REPORT OF THE MARKET MISCONDUCT TRIBUNAL OF HONG KONG

Part I

on whether any market misconduct
in the nature of insider dealing has taken place; and
whether a breach of disclosure requirement has taken place
in relation to the listed securities of

DICKSON CONCEPTS (INTERNATIONAL) LIMITED

(Stock Code: 0113)

and on other related questions

INDEX

	Title	Paragraphs
CHAPTER 1	THE COMMISSION'S NOTICE	
	Statement of Institution of Proceedings-8 October 2024.	**3-18**
	Relevant persons.	4
	Background.	7
	Information known to Sir Dickson Poon and Pearson Poon.	8
	Inside information in relation to Dickson Concepts.	9
	Connection with Dickson Concepts.	10
	Insider dealing by Sir Dickson Poon- s.270(1)(a)(i) and/or s.270(1)(a)(ii); Equity- s.270(1)(a)(i) and/or s.270(1)(e)(i).	11-12
	Failure to disclose inside information- s.307B(1)	13-14
	Duties of officers of Dickson Concepts- s.307G.	15
	Breach of the disclosure requirement.	16-17
	Directions to the Tribunal.	18
CHAPTER 2	THE COURSE OF THE PROCEEDINGS	
	Commission's Notice-8 October 2024.	19
	Preliminary Conference: 21 November 2024.	20
	Directions: Substantive Hearing fixed for 15 to 19 December 2025 and 22 and 23 December 2025.	
	Filing of material with the Tribunal:	21
	25 April 2025: Commission-Witness Statements, Exhibits and an Expert report;	
	17 June 2025: Specified Persons-Witness Statements and Exhibits; 8 October 2025 and 22 December 2025 Commission: further Witness Statements.	
	Hearing Bundles	22-23
	Commission:	
	(i) Witness Statements and Records of Interview Specified Persons and Others- 805 pages;	
	(ii) Exhibits- 5,609 pages; and	
	(iii) Expert report from Leung Yiu man- 1,311 pages.	
	Specified Persons: Witness Statements and attachments- 2,007 pages.	
	Hearing: 15-19 December 2025; and 22 and 23 December 2025.	24
	Further Hearing dates: 24-26 March 2026; 27-29 April 2026; and 18-20 May 2026.	25-27
CHAPTER 3	THE LAW	
	Nature of the proceedings.	28
	Standard of proof: s.252(7).	29
	Burden of proof.	30
	Material received and considered by Tribunal: s.253(1)(a).	31
	Reasonable opportunity to be heard: s.252(6).	32
	Separate consideration.	33
	Good character.	34
	Inferences.	35-36
	Lies.	37
	Expert evidence.	38

	Title	Paragraphs
	Insider dealing: s.270.	**39-51**
	Inside information: s.245(2).	40
	Connected with a corporation: s.247.	41
	Dealing in listed securities: s.249.	42
	Specific information.	43-44
	5 elements of insider dealing; temporal aspects.	45-46
	Knowledge that information is price sensitive.	47
	Likely to materially affect the price.	48-51
	Innocent purpose defence: s.271(3); *SFC v Yiu Hoi Ying*	52-61
	Listed corporation's duty of disclosure to public:	62-63
	s.307B(1) as soon as reasonably practicable after inside information comes to its knowledge.	
	Interpretation of terms: s.2 and Schedule 1.	64
	Inside information: s.307A.	65
	Breach of disclosure requirement: s.307A(2).	66
	Exceptions to disclosure requirement: s.307D(2); s.307D(4).	67-68
	Duties of officers of listed corporations: s.307G(2):	69
	if a listed corporation is in breach of its disclosure requirement an officer – (a) whose intentional, reckless or negligent conduct has resulted in the breach is also in breach of the disclosure requirement.	
	Reckless.	70
	Negligence.	71
	Directors of care, skill and diligence: s.465 Companies Ordinance, Cap. 622.	72-74
CHAPTER 4	DICKSON CONCEPTS' INVESTMENT IN HONEY	
	October 2016 - US $5 million Kinford Series B Preferred Stock on introduction of Yinne Yu.	75
	April 2018 - following Series C (March 2017) and Series D (April 2018) financing Kinford held 24,834,600 Honey shares.	76
	Yinne Yu's role.	77-86
	August 2016- Yinne Yu's introduction of Honey as an investment opportunity.	79-86
	Norton Rose Reply to Commission, 30 March 2020 Dickson Concepts' acquisition and holding of Honey shares.	87-88
	Emails: Yinne Yu/Sir Dickson-updates on Honey investment:	
	23 February 2017 - Honey closing funding round at $200M post money valuation- likely to get acquisition offer next few months;	89
	10 March 2017- CapitalOne indicated they will make an acquisition offer a next few months higher than this round;	90
	20 March 2018 - Honey just got a Term sheet at 700M valuation.	91
	DC's accounting treatment of Honey investment reflected in financial statements -	92-99
	FY 2017 and FY 2018 - Unlisted Equity Securities, classified as Other Financial Assets of overall book value;	93-94
	30 September 2018 - Interim Financial Report-fair value of Unparticularised part of Total HK $221,536,004;	95-96

