

**IN THE MATTER OF THE LISTED SECURITIES OF  
DICKSON CONCEPTS (INTERNATIONAL) LIMITED  
(STOCK CODE: 0113)**

**NOTICE TO THE MARKET MISCONDUCT TRIBUNAL  
PURSUANT TO SECTIONS 252(2) AND 307I(2) OF AND SCHEDULE 9 TO  
THE SECURITIES AND FUTURES ORDINANCE CAP 571 (ORDINANCE)**

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Whereas it appears to the Securities and Futures Commission (**Commission**) that:

- (a) market misconduct within the meaning of section 270 of Part XIII of the Ordinance (**Insider Dealing**) has or may have taken place in relation to the dealings in the securities of Dickson Concepts (International) Limited (**Dickson Concepts** or **Company**) (Stock Code: 0113); and/or
- (b) a breach of the disclosure requirements within the meaning of sections 307B and 307G of Part XIVA of the Ordinance has or may have taken place in relation to the securities of Dickson Concepts,

the Market Misconduct Tribunal is hereby required to conduct proceedings and determine:

- (1) whether any market misconduct in the nature of Insider Dealing has taken place;
- (2) the identity of any person who has engaged in the market misconduct found to have been perpetrated; and
- (3) the amount of any profit gained as a result of the market misconduct found to have been perpetrated;

and

- (4) whether a breach of a disclosure requirement has taken place; and
- (5) the identity of any person who has breached the disclosure requirement.

**Persons suspected to have engaged / may have engaged in  
market misconduct**

- (1) Dickson Poon (**Dickson Poon**); and
- (2) Equity Advantage Limited (**Equity**).

**Persons suspected to have breached / may have breached  
a disclosure requirement**

- (1) Dickson Concepts;
- (2) Dickson Poon; and
- (3) Poon Dickson Pearson Guanda (**Pearson Poon**).

**Statement of Institution of Proceedings**

**A. Relevant persons**

1. At all material times:
  - (1) Dickson Poon (**1<sup>st</sup> Specified Person**) was the Group Executive Chairman and Executive Director of Dickson Concepts (**3<sup>rd</sup> Specified Person**).
  - (2) Dickson Poon's son, Pearson Poon (**4<sup>th</sup> Specified Person**), was an Executive Director of Dickson Concepts.
  - (3) Chan Hon Chung Johnny Pollux (**Johnny Chan**) was an Executive Director of Dickson Concepts.
  - (4) Yinne Yu (**Yinne Yu**) was the Head of Strategy and Investments at Dickson Concepts responsible for the identification and recommendation of investment opportunities for Dickson Concepts.
  - (5) Equity (**2<sup>nd</sup> Specified Person**) was incorporated in the British Virgin Islands on 23 July 2002. It was an investment holding company formed under a discretionary trust that had been established by Dickson Poon.
  - (6) Kinford International Limited (**Kinford**) was a wholly owned subsidiary of Dickson Concepts.

## **B. Background**

2. The shares of Dickson Concepts were and are listed on the Main Board of The Stock Exchange of Hong Kong Limited.
3. As at May 2019, Dickson Concepts held, indirectly through Kinford, 24,834,600 shares (of the Series B of the Preferred Stock) of Honey Science Corporation (**Honey**), being approximately 3.73% of Honey's issued share capital (**Investment**).
4. In Dickson Concepts' financial statements / annual reports, the Investment was booked as "Unlisted equity securities" under "Other Financial Assets" (the Investment was valued at approximately HK\$148 million in 2019, which was included in and formed part of the fair value of approximately HK\$224 million for such "Unlisted equity securities"), without any reference to Honey.
5. On 20 November 2019 (US Eastern Standard Time)<sup>1</sup>, Paypal Holdings, Inc. (**Paypal**) announced on its website (**Paypal Announcement**) that it had agreed to acquire Honey for approximately US\$4 billion (**Proposed Acquisition**).
6. On 27 November 2019, the Dickson Concepts Group Interim Results for the Six Months Ended 30 September 2019 was announced and the black-out period prohibiting Dickson Concepts directors from dealings in Dickson Concepts shares came to an end.
7. Between 28 November and 19 December 2019, Dickson Poon personally or indirectly through Johnny Chan placed buy orders, in the name of Equity, with the Hong Kong branch of UBS AG (**UBS**) to acquire Dickson Concepts shares. Dickson Poon successfully obtained a total of 2,756,500 Dickson Concepts shares through Equity's securities trading account at UBS, for a total price of approximately HK\$10.29 million.
8. On 6 January 2020, Paypal announced that it had completed the Proposed Acquisition for approximately US\$4 billion.
9. At 1pm on 8 January 2020, at the request of Dickson Concepts, trading of Dickson Concepts shares was suspended. That day, Dickson Concepts shares closed at HK\$3.75 per share.

