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DICKSON CONCEPTS (INTERNATIONAL) LIMITED
(incorporated in Bermuda with limited liability)

ANNOUNCEMENT CONNECTED TRANSACTIONS

Since the founding of the Dickson group in 1980, the Group has on an on-going basis conducted transactions with the ST Dupont Group, the Artland Group, the D Promotion Group, the DTG Group and the Chopard Group. These transactions involve the sale and purchase of merchandise, the provision of management and supporting services, the licensing and leasing of properties and royalty payments, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group.

As each of the ST Dupont Group, the Artland Group, the D Promotion Group and the DTG Group is an associate of a substantial shareholder of the Company, and the Chopard Group is connected only by virtue of Mr. Karl Scheufele and Mr. Karl Friederich Scheufele being independent non-executive directors of the Company before they resigned on 31st December, 2000 and 1st October, 2001 respectively, each of these parties is deemed to be a connected person for the purpose of the Listing Rules and these transactions therefore constitute connected transactions of the Company under the Listing Rules. It had always been the Group's understanding that these transactions were exempted from shareholders' approval requirements under Rule 14.24(1) of the Listing Rules. After obtaining clarification from the Stock Exchange on the application and interpretation of the Listing Rules and in particular Rule 14.24(1) of the Listing Rules, the Company undertook a thorough and detailed review of all transactions which might be deemed to be of a similar nature. Following this review, which was conducted by a committee of the independent non-executive Directors with the assistance of the Company's auditors, the committee was satisfied that these transactions were undertaken for bona fide commercial purposes and on terms not conferring any undue gains at the expense of the Group. Nevertheless, the Stock Exchange ruled and the Company noted that such exemption was not applicable and the Company was in breach of the Listing Rules accordingly and the Stock Exchange has indicated that it reserves the right to take appropriate action in relation thereto.

Given the above, the SGM will be convened as soon as practicable at which all necessary resolutions will be proposed to approve, inter alia, the Transactions Requiring Approval and the relevant waivers. In view of the interests of Mr. Dickson Poon in the Connected Transactions, he and his associates will abstain from voting at the SGM. As at the date of this announcement, Mr. Karl Friederich Scheufele did not have any shareholding interests in the Company. Should Mr. Karl Friederich Scheufele acquire any shares of the Company during the period between the date of this announcement and the date on which the SGM is to be held, he and his associates shall also abstain from voting at the SGM.

As at 31st March, 2001, the audited net asset value of the Group was about HK\$1,064 million.

An Independent Board Committee consisting of the independent non-executive Directors, namely Mr. Leung Kai Hung, Michael and Mr. Ma Si Hang, Frederick will be established to advise the Independent Shareholders regarding the Transactions Requiring Approval. In connection therewith, Anglo Chinese Corporate Finance, Limited has been appointed as the independent financial adviser to the Independent Board Committee.

A circular containing, among other matters, details of the Connected Transactions, the advice of the Independent Board Committee and the advice of the independent financial adviser to the Independent Board Committee and the notice of SGM will be despatched to shareholders of the Company as soon as practicable.

BACKGROUND

Since the founding of the Dickson group in 1980, the Group has on an on-going basis conducted transactions with the ST Dupont Group, the Artland Group, the D Promotion Group, the DTG Group and the Chopard Group. These transactions involve the sale and purchase of merchandise, the provision of management and supporting services, the licensing and leasing of properties and royalty payments, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group.

It had always been the Group's understanding that these transactions were exempted from shareholders' approval requirements under Rule 14.24(1) of the Listing Rules. After obtaining clarification from the Stock Exchange on the application and interpretation of the Listing Rules and in particular Rule 14.24(1) of the Listing Rules, the Company undertook a thorough and detailed review of all transactions which might be deemed to be of a similar nature. Following this review which was conducted by a committee of the independent non-executive Directors with the assistance of the Company's auditors, the committee was satisfied that these transactions were undertaken for bona fide commercial purposes and on terms not conferring any undue gains at the expense of the Group. Nevertheless, the Stock Exchange ruled and the Company noted that such exemption was not applicable and the Company was in breach of the Listing Rules accordingly and the Stock Exchange has indicated that it reserves the right to take appropriate action in relation thereto.