	Title	Paragraphs
	FY 31 March 2019 - unparticularised part of total of HK $224,710,000;	97-99
	30 September 2019 - Interim Financial Report, unparticularised part of total of HK $224,452,000.	100-107
	No disclosure of Dickson Concepts' holding in Honey.	108
	Email: Yinne Yu/Sir Dickson: 15 October 2019 - 'we may have big exit coming up.'	109-110
CHAPTER 5	INFORMATION PROVIDED TO SIR DICKSON/PEARSON POON: 21 AND 22 NOVEMBER 2019	
	Background: provenance of Yinne Yu's information	111-119
	Role of Yinne Yu - communications with investee companies.	120-121
	Email: Yinne Yu/Sir Dickson/Pearson Poon-21 November 2019 with link to PayPal Announcement-20 November 2019.	122-125
	Webcast/Conference Call Discussion and Slide Presentation.	126-128
	Emails: 21/22 November 2019-Sir Dickson/JC; Sir Dickson/PP; and Sir Dickson/YY.	129-137
CHAPTER 6	SIR DICKSON'S ASSESSMENT OF AND REACTION TO INFORMATION OF 21/22 NOVEMBER 2019	
	November 2019: substantial business challenges and social unrest.	138
	Dickson Concepts Interim Report 2019-2020- 27 November 2019.	139
	YY's email 21 November 2019 with link to PayPal Announcement- Sir Dickson's assessment and reaction;	**140-185**
	(i) Sir Dickson contacted JC requesting identification of investee in Honey and valuation; email: JC/Sir Dickson-3:08 p.m. 21 November 2019.	167-168 169-176
	(ii) emails: Sir Dickson/Pearson Poon-2:48 p.m. and 15:47 p.m. 21 November 2019.	177-183
	(iii) emails: Sir Dickson/Yinne Yu-21 and 22 November 2019.	
	Sir Dickson's knowledge of PayPal.	184-185
CHAPTER 7	PEARSON POON'S ASSESSMENT OF AND REACTION TO INFORMATION OF 21/22 NOVEMBER 2019	
	November 2019: significant issues facing DC.	186
	PP's academic and business *curriculum vitae.*	187
	November 2019: 11 day business trip.	188
	Information provided to Pearson Poon- email Yinne Yu/Pearson Poon 21 November 2019 with link to PayPal Announcement-20 November 2019-assessment and reaction.	189-197
	Ant Financial/Moneygram Announcements: 26 January 2017 and 2 January 2018.	198-207
	email: 2:48 p.m. on 21 November 2019-PP/Sir Dickson.	208-211
	emails: 3:47 p.m. on 21 November 2019-Sir Dickson/PP.	212-214
	email: 3:45 on 21 November 2019-Sir Dickson/YY/PP; 9:13 a.m. on 22 November 2019 YY/Sir Dickson/PP.	215-222
	Pearson Poon's assumption: news of PayPal Announcement shared with JC.	223-225
	Action/response to 21 November 2019 information-leave it to Sir Dickson/JC.	230-233

	Title	Paragraphs
	Pearson Poon's knowledge of Sir Dickson's purchase of DC shares-28 November 2019/19 December 2019.	234
	PP learned assumption of JC's knowledge was incorrect: 3 March-5 May 2020.	235
	email: 4 December 2019-PP/Edmund Lo- "YY thinks it can potentially be another Honey".	237-240
CHAPTER 8	INTERIM RESULTS 2019-2020	
	DC published Interim Results 2019-2020: 16:52 on 27 November 2019.	241-242
	emails:Yinne Yu/JC-29/30 October 2019 - latest valuation of Honey.	243-244
	Audit Clearance Committee Meeting: 4:30 p.m. 21 November 2019.	245
	Audit Committee Meeting: 2:00 p.m. on 27 November 2019.	246
	DC Directors' Meeting: 4:00 p.m. 27 November 2019.	247-248
	DC Interim Report 2019-2020.	249-252
	Listing Rules: Blackout period.	253
CHAPTER 9	PURCHASE OF DC SHARES BY EQUITY: 28 NOVEMBER 2019-19 DECEMBER 2019	
	Equity	
	Account with UBS: Kiki Heung, account manager.	255-256
	Orders with UBS to buy DC shares.	**257-288**
	27 November 2019: telephone call Sir Dickson/Kiki	257
	28 November 2019: 09:00 JC/Kiki telephone-	258-267
	1st Purchase Order-1 million DC *shares at HK $3.7 or better.*	
	10:04: telephone call Kiki/JC-buying suspended.	
	10:14: telephone call JC/Kiki price change to HK$3.6 or better.	
	11:13: telephone call Sir Dickson/Kiki price change to $3.7.	
	12:11: email: Betty Yim/Sir Dickson/PP/JC-Execution Detail.	
	2:38 p.m. Sir Dickson/Betty Yim-	
	2nd Purchase Order-1 million DC shares at $3.7 or better.	
	4:31p.m. email: Betty Yim/Sir Dickson/PP/JC-Execution Detail.	
	29 November 2019-4 December 2019	268
	29 November 2019: 53,500 DC shares purchased.	
	2 December 2019: 42,500 DC shares purchased.	
	3 December 2019: 35,500 DC shares purchased.	
	4 December 2019: 2,000 DC shares purchased.	
	4 December 2019: 4:27 p.m. telephone call Sir Dickson/Kiki.	269-270
	4:32 p.m. telephone call Sir Dickson/Kiki purchase price changed to $3.75 or better.	
	5 December 2019: 4:31 email: Kiki/Sir Dickson/PP/JC-Execution Detail.	271
	6 December 2019: 4:16 email: Kiki/Sir Dickson/PP/JC-Execution Detail.	272
	9 December 2019: no DC shares purchased.	274