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<sup>1</sup> Unless otherwise specified, the date and time referred to in this Notice are based on Hong Kong time.

10. On 9 January 2020, Dickson Concepts issued an announcement (**PSI Announcement**) under Rule 13.09 of the Main Board Listing Rules and the relevant provisions in Part XIVA of the Ordinance. In the PSI Announcement, it was disclosed, among other things, that Paypal and Honey had completed the Proposed Acquisition on 3 January 2020 and Dickson Concepts would receive US\$147,585,708 as the proceeds from its disposal of the Investment.
11. On 10 January 2020, trading of Dickson Concepts shares resumed. Dickson Concepts shares reached an intra-day high of HK\$5.52 per share and closed at HK\$5.00 per share, representing an increase of 33.3% from the pre-suspension close.

**C. Information known to Dickson Poon and Pearson Poon**

12. On 21 November 2019, at 1:58pm, Yinne Yu sent an email, in which an Internet web-page link to the Paypal Announcement was provided, to Dickson Poon and Pearson Poon (**1<sup>st</sup> Email**), to inform them:
  - (1) about the Proposed Acquisition;
  - (2) that the value of the Investment would exceed US\$100 million; and
  - (3) the Proposed Acquisition was expected to close in the first quarter of year 2020.
13. On 21 November 2019, at 2:48pm, Pearson Poon sent an email to Dickson Poon in which the former stated “*Wow ... good to see a bit of good news [Emoji Smiley symbol] [Emoji Smiley symbol]*”.
14. On 21 November 2019, at 3:45pm, Dickson Poon sent an email to Yinne Yu to state “*That’s wonderful news. I suppose there shouldn’t be any regulatory issues given the size of Honey*”.
15. On 21 November 2019, at 3:47pm, Dickson Poon sent an email to Pearson Poon in which the former stated “*Indeed and looks like it’s real from the announcement! I will forward to you Johnny’s calculations on our share of profit which amounts to approx \$120m!*”.
16. On 22 November 2019, at 9:13am, Yinne Yu sent an email to Dickson Poon in which she stated “*Paypal is a payment business whereas honey an ecommerce tool. The acquisition would not help Paypal egregiously consolidate market*

*share but deepens the relationships they have with existing merchants and customers. So no I don't think there will be regulatory issues".*

17. On 25 December 2019, at 4:37pm, Yinne Yu sent an email to Dickson Poon (**2<sup>nd</sup> Email**) to inform him that:
  - (1) Honey was asking Kinford to sign some legal documents for closing of the Proposed Acquisition and receipt of consideration;
  - (2) closing and payment were expected to happen in January 2020; and
  - (3) the consideration to be received by Kinford/Dickson Concepts was expected to exceed US\$140 million, of which over US\$130 million would be received in January 2020.
18. Subsequent to the 2<sup>nd</sup> Email, there were exchanges of email correspondence between Dickson Poon and Johnny Chan on 25 December and 26 December 2019, in which Dickson Poon forwarded the 2<sup>nd</sup> Email to Johnny Chan and asked the latter whether he would be able to sign the relevant documents, on behalf of Kinford, for the Proposed Acquisition to proceed and Johnny Chan confirmed with Dickson Poon that he could sign them (**Further Emails**). Dickson Poon also, on 25 and 26 December 2019, emailed Pearson Poon and others in relation to the Proposed Acquisition.

#### **D. Inside information in relation to Dickson Concepts**

19. The information in the 1<sup>st</sup> Email that PayPal would acquire the entire Honey for approximately US\$4 billion and, as a result, Dickson Concepts would receive, as proceeds from its disposal of the Investment, approximately US\$120 million in the following months (**Information A**), was specific information about Dickson Concepts and its listed securities.
20. Prior to 9 January 2020, i.e., the date of the PSI Announcement, Information A was not generally known to the persons who were accustomed or would be likely to deal in the listed securities of Dickson Concepts, but would if generally known to them (before 9 January 2020), be likely to materially affect the price of the listed securities of Dickson Concepts.