As each of the ST Dupont Group, the Artland Group, the D Promotion Group and the DTG Group is an associate of a substantial shareholder of the Company, and the Chopard Group is connected only by virtue of Mr. Karl Scheufele and Mr. Karl Friederich Scheufele being independent non-executive directors of the Company before they resigned on 31st December, 2000 and 1st October, 2001 respectively, each of these parties is deemed to be a connected person for the purpose of the Listing Rules and these transactions therefore constitute connected transactions of the Company under the Listing Rules.

CONNECTED TRANSACTIONS WITH THE ST DUPONT GROUP

ST Dupont is owned as to 55.53% of its issued share capital by a trust established for the benefit of, inter alia, Mr. Dickson Poon and members of his family and is principally engaged in the manufacture and distribution of luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing,

watches and fragrances. The connected transactions entered into between the Group and the ST Dupont Group are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, details of which are set out as follows:

A. Sale of merchandise

The Group has from time to time sold certain ST Dupont merchandise to the members of the ST Dupont Group at or above the Group's purchase cost of this merchandise.

The sale of merchandise by the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale of merchandise	1,351	349
As percentage of turnover	0.04%	0.02%

B. Purchase of merchandise

The Group purchases merchandise including apparel, watches and accessories from the ST Dupont Group. The purchase prices of this merchandise are at the standard wholesale prices which are set by the ST Dupont Group.

The purchase of merchandise by the Group and the same amount expressed as a percentage of the total audited purchases of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Purchase of merchandise	1,589	460
As percentage of purchases	0.09%	0.03%

C. Provision of management and supporting services

Pursuant to a management agreement entered into between a member of the Group and a member of the ST Dupont Group on 8th February, 2000, the ST Dupont Group has agreed to provide various specialised services to the Group, including specialised knowledge, resources and data pertaining to the managing, marketing and sale of watches in Japan. The management fee is payable by the Group on a yearly basis and is calculated as 1% of annual turnover of this member of the Group, excluding value added tax, and 20% of annual pre-tax profit of this member of the Group, with a maximum of 20 million Yen (approximately HK\$ 1.18 million).

The management fee paid by this member of the Group to the ST Dupont Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Management fee paid	140	211
As percentage of turnover	0.005%	0.009%

Pursuant to a services agreement dated 15th October, 1996 entered into between a member of the ST Dupont Group and a member of the Group, the Group has been providing warehouse space and stock management services to the ST Dupont Group. The management fee payable by the ST Dupont Group is based on the Group's overhead costs incurred in running the warehouses and providing the related services to the ST Dupont Group. The management fee is calculated on an allocation basis under which the total overhead costs allocated to the ST Dupont Group are based on the percentage of turnover and stock level of the ST Dupont Group to the total turnover and stock level of the Group using the warehouses and related services. Under this services agreement, the Group has also been providing centralised administrative and supporting functions including management, stock control and information technology. The management fee payable by the ST Dupont Group is based on the overhead costs incurred by the Group in providing these services on a cost recovery basis to the ST Dupont Group.

The service fee paid by the ST Dupont Group to the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Service fee paid	4,223	4,405
As percentage of turnover	0.14%	0.20%

The Group has from time to time provided interior design services to the retail outlets and sales corners of the ST Dupont Group. The interior design fees are charged at a rate of 10% of the total contract sum.

The service fee paid by the ST Dupont Group to the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Service fee paid	168	135
As percentage of turnover	0.006%	0.006%

D. Licensing of property

Pursuant to a purchase and sale operation agreement dated 17th October, 2000 entered into between a member of the ST Dupont Group and a member of the Group, this member of the ST Dupont Group has agreed to lease from this member of the Group a sales corner with a total area of about 244 sq. ft. in the Group's department store at Pacific Place, 88 Queensway, Hong Kong for a term of two years commencing from 12th September, 2000. The rental payable by this member of the ST Dupont Group is based on certain percentage of the monthly sales made at this sales corner.

The rental paid by the ST Dupont Group to the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental paid	1,587	964
As percentage of turnover	0.05%	0.04%

The Directors confirm that the terms of the above licensing arrangement are similar to those arrangements of the Group with other independent third parties.