Title			Paragraphs
10 December 2019:	4:22 p.m. email Betty Yim/Sir Dickson/PP/JC-Execution Detail 76,000 DC shares purchased.		275
	Sir Dickson changed the price to $3.8 or better (good till Cancel)		276
11 December 2019:	4:22 p.m. email Betty Yim/Sir Dickson/PP/JC-Execution Detail 147,500 DC shares purchased.		277-278
	4:36 p.m. Sir Dickson/Betty Yim/Rachel-*3rd Purchase Order-2 million DC at $3.80 or better.*		
12 December 2019:	4:22 p.m. email Rachel/Sir Dickson/PP/JC-Execution Detail 54,000 DC shares purchased.		279
13 December 2019:	12:13 p.m. telephone call Sir Dickson/Kiki-*4th Purchase Order 2 million DC shares at $3.80 or better (good till cancel)*		280-281
	4:22 p.m. email Rachel/Sir Dickson/PP/JC-Execution detail 1,346,000 DC shares purchased.		
16/17 December 2019:	no DC shares purchased.		282-284
18 December 2019:	10:17 a.m.	telephone call Kiki/JC confirming Sir Dickson's change of price to $3.9 or better.	285-286
	4:20 p.m.	email Rachel/Sir Dickson/PP/JC-Execution Detail-49,000 DC shares purchased.	
19 December 2019:	2:02 p.m.	telephone call Betty Yim/JC confirming cancellation of outstanding purchase orders.	287-288
	4:20 p.m.	email Betty Yim/Sir Dickson/PP/JC Execution Detail - 11,500 DC shares purchased.	
Total purchases of DC shares by Equity through UBS- 28 November 2019-19 December 2019: 2,756,500 shares for $10,292,179.58.			289-290
Notification of Directors intended dealings in shares of DC:			292-293
28 November 2019 - *purchase of 2 million* DC shares from 28 November to 4 December 2019.			
5 December 2019 - *purchase of 1,500,000* DC shares from 5 December to 11 December 2019			
11 December 2019 - *purchase of 5 million* DC shares from 11 December to 17 December 2019.			
18 December 2019 - *purchase of 3,500,000* DC shares from 18 December to 24 December 2019.			
Director/Chief Executive Notice-Interest in Shares of Listed Corporation.			294-300
Sir Dickson's purposes and practice of buying DC shares for Dickson Trust			
(i) 28 November-19 December 2019			301-307
UBS Notification Report.			308-312
(ii) Sir Dickson's practice in buying DC shares.			313-328

	Title	Paragraphs
CHAPTER 10	INFORMATION PROVIDED TO SIR DICKSON ON 25 DECEMBER 2019: HIS REACTION, THAT OF PEARSON POON AND OTHERS	
25 December 2019:	emails YY/Sir Dickson; Sir Dickson/JC; and Sir Dickson/PP.	329-340
26 December 2019:	emails YY/Sir Dickson; JC/Sir Dickson.	341-346
27 December 2019:	email DocuSign/YY/JC-Transaction Documents.	350-354
	Steps taken to draft an Announcement - email JC/Sir Dickson	355
	emails JC/Stella Or - draft Announcement.	356-358
	Sir Dickson's instruction to JC to consult Norton Rose.	359
	DC's dilemma.	360
	email JC/Stella Or; JC/Dave Hsu; JC/YY - DC Announcement - obtain PayPal/Honey consent to disclose details of transaction two years of Honey financials.	361-364
28 December 2019:	emails YY/JC; JC/Stella Or; JC/Dave Hsu	365-372
29 December 2019:	emails Sir Dickson/YY-important you try to obtain consent	373-374
3 January 2020:	email Sir Dickson/YY-attaching draft Announcement-convince PayPal.	375-376
6 January 2020:	email YY/Sir Dickson.	377
6-7 January 2020:	Norton Rose's advice to JC.	378
8 January 2020:	Suspension of trading in DC shares.	379-380
9 January 2020:	DC Announcement.	381
CHAPTER 11	COMMISSION'S ENQUIRIES OF DC AND ITS REPLIES	
(i)	Commission's letter to Dickson Concepts: 10 January 2020.	382-384
(ii)	Dickson Concepts letter to Commission: 17 January 2020.	385-386
Sir Dickson's evidence.		387-398
Stella Or's evidence.		399-403
Johnny Chan's evidence.		404-411
	Legal professional privilege.	408
Pearson Poon's evidence.		412-425
(iii)	Commission's Notice to Dickson Concepts: 3 March 2020.	426-428
(iv)	Norton Rose's reply for Dickson Concepts to Commission: 5 May 2020.	429-430
Johnny Chan's evidence.		431-434
	Commission's Notice to Dickson Concepts: 3 March 2020.	
	Norton Rose's reply to Commission: 5 May 2020.	
Pearson Poon's evidence.		435-440
	Commission's Notice to Dickson Concepts: 3 March 2020.	
	Norton Rose's reply to Commission: 5 May 2020.	
CHAPTER 12	EXPERT EVIDENCE	
Leung Yiu Man-Expert Opinion.		441
Curriculum vitae.		442-444
Expert Opinion.		

Title	Paragraphs
Instructions to Expert	445
Issues: Information A; and Information B. Issues/ questions	446
Material relied upon	447-448
Issue/question (a) - those accustomed to or would be likely to deal in Dickson Concepts' shares.	449
Issue/question (b) - at any time from 21 November 2019 to 9 January 2020 was Information A or Information B generally known to the potential investors?	450-451
Issue/question (c) - had Information A been generally known to the potential investors at any time from 21 November 2019 to 9 January 2020, would it have been likely to materially affect the price of Dickson Concepts shares?	452-457
Opinion: would have attracted Potential Investors to buy/refrain from selling; Dickson Concepts shares; very likely to materially affect the price of Dickson Concepts shares.	
Issue/question (e) - factors taken into account in reaching that opinion: (i) Net asset value accretion; Dickson Concepts shares-reassessed fair value (range of HK $4.30 to HK $5.08); (ii) Special cash dividend; (iii) Low probability of execution failure- no material discount in reassessed fair value;	458-463
Customary Closing Conditions.	465-466
Possible regulatory approvals in the United States of America: PayPal.	467-468
Forward-looking statements.	469-470; 480-484
The ambit of the material to which Mr. Leung referred: assumption or opinion?	474-479
(i) Security holder and regulatory approval.	485-487
(ii) The retention of Honey's employees.	488
(iii) Probability of the deal closing: the need for more information.	489-491
Issue/question (d) - had Information B been generally known to the Potential Investors at any time between 27 December 2019 and 9 January 2020, would it have been likely to materially affect the price of Dickson Concepts shares?	492-495
Reassessed fair value: net asset value approach (range HK $4.86-$5.25)	494
Reassessed value: dividend payout approach (range of HK $4.62-$4.91)	495
Issue/question (e) - factors taken into account in reaching that opinion.	496
CHAPTER 13 INSIDER DEALING	
Insider dealing: s.270(1).	497
Inside Information: s.245(2).	498
Stipulation of the inside information: (i) Commission's Notice;	**499-503**