21. Information A was accordingly “*inside information*” within the meaning of sections 245(2) and 307A(1) of the Ordinance.
22. The information in the 2<sup>nd</sup> Email and the Further Emails that, on or around 26 December 2019, the Proposed Acquisition would be completed in January 2020; and the proceeds of the disposal of the Investment would exceed US\$140,000,000, of which the bulk would be paid in January 2020 (**Information B**), was specific information about Dickson Concepts and its listed securities.
23. Prior to 9 January 2020, Information B was not generally known to the persons who were accustomed or would be likely to deal in the listed securities of Dickson Concepts, but would if generally known to them (before 9 January 2020) be likely to materially affect the price of the listed securities of Dickson Concepts.
24. Information B was accordingly “*inside information*” within the meaning of sections 245(2) and 307A(1) of the Ordinance.

**E. Connection with Dickson Concepts**

25. Dickson Poon was “*connected with*” Dickson Concepts within the meaning of section 247(1)(a) of the Ordinance, by virtue of his position as the Group Executive Chairman and Executive Director of the Company.
26. Equity was “*connected with*” Dickson Concepts within the meaning of section 247(2) of the Ordinance, by virtue of its authorization for Dickson Poon to give oral and/or written instructions to UBS to deal in Dickson Concepts’ shares in the name of Equity.
27. Pearson Poon was “*connected with*” Dickson Concepts within the meaning of section 247(1)(a) of the Ordinance, by virtue of his position as an Executive Director of the Company.

**F. Insider dealing by Dickson Poon and Equity**

28. In view of the foregoing,

- (1) Dickson Poon, being connected with Dickson Concepts, and having Information A which he knew was inside information in relation to Dickson Concepts:
  - (a) dealt in Dickson Concepts shares; and
  - (b) counselled or procured Equity to deal in Dickson Concepts shares, knowing or having reasonable cause to believe that Equity would deal in them.
- (2) Equity, being connected with Dickson Concepts, and having Information A which it knew was inside information in relation to Dickson Concepts, dealt in Dickson Concepts shares.
- (3) In the alternative to (2) above, Equity, having Information A which it knew was inside information in relation to Dickson Concepts and which it received directly or indirectly from Dickson Poon whom it knew was connected with Dickson Concepts and whom it knew or had reasonable cause to believe held Information A as a result of being connected with Dickson Concepts, dealt in Dickson Concepts shares.

29. Accordingly,

- (1) Dickson Poon engaged or may have engaged in market misconduct as defined in section 270(1)(a)(i) and/or 270(1)(a)(ii) of the Ordinance; and
- (2) Equity engaged or may have engaged in market misconduct as defined in section 270(1)(a)(i) and/or 270(1)(e)(i) of the Ordinance.

**G. Failure to disclose inside information**

30. Information A came to the knowledge of the Company on 21 November 2019. Information B came to the knowledge of the Company on or around 26 December 2019. Once any such information came to the knowledge of the Company, it was required, under section 307B(1) of the Ordinance, to disclose that information to the public as soon as reasonably practicable.
31. However, no disclosure of any aspect of Information A or Information B was made to the public until 9 January 2020, when the PSI Announcement was issued.

32. The Company therefore failed to disclose to the public Information A and Information B, each of which constituted “*inside information*” within the meaning of section 307A(1) of the Ordinance, as soon as reasonably practicable after the said inside information had come to its knowledge, in breach of the disclosure requirement under section 307B(1) of the Ordinance.
33. As officers of the Company, both Dickson Poon and Pearson Poon had a duty under section 307G of the Ordinance to:
  - (1) take all reasonable measures from time to time to ensure that proper safeguards exist to prevent any breach of disclosure requirement; and
  - (2) ensure that the Company would comply with the requirement to disclose to the public Information A and Information B as soon as reasonably practicable.
34. At the material time, neither Dickson Poon nor Pearson Poon properly performed the duty under section 307G of the Ordinance, with a result that the Company was in breach of the disclosure requirement under section 307B(1) of the Ordinance. In those circumstances,
  - (1) in view of Dickson Poon’s intentional, reckless or negligent conduct, he was in breach of a disclosure requirement under section 307G(2)(a) of the Ordinance; and
  - (2) in view of Pearson Poon’s intentional, reckless or negligent conduct, he was in breach of a disclosure requirement under section 307G(2)(a) of the Ordinance.

Dated this 8<sup>th</sup> day of October 2024.

Securities and Futures Commission