E. Royalty payments

Pursuant to a sublicense agreement entered into between a member of the Group and a member of the ST Dupont Group on 1st April, 1999, the Group is required to pay the ST Dupont Group royalties on the ST Dupont products which the Group distributes in the PRC excluding Hong Kong. The royalties are calculated based on certain percentages on the wholesale turnover of ST Dupont products per year.

The amount of royalties paid by the Group to this member of the ST Dupont Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Royalties paid	11,139	12,767
As percentage of turnover	0.37%	0.57%

CONNECTED TRANSACTIONS WITH THE ARTLAND GROUP

The Artland Group is held by or through a discretionary trust set up by the late Mr. Poon Kam Kai, the father of Mr. Dickson Poon. The connected transactions entered into between the Group and the Artland Group are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, details of which are set out as follows:

A. Sale of merchandise

The Group has from time to time sold to the Artland Group certain branded watches and jewellery. The selling prices of this merchandise to the Artland Group are equal to the retail prices less normal trade discounts.

The Directors confirm that the sale arrangements between the Group and the Artland Group are on normal commercial terms which are substantially the same as those arrangements of the Group and the Artland Group with other independent third parties in terms of the trade discount percentages.

The gross sale of merchandise by the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale of merchandise	70,968	42,520
As percentage of turnover	2.33%	1.90%

The Directors do not anticipate that the gross sale of merchandise by the Group to the Artland Group for the year ended 31st March, 2002 will be greater than the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group.

B. Purchase of merchandise

The Group has also from time to time purchased merchandise from the Artland Group. The purchase prices paid by the Group are equal to the retail prices less certain trade discount percentages.

The Directors confirm that the purchase arrangements between the Group and the Artland Group are on normal commercial terms which are substantially the same as those arrangements of the Group and the Artland Group with other independent third parties in terms of the trade discount percentages.

The gross purchase of merchandise by the Group and the same amount expressed as a percentage of the total audited purchases of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Purchase of merchandise	1,161	1,297
As percentage of purchases	0.07%	0.10%

C. Licensing and leasing of properties

Pursuant to a licence agreement dated 22nd November, 2000 entered into between a member of the Artland Group and a member of the Group, this member of the Artland Group has agreed to lease from this member of the Group a sales corner with a total area of about 616 sq.ft. in the Group's department store at Pacific Place, 88 Queensway, Hong Kong for a term of two years commencing from 12th September, 2000 at a current monthly rental of HK\$246,400.

The rental payment made by this member of the Artland Group to the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental paid	2,957	2,445
As percentage of turnover	0.10%	0.11%

The Directors confirm that the terms of the above licensing arrangement are similar to those arrangements of the Group with other independent third parties.

Pursuant to two licence agreements dated 22nd November, 2000 and 30th November, 2001 entered into between a member of the Artland Group and a member of the Group, this member of the Artland Group has agreed to lease from this member of the Group two sales corners in the Group's department store at Pacific Place, 88 Queensway, Hong Kong, the first sales corner with a total area of about 760 sq.ft. for a term of two years commencing from 15th August, 2000, and the second one with a total area of about 1,064 sq.ft for a term of two years commencing from 10th August, 2001. The rental payable by this member of the Artland Group under the licence agreement dated 22nd November, 2000 is based on certain percentages of the monthly sales made at the sales corner. The rental payable by this member of the Artland Group under the licence agreement dated 30th November, 2001 is also based on a certain percentage of the monthly sales made at the sales corner but subject to a minimum monthly rental of HK\$159,600.

The rental payment made by this member of the Artland Group under the licence agreement dated 22nd November, 2000 and the same amount expressed as percentages of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental paid	889	947
As percentage of turnover	0.03%	0.04%

The rental payment made by this member of the Artland Group under the licence agreement dated 30th November, 2001 and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental paid	1,358	1,432
As percentage of turnover	0.04%	0.06%

The Directors confirm that the terms of the above licensing arrangements are similar to those arrangements of the Group with other independent third parties.

Pursuant to a tenancy agreement dated 25th August, 1998 entered into between a member of the Artland Group and a member of the Group, this member of the Artland Group has agreed to lease from this member of the Group a shop space with a total area of about 2,180 sq.ft. at Style House, Causeway Bay, Hong Kong for a term of five years commencing from 14th June, 1998 at a current monthly rental of HK\$350,000.

The rental payment made by this member of the Artland Group under the above tenancy agreement and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental paid	2,616	2,616
As percentage of turnover	0.09%	0.12%

The Directors consider that the rental payable under the above tenancy agreement is at the prevailing market rate.

CONNECTED TRANSACTIONS WITH THE D PROMOTION GROUP

The D Promotion Group is wholly-owned by Mr. Dickson Poon and is principally engaged in the provision of advertising and promotion services.

The connected transactions entered into between the Group and the D Promotion Group are conducted on normal commercial terms and in the ordinary and usual course of business of the Group. The D Promotion Group has from time to time provided advertising and promotion services to the Group. In consideration of the services provided to the Group, the Group pays a monthly retainer fee and a handling service fee charged at a rate of 10% of the media cost incurred and paid by the Group to third party media specialists.

The retainer fee and the handling service fee paid by the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Retainer fee and handling service fee paid by the Group	14,735	13,731
As percentage of turnover	0.48%	0.61%

CONNECTED TRANSACTIONS WITH THE DTG GROUP

The DTG Group is wholly-owned by Mr. Dickson Poon and is principally engaged in the importing, exporting, wholesaling and retailing of merchandise and the provision of management and supporting services. The connected transactions entered into between the Group and the DTG Group are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, details of which are set out as follows:

A. Sale of merchandise

The Group wholesales merchandise including apparel, accessories and watches, of which the Group owns the distribution rights of the respective merchandise in Asia, to the DTG Group. The selling prices of this merchandise to the DTG Group are equal to the standard wholesale prices or with a trade discount ranging from 5% to 10%. The trade discount is given to the members of the DTG Group in Malaysia and Singapore as a promotional and brand building subsidy where the Group does not have a direct presence.

The Directors confirm that the sale arrangements between the Group and the DTG Group are on normal commercial terms which are substantially the same as those arrangements of the Group and the DTG Group with other independent third parties.

The sale of merchandise to the DTG Group by the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale of merchandise	44,763	65,424
As percentage of turnover	1.47%	2.93%

B. Purchase of merchandise

The Group has also from time to time purchased merchandise including watches and leather goods from the DTG Group. The purchase prices paid by the Group are equal to the standard wholesale prices.

The Directors confirm that the purchase arrangements between the Group and the DTG Group are on normal commercial terms which are substantially the same as those arrangements of the Group and the DTG Group with other independent third parties.

The purchase of merchandise from the DTG Group by the Group and the same amount expressed as a percentage of the total audited purchases of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Purchase of merchandise	8,308	2,272
As percentage of purchases	0.48%	0.17%

C. Provision of management and supporting services

The DTG Group has from time to time provided management and supporting services to the Group's Singapore retail shops. The services include the maintenance of accounting records and management supervision. The service fee payable by the Group is based on the overhead costs incurred by the DTG Group in providing these services on a cost recovery basis to the Group.

The service fee paid by the Group to the DTG Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Service fee paid	91	87
As percentage of turnover	0.002%	0.004%

The Group has from time to time provided handling services to the DTG Group in relation to the purchase of certain merchandise by the DTG Group. As the DTG Group is required to pay royalties on certain merchandise purchased directly from manufacturers and such royalties made by the DTG Group are paid through the Group, a handling service fee at a rate of 10% of the direct purchase cost is charged by the Group to fully recover such royalties paid on the DTG Group's behalf.

The handling service fee paid by the DTG Group to the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Handling service fee paid	178	203
As percentage of turnover	0.006%	0.009%

The Group has also from time to time provided interior design services to the DTG Group. The fee payable by the DTG Group is determined based on the experiences of designers employed and their time spent on providing the design services.

The service fee paid by the DTG Group to the Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Service fee paid	102	29
As percentage of turnover	0.003%	0.001%

D. Leasing of property

On 30th November, 2000, a member of the Group agreed to lease from a member of the DTG Group a shop space in a shopping mall with a total area of about 689 sq.ft. located at #01-05/06, Centrepoint, No. 176 Orchard Road, Singapore for a term of two years commencing from 1st November, 2000 at a current monthly rental payment of S\$27,560 (approximately HK\$116,661).

The rental payments made by this member of the Group to the DTG Group and the same amount expressed as a percentage of the total audited turnover of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental paid	1,285	1,434
As percentage of turnover	0.04%	0.06%

The Directors confirm that the terms of the lease arrangement above are similar to those arrangements of the Group with other independent third parties.

CONNECTED TRANSACTIONS WITH THE CHOPARD GROUP

The Chopard Group is deemed to be connected only by virtue of Mr. Karl Scheufele and Mr. Karl Friederich Scheufele being independent non-executive Directors before they resigned on 31st December, 2000 and 1st October, 2001 respectively. Pursuant to Rule 14.03(2)(c) of the Listing Rules, the definition of the term “director” as a connected person is extended to include any person who was within a preceding 12 months a director of the Company. As Mr. Karl Scheufele resigned on 31st December, 2000, he was no longer a connected person for the purpose of the Listing Rules from 31st December, 2001 onwards, and Mr. Karl Friederich Scheufele will cease to be a connected person for the purpose of the Listing Rules from 1st October, 2002 onwards.

The connected transactions entered into between the Chopard Group and the Group are conducted on normal commercial terms and in the ordinary and usual course of business of the Group. The Chopard Group owns the exclusive distribution rights for *Chopard* watches and jewellery worldwide and the Group has obtained from the Chopard Group a right to distribute *Chopard* watches and jewellery in Hong Kong, Singapore and Taiwan. The selling prices of this merchandise to the Group are equal to export wholesale prices set by the Chopard Group.

The purchase made by the Group from the Chopard Group and the same amount expressed as a percentage of the total audited purchases of the Group for the two years ended 31st March, 2001 are as follows:

	Year ended 31st March,	
	2000	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Purchase of merchandise	74,503	74,178
As percentage of purchases	4.30%	5.50%

REQUIREMENTS UNDER THE LISTING RULES AND WAIVERS SOUGHT

The Directors (including the independent non-executive Directors) consider that the Connected Transactions have been and will continue to be conducted in the ordinary and usual course of business of the Group. The Directors consider that it would be impracticable for the Group to make press announcements and/or seek independent shareholders’ prior approval for certain Connected Transactions on each occasion they arise.

Transactions which require disclosure but not Independent Shareholders' approval

The Directors expect that the respective annual values of:

- (a) the transactions between the ST Dupont Group and the Group in relation to
 - sale of merchandise;
 - purchase of merchandise;
 - provision of management and supporting services;
 - licensing of property; and
 - royalty payments;
- (b) the transactions between the Group and the Artland Group in relation to
 - sale of merchandise;
 - purchase of merchandise; and
 - licensing and leasing of properties;
- (c) the advertising and promotion services provided by the D Promotion Group to the Group; and
- (d) the transactions between the Group and the DTG Group in relation to
 - purchase of merchandise;
 - provision of management and supporting services; and
 - leasing of property

will not exceed the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group. The Company will therefore apply to the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 14.25(1) of the Listing Rules.

The waiver from strict compliance with the disclosure requirements under Rule 14.25(1) of the Listing Rules in respect of the Connected Transactions (except Transactions Requiring Approval) which require disclosure but not Independent Shareholders' approval for each of the financial years will be subject to the following conditions:

- (a) the Connected Transactions (except Transactions Requiring Approval) will be entered into:
 - (i) in the ordinary and usual course of business of the Group;

- (ii) on normal commercial terms or, where there is no available comparison, on terms that are fair and reasonable so far as the Independent Shareholders are concerned; and
 - (iii) in accordance with the terms of the agreements governing the Connected Transactions (except Transactions Requiring Approval) or, if there are no such agreements, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties;
- (b) the annual value of each of the nature of the Connected Transactions (except Transactions Requiring Approval) for each of the financial years shall not exceed the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group;
 - (c) the independent non-executive Directors shall review the Connected Transactions (except Transactions Requiring Approval) annually and confirm in the Company's next and successive annual report(s) that the Connected Transactions (except Transactions Requiring Approval) were conducted in the manner as stated in paragraphs (a) and (b) above;
 - (d) the auditors of the Company shall review the Connected Transactions (except Transactions Requiring Approval) annually and confirm in a letter to the Board, a copy of which shall be provided to the Listing Division of the Stock Exchange, stating whether:
 - (i) the Connected Transactions (except Transactions Requiring Approval) have obtained approval of the Board;
 - (ii) the Connected Transactions (except Transactions Requiring Approval) have been entered into in accordance with the pricing policies as stated in the respective agreements;
 - (iii) the Connected Transactions (except Transactions Requiring Approval) have been entered into in accordance with the terms of the agreements governing the Connected Transactions (except Transactions Requiring Approval) or, if there are no such agreements, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
 - (iv) the cap amount set out in paragraph (b) above has been exceeded.

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

- (e) details of the Connected Transactions (except Transactions Requiring Approval) in each financial year shall be disclosed as required under Rule 14.25(1)(A) to (D) of the Listing Rules in the annual report of the Company for that financial year together with a statement of the opinion of the independent non-executive Directors and confirmation from the auditors of the Company referred to in paragraphs (c) and (d) above; and

- (f) the ST Dupont Group, the Artland Group, the D Promotion Group, the DTG Group and their respective associates shall provide to the Stock Exchange an undertaking that, for so long as the Company's shares are listed on the Stock Exchange, they will provide the Company's auditors with full access to its relevant records for the purpose of the auditors' review of the Connected Transactions (except Transactions Requiring Approval) referred to in paragraph (d) above.

The Transactions Requiring Approval

As the Directors expect that the total annual value of the transactions in respect of the sale of merchandise by the Group to the DTG Group will exceed the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group, the Company will therefore apply to the Stock Exchange for a waiver from the disclosure and approval requirements as required under Rule 14.26 of the Listing Rules.

Pursuant to Rule 14.03(2)(c) of the Listing Rules, the definition of the term "director" as a connected person is extended to include any person who was within a preceding 12 months a director of the Company. As Mr. Karl Friederich Scheufele resigned as an independent non-executive Director on 1st October, 2001, any transactions between the Chopard Group and the Group would continue to constitute connected transactions under the Listing Rules until 30th September, 2002. After such date, such transactions would cease to constitute connected transactions. As the Directors expect that such transactions during the period between 1st April, 2002 and 30th September, 2002 will exceed the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group, the Company will therefore apply to the Stock Exchange for a waiver from strict compliance with the disclosure and approval requirements under Rule 14.26 of the Listing Rules.

The waiver from strict compliance with the disclosure and approval requirements under Rule 14.26 of the Listing Rules in respect of the Transactions Requiring Approval will be subject to the following conditions in that:

- (a) the Independent Shareholders must approve the Transactions Requiring Approval at the SGM;
- (b) the Transactions Requiring Approval will be entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or, where there is no available comparison, on terms that are fair and reasonable so far as the Independent Shareholders are concerned; and
 - (iii) in accordance with the terms of the agreements governing Transactions Requiring Approval or, if there are no such agreements, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties;
- (c) the annual aggregate value of the gross sale of merchandise to the DTG Group by the Group for each of the three financial years ending 31st March, 2005 shall not exceed the annual cap amount of HK\$180 million;

- (d) the total value of the purchases by the Group from the Chopard Group for the period from 1st April, 2002 up to and including 30th September, 2002 shall not exceed the cap amount of HK\$50 million;
- (e) the independent non-executive Directors shall review the Transactions Requiring Approval, where applicable, annually and confirm in the Company's next and successive annual report(s) that the Transactions Requiring Approval were conducted in the manner as stated in paragraphs (b), (c) and (d) above;
- (f) the auditors of the Company shall review the Transactions Requiring Approval, where applicable, annually and confirm in a letter to the Board, a copy of which shall be provided to the Listing Division of the Stock Exchange, stating whether:
 - (i) the Transactions Requiring Approval have obtained approval of the Board;
 - (ii) the Transactions Requiring Approval have been entered into in accordance with the pricing policies as stated in the respective agreements;
 - (iii) the Transactions Requiring Approval have been entered into in accordance with the terms of the agreements governing the Transactions Requiring Approval or, if there are no such agreements, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
 - (iv) the cap amounts set out in paragraphs (c) and (d) above have been exceeded.

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

- (g) details of the Transactions Requiring Approval in each financial year shall be disclosed as required under Rule 14.25(1)(A) to (D) of the Listing Rules in the annual report of the Company for that financial year together with a statement of the opinion of the independent non-executive Directors and confirmation from the auditors of the Company referred to in paragraphs (e) and (f) above; and
- (h) the DTG Group, the Chopard Group and their respective associates shall provide to the Stock Exchange an undertaking that, for so long as the Company's shares are listed on the Stock Exchange, they will provide the Company's auditors with full access to its relevant records for the purpose of the auditors' review of the Transactions Requiring Approval referred to in paragraph (f) above.

SGM

Given the above, the SGM will be convened as soon as practicable at which all necessary resolutions will be proposed to approve, inter alia, the Transactions Requiring Approval and the relevant waivers. In view of the interests of Mr. Dickson Poon in the Connected Transactions, he and his associates will abstain from voting at the SGM. As at the date of this announcement, Mr. Karl Friederich Scheufele did not have any shareholding interests in the Company. Should Mr. Karl Friederich Scheufele acquire any shares of the Company during the period between the date of this announcement and the date on which the SGM is to be held, he and his associates shall also abstain from voting at the SGM.

GENERAL

As at 31st March, 2001, the audited net asset value of the Group was about HK\$1,064 million.

An Independent Board Committee consisting of the independent non-executive Directors, namely Mr. Leung Kai Hung, Michael and Mr. Ma Si Hang, Frederick will be established to advise the Independent Shareholders regarding the Transactions Requiring Approval. In connection therewith, Anglo Chinese Corporate Finance, Limited has been appointed as the independent financial adviser to the Independent Board Committee.

A circular containing, among other matters, details of the Connected Transactions, the advice of the Independent Board Committee and the advice of the independent financial adviser to the Independent Board Committee and the notice of SGM will be despatched to shareholders of the Company as soon as practicable.

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

“Artland Group”	Artland Watch Company Limited and Precision Watch Company Limited, companies incorporated in Hong Kong with limited liability together with their subsidiaries
“associate(s)”	has the meaning as ascribed under the Listing Rules
“Board”	the board of Directors
“Chopard Group”	the companies controlled by Mr. Karl Scheufele and Mr. Karl Friederich Scheufele, the ex-independent non-executive directors of the Company
“Company”	Dickson Concepts (International) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Connected Transactions”	the connected transactions (including the Transactions Requiring Approval), as described in this announcement, which are subject to disclosure and/or shareholders’ approval under the Listing Rules
“D Promotion Group”	Dickson Promotion Company Limited and Dickson Communications Limited, companies incorporated in Hong Kong with limited liability
“DTG Group”	Dickson Trading (S) Pte Ltd, a company incorporated in Singapore with limited liability and wholly-owned by Mr. Dickson Poon and together with its group companies

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent committee of the Board consisting of the independent non-executive Directors, namely Mr. Leung Kai Hung, Michael and Mr. Ma Si Hang, Frederick, to advise the Independent Shareholders in connection with the Connected Transactions
“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 of Hong Kong Limited
“Mr. Dickson Poon”	Mr. Dickson Poon, Group Executive Chairman and a substantial shareholder of the Company
“PRC”	the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened as soon as practicable to consider and approve, among others, the Transactions Requiring Approval and the relevant waivers, including any adjourned meeting thereof
“ST Dupont”	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 is owned as to 55.53% of its issued share capital by a trust established for the benefit of, inter alia, Mr. Dickson Poon and members of his family
“ST Dupont Group”	S.T. Dupont and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions Requiring Approval”	the sale of merchandise to the DTG Group by the Group for each of the three years ending 31st March, 2005 and, the purchase from the Chopard Group by the Group for the period between 1st April, 2002 and 30th September, 2002
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“S\$”	Singaporean dollars, the lawful currency of The Republic of Singapore
“Yen”	Japanese Yen, the lawful currency of Japan
“%”	per cent.

By Order of the Board
DICKSON CONCEPTS (INTERNATIONAL) LIMITED
Stella Or
Company Secretary

Hong Kong, 30th May, 2002

Please also refer to the published version of this announcement in the Hong Kong i-Mail.