Title	Paragraphs
(ii) Instructions to Expert;	
21 November 2019 email: YY/Sir Dickson/PP.	504-505
20 November 2019: PayPal Announcement	506-515
21 November 2019: emails JC/Sir Dickson; Sir Dickson/PP; YY/Sir Dickson	516-520
Constituent parts of inside information.	521-526
Specific information.	**527-543**
Determination.	539-543
Not generally known to persons who are accustomed or likely to deal in DC shares.	544
Likely to materially affect the price if known who are accustomed or likely to deal in DC shares.	**545-581**
Information A-inaccurate description of inside information.	548-551
Criticism of Mr. Leung's evidence: opinions based on assumptions; lack of expertise; need for more information.	552-559
A consideration of submissions:	560-564
Mr. Leung's opinions not based on assumptions.	
PayPal: a substantial global business.	565-569
Forward-looking statements.	570-577
Mr. Leung's expertise.	578-580
Conclusion: Tribunal satisfied that: Mr. Leung was entitled to express opinion; and, if information known to those who are accustomed or likely to deal in DC shares, likely to materially affect the price of DC shares.	581
Did Sir Dickson know that he possessed inside information/price sensitive and use that knowledge in dealing in DC shares?	**582-657**
Subjective test:	582
Sir Dickson's evidence: (i) Good Character; (ii) Philanthropy.	583-585
(iii) inferences adverse to Sir Dickson-allegedly misleading reply by DC to Commission, 17 January 2020.	586-625
Conclusion: Tribunal rejects Commission's submission that in DC's reply, dated 17 January 2020, Sir Dickson deliberately misled Commission.	624-625
Sir Dickson's assessment of the information.	626-634
Sir Dickson's behaviour following receipt of 21 November 2019 information.	635-653
Conclusion: on and after 21 November 2019, Sir Dickson knew he was in possession of price sensitive/ inside information which he used when he purchased DC shares.	654-656
s.271(3): Innocent purpose defence - defence not available to Sir Dickson.	657-665
Conclusion:	666-668
Sir Dickson - culpable of insider dealing: s.270(1)(a)(i) and counselling or procuring Equity to deal: s.270(1)(a)(ii).	
Equity - culpable of insider dealing: s.270(1)(a)(i).	
CHAPTER 14 DICKSON CONCEPTS' DISCLOSURE OF INSIDE INFROMATION	
Section 307B-requirements for listed corporations to disclose inside information.	669
Schedule 1-officer of listed corporation.	670

Title	Paragraphs
Attribution of knowledge of officer to corporation.	671
Disclosure-no disclosure of inside information until 9 January Announcement.	672
Dickson Concepts Announcement: 9 January 2020.	673
Section 307A(2) - breach of disclosure requirement.	674
Section 307D(2) - exceptions to disclosure requirement.	675
Section 307G - duty of officers of listed corporations.	676
I. Dickson Concepts: duty of disclosure	**677-689**
21 November 2019 to 25 December 2019: no incomplete proposal or negotiation.	688
Conclusion: s.307B(1)-Dickson Concepts- breach of its duty to disclose to public as soon as reasonably practicable.	689
II. Section 307G(2): liability of Sir Dickson.	**690-706**
Causation	696-705
Conclusion: s.307G(2) - Sir Dickson's intentional conduct resulted in breach of Dickson Concepts' disclosure requirement; Sir Dickson in breach of the disclosure requirement.	706
III. Section 307G(2): liability of Pearson Poon	**707-750**
Commission's submissions.	708-721
Closing submissions for Pearson Poon.	722-730
A consideration of the submissions.	
Directors of Dickson Concepts: roles and experience.	733-734
Pearson Poon's assessment of the 21 November 2019 information.	735-738
Pearson Poon's delegation of responsibilities to assess 21 November 2019 information.	744-745
'Follow-up': error of judgment of Pearson Poon not to raise issue of disclosure with Johnny Chan; but Tribunal not satisfied that Pearson Poon was negligent.	
Conclusion: Tribunal not satisfied Pearson Poon culpable of a breach of s.307G(2).	750
IV. Dickson Concepts: duty of disclosure-	751-807
Information that came to the knowledge of Dickson Concepts:	
25 December - 27 December 2019.	
25-27 December 2019: emails YY/Sir Dickson; Sir Dickson/JC; JC/Sir Dickson - likely considered major disposal; price sensitive information; Equity and Dickson Concepts cannot buy Dickson Concepts' shares; Announcement needed;	751-761
27 December 2019: email DocuSign/JC-PayPal/Honey Transaction documents; Sir Dickson instructed JC to consult Norton Rose; advice on confidentiality terms.	762-765

Title	Paragraphs
Steps taken to obtain transaction details and financial information from Honey and consent to disclose from Honey/PayPal: (i) Johnny Chan/Dave Hsu: 27 December 2019; (ii) Instructions to Yinne Yu: obtain key details of transaction/ financial information of Honey and Honey/PayPal's written consent to disclose information; (iii) Yinne Yu's response/action; (iv) Sir Dickson's involvement: 29 December 2019 and 3 January 2020; 4 January 2020: email YY/Chris Grogan attaching draft Announcement; 6 January 2020: email YY/Sir Dickson-buy and sell lawyers still reviewing; 7 January 2020: email Chris Grogan/YY-working to confirm with PayPal There aren't any issues; 8 January 2020: email Chris Grogan/YY-PayPal still conferring-continue to hold in interim.	766-786
Suspension of trading from 1:00 p.m. on 8 January 2020.	787-792
PayPal's consent to disclosure: email YY/Sir Dickson 3:38 p.m. on 8 January 2020 (HK Time).	793
Dickson Concepts Announcement: 9 January 2020.	794-796
Discussion Legal advice-Tribunal satisfied it was reasonable and prudent for Dickson Concepts to obtain legal advice from Norton Rose.	797-807
JC's action in response to receipt of Transaction documents.	800
YY's swift compliance with instructions to obtain information and consent.	802
Unresolved issue: consent from Honey/PayPal to disclose information to public; Sir Dickson's efforts.	803-806
Conclusion: Tribunal not satisfied Dickson Concepts is culpable of breach of its duty to make disclosure to the public of the inside information obtained on and between 25-27 December 2019 as soon as reasonably practicable.	807
Directions.	808

CHAPTER 1

The Commission's Notice

1. By a Notice, dated 8 October 2024 to the Market Misconduct Tribunal (the "Tribunal"), pursuant to sections 252(2) and 307I(2) of the Securities and Futures Ordinance, Cap. 571 (the "Ordinance"), the Securities and Futures Commission (the "Commission") stated that it appears to the 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".

Stipulated persons

2. The Notice stipulated that the Commission suspected that Sir Dickson Poon (**"Dickson Poon**") and Equity Advantage Limited ("**Equity**") engaged/may have engaged in market misconduct and that Dickson Concepts, Sir Dickson Poon and Dickson Pearson Guanda Poon ("**Pearson Poon**") had breached/may have breached a disclosure requirement.

Statement of Institution of Proceedings

3. In a Statement of Institution of Proceedings, pursuant to sections 13 and 14A of Schedule 9 to the Ordinance, the Commission identified the provisions of Part XIII and Part XIVA of the Ordinance which it appeared to the Commission had been contravened by the conduct of a stipulated person and which respectively constituted market misconduct or a breach of the disclosure requirement, providing brief particulars of the nature and essential elements of the impugned conduct.

Relevant persons

4. Under the heading, 'Relevant persons', the Notice asserted that

- Sir Dickson Poon was the Group Executive Chairman and Executive Director of Dickson Concepts;
- Pearson Poon was Sir Dickson Poon's son and an Executive Director of Dickson Concepts;

- Equity, incorporated in the British Virgin Islands on 23 July 2002, was an investment holding company formed under a discretionary trust established by Sir Dickson Poon;
- Yinnie Yu **("Yinnie Yu")** was the Head of Strategy and Investments at Dickson Concepts responsible for the identification and recommendation of investment opportunities for Dickson Concepts;
- Chan Han Chun, Johnny Pollux (**"Johnny Chan**") was an Executive Director of Dickson Concepts; and
- Kinford International Ltd (**"Kinford"**) was a wholly-owned subsidiary of Dickson Concepts.

Dickson Concepts was described as being listed on the Main Board of the Stock Exchange of Hong Kong Limited.

Honey Science Corporation

5. Further, it was asserted that, in May 2019, Dickson Concepts held:[1]

> "… 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")**."

Dickson Concepts: accounting for the Investment

6. Of the Investment, it was stated that:

> "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."

Background

7. Of the Chronology of relevant events, the Notice asserted:

> "5. On 20 November 2019 (US Eastern Standard Time)[2], Paypal Holdings, Inc. (**Paypal**) announced on its website (**Paypal Announcement**) that it had agreed

[1] Notice, paragraph 3.
[2] Unless otherwise specified, the date and time referred to in this Notice are based on Hong Kong time.

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.
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."

Information known to Sir Dickson Poon and Pearson Poon

8. Of the information asserted to be known to Sir Dickson Poon and Pearson Poon, the Notice stated:

"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 (**1st 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]".

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 ecommence 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 4:37 pm, Yinne Yu sent an email to Dickson Poon (**2nd 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 2nd 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 2nd 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."

Inside information in relation to Dickson Concepts

9. Next, the Notice asserted that the information described above was "inside information" in relation to Dickson Concepts, within the meaning of sections 245(2) and 307A(1) of the Ordinance:

> "19. The information in the 1st 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.
>
> …
>
> 22. The information in the 2nd 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."

Connection with Dickson Concepts

10. Of the requirement of proof that the parties were "connected with" Dickson Concepts, the Notice asserted that, Sir Dickson Poon and Pearson Poon were so connected, within the meaning of section 247 (1)(a), by virtue of the fact that the former was the Group Executive Chairman and both of them were Executive Directors of the company. Further, that in the alternative, Equity was "connected with" Dickson Concepts, within the meaning of section 247(2) of the Ordinance:

"26. …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.

Insider dealing by Sir Dickson Poon and Equity

11. The Notice asserted that, in consequence of the matters set out, in respect of Information A:

"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
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."

12. In support of those statements, it was asserted that:

"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."

Failure to disclose inside information

13. Of the alleged failure to disclose inside information, the Notice asserted that:

"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."

14. Of the fact that no disclosure of any aspect of Information A or Information B was made to the public until 9 January 2020, when the Announcement was issued, it was asserted that:

"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."

*Duties of officers of Dickson Concept*s

15. Of the relevant duties of officers of Dickson Concepts, the Notice asserted:

"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."

Breach of the disclosure requirement

16. Of the conduct of the Dickson Poon and Pearson Poon, the Notice asserted that:

"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."

Culpability of Sir Dickson Poon and Pearson Poon

17. In the result, it was asserted that the respective conduct of Sir Dickson Poon and Pearson Poon was, "intentional, reckless or negligent", so that each of them was in breach of the disclosure requirement under section 307G(2)(a) of the Ordinance.

Directions to the Tribunal

18. Of the directions given to the Tribunal, the Notice stated:

> "…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
>
> (1) whether a breach of a disclosure requirement has taken place; and
>
> (2) the identity of any person who has breached the disclosure requirement."

CHAPTER 2

The course of the proceedings

19. Having received the Notice, dated 8 October 2024, from the Commission requiring the Tribunal to conduct an Inquiry, the Chairman directed that a Preliminary Inquiry, be held on 21 November 2024, inviting the parties to make submissions as to the Directions to be given following that hearing. In advance of the hearing, the parties informed the Tribunal that it was their agreed position that 6 hearing days be reserved for the substantive hearing.

Preliminary Conference: 21 November 2024

20. Following the Preliminary Conference on 21 November 2024, at the request of the parties, the Chairman fixed the hearing to take place on 15 to 19 December 2025 and 22 and 23 December 2025 and gave Directions for the filing of material by the parties in advance of the substantive hearing.

Filing of material with the Tribunal by the Parties

21. In compliance with those directions, as amended, the Commission filed Witness Statements, Exhibits and an Expert report on 25 April 2025. The Specified Persons served Witness Statements and Exhibits on 17 June 2025. On 8 October 2025 and 22 December 2025 respectively, the Commission filed further Witness Statements of an officer of the Commission, Hon Sin mi, May.

Hearing Bundles

22. The Hearing Bundles filed by the Commission comprised:

(i) *Witness Statements*: 2 lever arch files of Records of Interview of the Specified Persons and others together with Witness Statements of the witnesses of the Commission, totalling 805 pages;

(ii) *Exhibits*: 11 lever arch files of Exhibits, totalling 5,609 pages; and

(iii) Expert report: 3 lever arch files of an expert report from Leung Yiu man, totalling 1,311 pages.

With the leave of the Tribunal, in addition the Commission filed a second, third and fourth witness statements of Hon Sin Mi, May comprising 642 pages.

The Specified Persons

23. The Hearing Bundles filed by the Specified Persons comprised:

(i) SP 1 and SP 2: Witness Statements and attachments, totalling 372 pages;

(ii) SP 3: Witness Statements of Johnny Chan and Stella Or and attachments, totalling 1,610 pages; and

(iii) SP 4: Witness Statements and attachments of Pearson Poon, totalling 24 pages.

The Hearing

24. Following the Opening Submissions of the Commission and the Specified Persons on 15, 16 December 2025 and the morning of 17 December 2025, in the afternoon of 17 December 2025 the Tribunal received oral evidence on behalf of the Commission from Hon Sin mi, May, an officer of the Commission, and Leung Yiu man, an Expert witness. Mr Leung's evidence continued on 18 and 19 December 2025. Sir Dickson's evidence began in the afternoon of 19 December 2025 and continued on 22 December 2025, concluding in the afternoon of 23 December 2025. Johnny Chan, an executive director, gave evidence on behalf of Dickson Concepts, beginning in the afternoon of 23 December 2025.

Further hearing dates

25. The parties having egregiously underestimated the length of the proceedings, it was necessary to fix additional hearing date. Accommodating the competing diaries of multiple parties at relatively short notice rendered it impossible to continue the hearings until the end of March 2026.

26. Johnny Chan resumed his evidence in the evening hearings conducted on 24 and 25 March 2026. Then, Stellar Or, the company secretary of Dickson Concepts, gave evidence for the remainder of the evening hearing of 25 March 2026 and part of the afternoon/evening hearing on 26 March 2026. Finally, Pearson Poon gave evidence for the remainder of the hearing on 26 March 2026, the completion of whose evidence marked the conclusion of the receipt of evidence by the Tribunal.

Closing submissions

27. Having received written Closing Submissions from the Commission and the Specified Persons, the Tribunal received oral Submissions of the Commission on 27 and 28 April 2026. Closing oral submissions were received on behalf of Sir Dickson and Equity on 28 and 29 April 2026 and on 18 May 2026, after which oral submissions were received on behalf of Dickson Concepts on that date and 19 May 2026, and on behalf of Pearson Poon on 19 and 20 May 2026.

CHAPTER 3

The Law

The nature of the proceedings

28. Proceedings in the Market Misconduct Tribunal are civil and inquisitorial.

Standard of proof

29. The standard of proof is "the standard of proof applicable to civil proceedings in a court of law", namely on the balance of probabilities.[3]

Burden of proof

30. Neither party bears any burden of proof.

The material received and to be considered by the Tribunal

31. Pursuant to section 253(1)(a) of the Ordinance, the Tribunal may-

> "(a) receive and consider any material by way of oral evidence, written statements or documents, even if the material would not be admissible in evidence in civil or criminal proceedings in a court of law."

Reasonable opportunity to be heard

32. Section 252(6) of the Ordinance provides that:

> "The Tribunal shall not identify a person as having engaged in market misconduct pursuant to subsection 3(b) without first giving the person a reasonable opportunity of being heard."

Separate consideration

33. The Tribunal is to consider the case of each Specified Person separately.

Good character

34. The good character of a Specified Person supports his/her credibility in respect of both his/her evidence in the Tribunal and in his/her records of interview conducted by the SFC outside the Tribunal. A person of good character is less likely than otherwise might be the case to have committed the alleged misconduct.

---

[3] Section 252(7) of the Ordinance.

Inferences

35. Given the nature of these proceedings, in drawing inferences the Tribunal does not have to be satisfied that it is the only inference to be drawn from proved facts. That is required in criminal proceedings. Rather, in the circumstances, the Tribunal has to be satisfied that it has been established as a compelling inference.

36. There is no doubt that the allegation of insider dealing against Sir Dickson is an allegation of serious misconduct. In drawing inferences adverse to a Specified Person of serious misconduct the evidence must be "sufficient to overcome the inherent improbability" that the Specified Person, of good character, conducted himself in that way.[4] Regard is to be had to the fact that, "The more serious the act or omission alleged, the more inherently improbable must it be regarded. And the more inherently improbable it is regarded, the more compelling will be the evidence needed to prove it on a preponderance of probability."[5]

Lies

37. Lies by themselves prove nothing, save that they had been told. In itself a lie can never prove culpability of the alleged misconduct. Of course, the fact that the person has told lies may be relevant to an assessment of his/her credibility. There may be reasons for lies that are consistent with the absence of any wrongdoing or the particular alleged wrongdoing. A Specified Person may have lied, not out of realisation that they are culpable of the alleged wrongdoing, but out of a fear that they may have committed some other wrongdoing, or that others would view their conduct as improper or a feeling the truth was unlikely to be believed. It is only if any such reasons for lying by a Specified Person can be excluded that the lies of the Specified Person can be used to confirm or support other evidence which is indicative of their culpability of the alleged wrongdoing. Then, it can be used to support an inference of culpability of the alleged wrongdoing. Before a lie of Specified Person can be used in that way, the Tribunal must be satisfied that the lie was deliberate and material.

Expert evidence

38. The Tribunal has received evidence from Mr. Leung Yiu Man, who assisted the Tribunal by collating information and by expressing opinions. Whilst his opinions are to be

---

4 *HKSAR v Lee Ming Tee* (2003) 6 HKCFAR 336, Sir Anthony Mason NPJ at paragraph 72. The alleged misconduct was that senior officers of the Commission deliberately and improperly terminated an investigation into an expert's conduct in order to avoid the need to make a disclosure which might compromise the expert standing in the trial.

5 *Solicitor (24/07) v Law Society* (2008) 11 HKCFAR 117, Bokhary PJ at paragraph 116.

accorded respect, nevertheless the Tribunal is entitled to accept or reject all or part of his evidence. Given that the Tribunal is a specialised Tribunal, it may have regard to its own experience and come to its own conclusions on the matters about which he gave evidence, based on all the evidence.

Insider dealing

39. Section 270 of the Ordinance provides that:

> "(1) Insider dealing in relation to a listed corporation takes place-
>
> (a) when a person connected with the corporation and having information which he knows is inside information in relation to the corporation-
>
> (i) deals in the listed securities of the corporation…"

40. Section 245(2) of the Ordinance provides that:

> "**inside information**", in relation to a corporation, means specific information that-
>
> (a) is about-
>
> (i) the corporation;
>
> (ii) a shareholder or officer of the corporation; or
>
> (iii) the listed securities of the corporation … and
>
> (b) is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities;
>
> "**listed**" means listed on a recognized stock market;
>
> "**listed securities**" means-
>
> "(a) securities which, at the time of any insider dealing in relation to a corporation, have been issued by the corporation and are listed …"
>
> "**listed corporation**" means a corporation which has issued securities that are, at the time of any insider dealing in relation to the corporation, listed.

Connected with a corporation (insider dealing)

41. Section 247 of the Ordinance provides that:

> "(1) For the purposes of Division 4, a person shall be regarded as connected with a corporation if, being an individual-
>
> (a) he is a director or employee of the corporation…"

Dealing in listed securities

42. Section 249 of the Ordinance provides that:

> "For the purposes of section 245(2) and Division 4, a person shall be regarded as dealing in listed securities … if, whether as principal or agent, he sells, purchases, exchanges or subscribes for … any listed securities ... or acquires or disposes of, or agrees to acquire or dispose of, the right to sell, purchase, exchange or subscribe for, any listed securities ..."

Specific information

43. Specific information is "information which possesses sufficient particularity to be capable of being identified, defined and unequivocally expressed. In this sense, it is to be contrasted with information which fails to achieve the required degree of specificity because it is too vague, inchoate or speculative."[6]

44. "For information to be characterised as 'specific information', there is no requirement that the information should be precise."[7] In making that determination, the Insider Dealing Tribunal adverted to the report of *Report of the Insider Dealing Tribunal of Hong Kong on whether insider dealing took place in relation to the listed securities of Chinese Estate Holdings*, dated 21 January 1999, pages 39-40. In that report, having regard to the legislation in the United Kingdom, it was noted:

> "Our Ordinance uses only the description 'specific' and not 'specific or precise'. But in the view of the Tribunal that does not mean that the description 'specific' in our Ordinance must also include 'precise'. The distinction between those words remains valid."

Of the distinction, a differently constituted Insider Dealing Tribunal said, [8]"There is no doubt that the word "specific" in our legislation does not carry with it any requirement that the information be precise. That is trite law."

---

6 *Report of the Market Misconduct Tribunal into dealings in the shares of Asia Telemedia Limited* (26 November 2015) of which Hartmann NPJ was Chairman, paragraph 165.

7 *Report of the Insider Dealing Tribunal of Hong Kong on whether insider dealing took place in relation to the listed securities of Asia Orient Holdings Limited*, dated 14 December 2006, paragraph 78 at page 6.

8 *Report of the Insider Dealing Tribunal of Hong Kong on whether insider dealing took place in relation to the listed securities of Stime Watch International Holdings Limited*, dated 14 February 2003, at page 83.

45. It follows that there are five elements in insider dealing:[9]

(a) the corporation concerned must be publicly listed;

(b) the person concerned must be "connected with the corporation",

(c) the person must have information which constitutes… "inside information";

(d) the person must know that such information is inside information; and

(e) the person deals with the corporation's listed securities with such knowledge.

Temporal aspects

46. In the joint judgment of Ribeiro and Fok PJJ of the majority in *Securities and Futures Commission v Yiu Hoi Ying, Charles* the temporal aspect of the five elements was noted, namely that the definition of insider dealing in section 270 stipulated that:[10]

> "…the activity of insider dealing takes place at the point in time when the connected person having the relevant information and knowledge deals in the relevant publicly listed securities. This temporal aspect applies to each of the five elements so that, to constitute insider dealing, all the elements must be shown to exist at that point in time."

Knowledge

47. The Tribunal must be satisfied that at the time that the Specified Person dealt in the shares he knew that the information in his possession was price sensitive. Knowledge may be proved directly or indirectly. It may be inferred from the proved facts and circumstances. In particular, the Tribunal may have regard to what the Specified Person said and did before, and after dealing in the shares.

Likely to materially affect the price of the listed securities

48. The proper construction of the phrase "likely to materially affect the price of the listed securities" was addressed at length in the *Report of the Market Misconduct Tribunal on whether a breach of the disclosure requirements has taken place in relation to the listed securities of Mayer Holdings Limited*.[11] In that case, the Tribunal was concerned with the duty, imposed by section 307B of the Ordinance, on a listed corporation to disclose inside information to the public as soon as reasonably practicable after the inside information had come to its knowledge.

---

[9] *Securities and Futures Commission v Yiu Hoi Ying Charles* (2018) 21 HKCFAR 475, paragraph 36.

[10] *Ibid*, paragraph 39.

[11] *Report of the Market Misconduct Tribunal on whether a breach of the disclosure requirements has taken place in relation to the listed securities of Mayer Holdings Limited*. (28 July 2023), paragraphs 121-132.

49. In approaching the issue of whether the information was "likely" to materially affect the price of Dickson Concepts' shares, the Tribunal is to consider whether there was a "real prospect" of it having that affect.

Materially affect the price

50. As was noted in the *Report of the Insider Dealing Tribunal on whether insider dealing took place in relation to the listed securities of Public International Investments Limited*, of which Stock NPJ was chairman, "… the word "materially" speaks for itself - it is to be contrasted with "slight", "insignificant" and "immaterial".[12]

51. Of the test to be applied, it was stated:[13]

> "The test is hypothetical in that on the date that the insider acts on inside information, he acts when the investing public, not in possession of the inside information, either does not act, or acts in response to other information or advice. The exercise in determining how the general investor would have behaved on that day, had he been in possession of that information, has necessarily to be an assessment."

That analysis was cited with approval in the *Report of the Market Misconduct Tribunal into dealings in the shares of Asia Telemedia Limited.*[14]

The innocent purpose defence

52. Section 271(3) of the Ordinance provides that:

> "A person shall not be regarded as having engaged in market misconduct by reason of an insider dealing taking place through his dealing in or counselling or procuring another person to deal in listed securities… if he establishes that the purpose for which he dealt in or counselled or procured the other person to deal in the listed securities…in question… was not, or, where there was more than one purpose, the purposes for which he dealt in or counselled or procured the other person to deal in the listed securities…did not include, the purpose of securing or increasing a profit or avoiding or reducing a loss, whether for himself or another person, by using relevant information."

---

[12] *Report of the Insider Dealing Tribunal on whether insider dealing took place in relation to the listed securities of Public International Investments Limited* (5 August 1995), paragraph 19.4.5.

[13] *Ibid, paragraph 19.4.2.*

[14] *Report of the Market Misconduct Tribunal into dealings in the shares of Asia Telemedia Limited* (26 November 2015), paragraphs 175-176.

Aspects of the defence

53. The joint judgment of the majority in *Securities and Futures Commission v Yiu Hoi Ying, Charles* noted the following aspects of the defence:[15]

> "(a) It is a defence which only comes into play where a *prima facie* case of market misconduct has been established.
>
> (b) The burden of establishing the defence is on the person seeking to rely on it, discharged on a balance of probabilities.
>
> (c) That person must establish that the purpose for which he or she dealt with the securities was not and (if there was more than one purpose) did not include, the proscribed purpose of securing or increasing a profit by using relevant information.
>
> (d) To discharge that burden, the specified person might often be expected to give direct evidence of his or her subjective purpose to show that he or she was acting for what might be called an "innocent purpose". If such direct evidence is not given, that person must nevertheless be able to point to evidence which demonstrates that he or she acted for a purpose or purposes which entirely excluded the above-mentioned proscribed purpose when dealing with the securities".

54. The joint judgment went on to note that, "…the purpose which the specified person relies upon in support of the defence is that which pertains at the time of his dealing in the relevant listed securities…".[16]

55. Of the focus of the inquiry stipulated in section 271(3) the joint judgment stated:[17]

> "**Section 271(3): Using relevant information**
>
> It will be seen that the innocent purpose defence looks to the purpose for which the specified person dealt in the listed securities, with the focus of the enquiry being on whether or not it was for, or included, the proscribed purpose. That prescribed purpose, to set it out in full by reference to the statutory language, is "the purpose of securing or increasing a profit or avoiding or reducing a loss, whether for himself or another, *by using relevant information*". (Italics added)

---

[15] *Securities and Futures Commission v Yiu Hoi Ying Charles*, paragraph 43.
[16] *Ibid*, paragraph 44.
[17] *Ibid*, paragraph 45.

56. Of the meaning of the italicised phrase, the joint judgment concluded that:[18]

"…'using relevant information' in s.271(3) simply means making one's decision to buy or sell the listed securities because of the quoted market price, knowing that price to be either artificially high or artificially low because the relevant information is not generally known to those accustomed or likely to deal in the securities. By doing so, one is employing the price sensitive information to one's own advantage in order to steal a march on the rest of the market since, were that information generally known, it "would… be likely to materially affect the price of the listed securities" and therefore would have negated the insider dealer's advantage."

57. The joint judgment added:[19]

"…it is the turning of the possession of that knowledge into action which constitutes the use of the relevant information. This construction is consistent with the concept of "consciously making use of relevant information", which is how the insider dealing Tribunal construed the equivalent words in s.10(3) of the securities (insider dealing) Ordinance in *Re International City Holdings Ltd*. It is also consistent with the view of the Ontario Court of Appeal that the words "make use of" in s.113 of the Securities Act 1966 (Ontario) meant that the information "must be a 'factor' in the insider's participation in the transaction."

58. Of the ambit of the defence provided by section 271(3), the joint judgment observed:[20]

"A s.271(3) defence is not easy to establish. It only arises after *prima facie* culpability is established. It requires the specified person to prove on a balance of probabilities that the dealings which *prima facie* constitute insider dealing were done without in any way involving the prohibited purpose. Generally, one would expect the insider positively to establish an innocent purpose. Thus, the defence might arise for instance, where he or she dealt in the securities pursuant to a prior contractual obligation and had to sell whether it entailed realising a profit or loss. