreement No. 1") in respect of the sales of certain merchandise by the Group to the ST Dupont Group upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Seller: DCL

Purchaser: STDML

Subject: Pursuant to the MS&P Agreement No. 1, the Group sold 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)

Term:	The Renewal Agreement No. 1 renewed the term of the MS&P Agreement No. 1 upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate the Renewal 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 Renewal Agreement No. 1 in writing prior to its expiry on 31st March, 2015 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 MS&P Agreement No. 1 were disclosed in the announcement of the Company dated 30th March, 2009.

The maximum annual caps received/receivable by the Group for the sales of merchandise to the ST Dupont Group under the MS&P Agreement No. 1 for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$22,316,000 and HK$26,780,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009. The MS&P Agreement No. 1 and its relevant maximum annual caps were duly approved by the Independent Shareholders at the special general meeting of the shareholders of the Company held on 5th May, 2009 ("the 2009 SGM"). The actual transaction amount for the financial year ended 31st March, 2011 was HK$10,358,000 which was below the maximum annual cap of HK$22,316,000.

The maximum annual caps receivable by the Group for the sales of merchandise to the ST Dupont Group under the Renewal Agreement No. 1 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$25,586,000, HK$33,262,000 and HK$43,241,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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 growth rate for the first year of about 57 per cent. (based on a projected sales of HK$16,255,000 for the financial year ending 31st March, 2012) is made up of a projected 27 per cent. increase from the addition of new stores with the balance from growth of existing stores. Thereafter, an annual growth rate of 30 per cent is applied for the second and the third years.

B. Purchases of Merchandise
- Renewal Merchandise Sale and Purchase Agreement ("the Renewal Agreement No. 2")

STDML as seller and DCL as purchaser entered into the Renewal Agreement No. 2 on 26th March, 2012 regarding the renewal of the merchandise sale and purchase agreement dated 27th March, 2009 ("the MS&P Agreement No. 2") in respect of the purchases of certain merchandise by the Group from the ST Dupont Group upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Seller:	STDML
Purchaser:	DCL
Subject:	Pursuant to the MS&P Agreement No. 2, the Group purchased 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)
Term:	The Renewal Agreement No. 2 renewed the term of the MS&P Agreement No. 2 upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate the Renewal 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 Renewal Agreement No. 2 in writing prior to its expiry on 31st March, 2015 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 MS&P Agreement No. 2 were disclosed in the announcement of the Company dated 30th March, 2009.

The maximum annual caps paid/payable by the Group for the purchases of merchandise from the ST Dupont Group under the MS&P Agreement No. 2 for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$25,208,000 and HK$30,250,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009. The MS&P Agreement No. 2 and its relevant maximum annual caps were duly approved by the Independent Shareholders at the 2009 SGM. The actual transaction amount for the financial year ended 31st March, 2011 was HK$12,226,000 which was below the maximum annual cap of HK$25,208,000.

The maximum annual caps payable by the Group for the purchases of merchandise from the ST Dupont Group under the Renewal Agreement No. 2 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$19,938,000, HK$23,926,000 and HK$28,711,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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 of 20 per cent. is based on a projected purchases of HK$16,615,000 for the financial year ending 31st March, 2012.

C. Provision of Management and Supporting Services

- Renewal Services Agreement ("the Renewal Agreement No. 3(a)") together with Renewal Agreement on Personnel ("the Renewal Agreement No. 3(b)")

DCL as service provider and STDML as service receiver entered into the Renewal Agreements Nos. 3(a) and 3(b) on 26th March, 2012 regarding the renewal of each of (i) the services agreement dated 22nd January, 2003 as amended and renewed by two renewal services agreements dated 27th March, 2006 and 27th March, 2009 respectively (together "the Services Agreement No. 3(a)"); and (ii) the agreement on personnel dated 22nd January, 2003 as amended and renewed by two renewal agreements dated 27th March, 2006 and 27th March, 2009 respectively (together "the Agreement on Personnel No. 3(b)") 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, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Service Provider:	DCL
Service Receiver:	STDML
Subject:	Pursuant to the Services Agreement No. 3(a) and the Agreement on Personnel No. 3(b), (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
Term:	The Renewal Agreements No. 3(a) and 3(b) renewed the term of the Services Agreement No. 3(a) and the Agreement on Personnel No. 3(b) upon their expiry on 31st March, 2012 respectively for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate each of the Renewal Agreements Nos. 3(a) and 3(b) without cause by serving the other party with not less than three months' prior written notice. Both parties may agree

to and renew the Renewal Agreements Nos. 3(a) and 3(b) in writing prior to its expiry on 31st March, 2015 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 Services Agreement No. 3(a) and the Agreement on Personnel No. 3(b) were disclosed in the announcement of the Company dated 30th March, 2009.

The maximum annual caps received/receivable by the Group for the provision of management and supporting services to the ST Dupont Group under the Services Agreement No. 3(a) and the Agreement on Personnel No. 3(b) for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$10,412,000 and HK$12,495,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009. The actual transaction amount for the financial year ended 31st March, 2011 was HK$6,328,000 which was below the maximum annual cap of HK$10,412,000.

The maximum annual caps receivable by the Group for the provision of management and supporting services to the ST Dupont Group under the Renewal Agreements Nos. 3(a) and 3(b) for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$19,675,000, HK$23,610,000 and HK$28,332,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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 growth rate for the first year of about 106 per cent. (based on the projected receipt of service fees of HK$9,549,000 for the financial year ending 31st March, 2012) is made up of a projected 86 per cent. increase in management and supporting services required by the ST Dupont Group, and increase in overhead costs in providing these services, arising from the addition of new stores and further expansion of its retail network during the year. The remaining 20 per cent. increase arises from the projection of increased business volume of existing store operations. Thereafter, an annual growth rate of 20 per cent is applied for the second and the third years.

D. Provision of Interior Design Services

- Renewal Interior Design Services Agreement ("the Renewal Agreement No. 4")

DIDL, an indirect wholly-owned subsidiary company of the Company, as service provider and STDML as service receiver entered into the Renewal Agreement No. 4 on 26th March, 2012 regarding the renewal of the interior design services agreement dated 27th March, 2009 ("the Services Agreement No. 4") in respect of the provision of interior design services by the Group to the ST Dupont Group upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Service Provider:	DIDL
Service Receiver:	STDML
Subject:	Pursuant to the Services Agreement No. 4, the Group provided interior design services relating to the retail outlets and sales corners of the ST Dupont Group
Term:	The Renewal Agreement No. 4 renewed the term of the Services Agreement No. 5 upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate the Renewal Agreement No. 4 without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew the Renewal Agreement No. 4 in writing prior to its expiry on 31st March, 2015 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 Services Agreement No. 4 were disclosed in the announcement of the Company dated 30th March, 2009.

The maximum annual caps received/receivable by the Group for the provision of interior design services to the ST Dupont Group under the Services Agreement No. 4 for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$465,000 and HK$558,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009. The actual transaction amount for the financial year ended 31st March, 2011 was HK$179,000 which was below the maximum annual cap of HK$465,000.

The maximum annual caps receivable by the Group for the provision of interior design services to the ST Dupont Group under the Renewal Agreement No. 4 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$660,000, HK$792,000 and HK$950,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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 of 20 per cent. is based on a projected receipt of service fees of HK$550,000 for the financial year ending 31st March, 2012.

E. Payment of Sublicence Fees
- Renewal Sublicence Agreement ("the Renewal Agreement No. 5")

STDML as licensor and Bondwood, an indirect wholly-owned subsidiary company of the Company, as licensee entered into the Renewal Agreement No. 5 on 26th March, 2012 regarding the renewal of the sublicence agreement dated 1st April, 1999 as amended and renewed by two renewal sublicence agreements dated 27th March, 2006 and 27th March, 2009 respectively (together "the Sublicence Agreement No. 5") 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, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Licensor:	STDML
Licensee:	Bondwood
Subject:	Pursuant to the Sublicence Agreement No. 5, 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) and Taiwan. 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) and Taiwan in its capacity as both retailer and wholesaler
Term:	The Renewal Agreement No. 5 renewed the term of the Sublicence Agreement No. 5 upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate the Renewal 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 Renewal Agreement No. 5 in writing prior to its expiry on 31st March, 2015 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 Sublicence Agreement No. 5 were disclosed in the announcement of the Company dated 30th March, 2009.

The maximum annual caps paid/payable by the Group for the payment of sublicene fees in respect of "S.T. Dupont" products distributed by the Group in the PRC (excluding Hong Kong) and Taiwan under the Sublicence Agreement No. 5 for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$40,467,000 and HK$48,561,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009. The Sublicence Agreement No. 5 and its relevant maximum annual caps were duly approved by the Independent Shareholders at the 2009 SGM. The actual transaction amount for the financial year ended 31st March, 2011 was HK$26,208,000 which was below the maximum annual cap of HK$40,467,000.

The maximum annual caps payable by the Group for the payment of sublicence fees in respect of the "S.T. Dupont" products distributed by the Group in the PRC (excluding Hong Kong) and Taiwan under the Renewal Agreement No. 5 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$36,485,000, HK$43,782,000 and HK$52,538,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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) and Taiwan, 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 (excluding Hong Kong) 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 annual growth rate of 20 per cent. is based on a projected payment of sublicence fees of HK$30,404,000 for the financial year ending 31st March, 2012.

(II) CONTINUING CONNECTED TRANSACTIONS WITH THE ARTLAND GROUP

A. Sales of Merchandise

- Renewal Merchandise Sale and Purchase Agreement ("the Renewal Agreement No. 6")

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 Renewal Agreement No. 6 on 26th March, 2012 regarding the renewal of the merchandise sale and purchase agreement dated 27th March, 2009 ("the MS&P Agreement No. 6") in respect of the sales of certain merchandise by the Group to the Artland Group upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Seller:	Castlereagh
Purchasers:	Artland Watch Precision Watch

Subject:	Pursuant to the MS&P Agreement No. 6, the Group sold certain merchandise including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names to the Artland Group
Term:	The Renewal Agreement No. 6 renewed the term of the MS&P Agreement No. 6 upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate the Renewal Agreement No. 6 without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew the Renewal Agreement No. 6 in writing prior to its expiry on 31st March, 2015 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 MS&P Agreement No. 6 were disclosed in the announcement of the Company dated 30th March, 2009.

The maximum annual caps received/receivable by the Group for the sales of merchandise to the Artland Group under the MS&P Agreement No. 6 for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$22,104,000 and HK$26,525,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009. The MS&P Agreement No. 6 and its relevant maximum annual caps were duly approved by the Independent Shareholders at the 2009 SGM. The actual transaction amount for the financial year ended 31st March, 2011 was HK$4,385,000 which was below the maximum annual cap of HK$22,104,000.

The maximum annual caps receivable by the Group for the sales of merchandise to the Artland Group under the Renewal Agreement No. 6 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$7,683,000, HK$9,219,000 and HK$11,063,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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 of 20 per cent. is based on a projected sales of HK$6,402,000 for the financial year ending 31st March, 2012.

B. Purchases of Merchandise

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

Artland Watch and Precision Watch as sellers and DCL as purchaser entered into the Renewal Agreement No. 7 on 26th March, 2012 regarding the renewal of the merchandise sale and purchase agreement dated 27th March, 2009 ("the MS&P Agreement No. 7") in respect of the purchases of certain merchandise by the Group from the Artland Group upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Sellers:	Artland Watch Precision Watch
Purchaser:	DCL
Subject:	Pursuant to the MS&P Agreement No. 7, the Group purchased certain merchandise including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names from the Artland Group
Term:	The Renewal Agreement No. 7 renewed the term of the MS&P Agreement No. 7 upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate the Renewal 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 Renewal Agreement No. 7 in writing prior to its expiry on 31st March, 2015 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 MS&P Agreement No. 7 were disclosed in the announcement of the Company dated 30th March, 2009.

The maximum annual caps paid/payable by the Group for the purchases of merchandise from the Artland Group under the MS&P Agreement No. 7 for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$1,922,000 and HK$2,307,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009 which were subsequently revised to HK$3,158,000 and HK$3,790,000 respectively reflecting the revised projection for the total purchases of certain merchandise by the Group form the Artland Group ("the Revision"). The Revision was disclosed in the announcement of the Company dated 9th December, 2009 pursuant to Rule 14A.36(1) of the Listing Rules. The actual transaction amount for the year ended 31st March, 2011 was HK$1,447,000 which was below the maximum annual cap of HK$3,158,000.

The maximum annual caps payable by the Group for the purchases of merchandise from the Artland Group under the Renewal Agreement No. 7 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$1,736,000, HK$2,083,000 and HK$2,500,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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 of 20 per cent. is based on a projected purchases of HK$1,447,000 for the financial year ending 31st March, 2012.

(III) CONTINUING CONNECTED TRANSACTION WITH DICKSON COMMUNICATIONS

A. Receipt of Advertising, Marketing and Promotion Services
- Renewal Promotional Services Agreement ("the Renewal Agreement No. 8")

Dickson Communications as service provider and DCL as service receiver entered into the Renewal Agreement No. 8 on 26th March, 2012 regarding the renewal of the promotional services agreement dated 27th March, 2009 ("the Services Agreement No. 8") in respect of the provision of certain advertising, marketing and promotion services by Dickson Communications to the Group upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015 as detailed below :-

Service Provider:	Dickson Communications
Service Receiver:	DCL
Subject:	Pursuant to the Services Agreement No. 8, Dickson Communications provided certain advertising, marketing and promotion services to the Group
Term:	The Renewal Agreement No. 8 renewed the term of the Services Agreement No. 8 upon its expiry on 31st March, 2012 for a further period of three years commencing from 1st April, 2012 and ending on 31st March, 2015. Either party may terminate the Renewal 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 Renewal Agreement No. 8 in writing prior to its expiry on 31st March, 2015 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 Services Agreement No. 8 were disclosed in the announcement of the Company dated 30th March, 2009.

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 Services Agreement No. 8 for the financial years ended/ending 31st March, 2011 and 31st March, 2012 are HK$14,663,000 and HK$17,596,000 respectively as previously disclosed in the announcement of the Company dated 30th March, 2009. The actual transaction amount for the financial year ended 31st March, 2011 was HK$9,987,000 which was below the maximum annual cap of HK$14,663,000.

The maximum annual caps payable by the Group for the receipt of advertising, marketing and promotion services from Dickson Communications under the Renewal Agreement No. 8 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$12,583,000, HK$15,100,000 and HK$18,120,000 respectively which represent less than 5 per cent. of each of the applicable percentage ratios of the Company. The said maximum annual caps were derived based on the historical figures 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 of 20 per cent. is based on a projected payment of service fees of HK$10,486,000 for the financial year ending 31st March, 2012.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Continuing Connected Transactions 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 Renewal Agreements Nos. 1 and 6 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 and the Artland Group under the Renewal Agreements Nos. 2 and 7 respectively 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 Renewal Agreements Nos. 3(a) and 3(b) and 4 respectively will ensure steady income to the 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.

In consideration of the granting of a sublicence for the use of various "S.T. Dupont" trademarks and logos in the PRC (excluding Hong Kong) and Taiwan under the Renewal Agreement No. 5, the Group is required to pay to the ST Dupont Group the sublicence 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 Renewal Agreement No. 8 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.

Given the above, the entering into of each of the Renewal Agreements Nos. 1 to 8 is a practical and commercial decision of the Group. Furthermore, the transactions under the Renewal Agreements Nos. 1 to 8 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 (except Mr. Dickson Poon who was considered to be materially interested in the transaction under each of the Renewal Agreements Nos. 1 to 8 due to his relationship with each of the ST Dupont Group, the Artland Group and Dickson Communications and did not vote on the relevant resolutions regarding the Continuing Connected Transactions), including the independent non-executive Directors, consider that (i) the entering into of each of the Renewal Agreements Nos. 1 to 8 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 (ii) the Continuing Connected Transactions 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 and Dickson Communications 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, the Renewal Agreements Nos. 1 to 8 constitute Continuing Connected Transactions of the Company under Rule 14A.14 of the Listing Rules. In view of the interest of Mr. Dickson Poon in the Renewal Agreements Nos. 1 to 8, he abstained from voting on the relevant resolutions regarding the Continuing Connected Transactions.

For the purpose of calculating the applicable percentage ratios of the Company under the Listing Rules, (i) the transactions under the Renewal Agreements Nos. 1 and 6 are aggregated as they are of similar nature and both of them involve the sales of merchandise by the Group; (ii) the transactions under the Renewal Agreements Nos. 2 and 7 are aggregated as they are of similar nature and both of them involve the purchases of merchandise by the Group; and (iii) the transactions under the Renewal Agreements Nos. 3(a) and 3(b) and 4 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 by the Group.

In view of the above, (i) the maximum aggregate annual caps receivable by the Group for the sales of merchandise to the ST Dupont Group and the Artland Group under the Renewal Agreements Nos. 1 and 6 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$33,269,000, HK$42,481,000 and HK$54,304,000 respectively; (ii) the maximum aggregate annual caps payable by the Group for the purchases of merchandise from the ST Dupont Group and the Artland Group under the Renewal Agreements Nos. 2 and 7 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$21,674,000, HK$26,009,000 and HK$31,211,000 respectively; and (iii) 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 Renewal Agreements Nos. 3(a) and 3(b) and 4 for each of the financial years ending 31st March, 2013, 31st March, 2014 and 31st March, 2015 will be HK$20,335,000, HK$24,402,000 and HK$29,282,000 respectively.

Given that (i) the maximum aggregate annual cap receivable by the Group under the Renewal Agreements Nos. 1 and 6; (ii) the maximum aggregate annual cap payable by the Group under the Renewal Agreements Nos. 2 and 7; (iii) the maximum aggregate annual cap receivable by the Group under the Renewal Agreements Nos. 3(a) and 3(b) and 4; and (iv) the maximum annual cap payable by the Group under each of the Renewal Agreements Nos. 5 and 8 each represents less than 5 per cent. of each of the applicable percentage ratios of the Company, the Renewal Agreements Nos. 1 to 8 are subject to reporting, announcement and annual review requirements under Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules respectively and no Independent Shareholders' approval is required.

GENERAL

The Company is an investment holding company and the Group is principally engaged in the sale of luxury goods with a comprehensive retail network totalling 338 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
"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
"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
"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
"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
"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
"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 retailing of watches

"STDML"	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. STDML 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 72.50 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
"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 *(Chief Operating Officer)*
Chan Hon Chung, Johnny Pollux
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, 26th March, 2012

* *For identification purposes only*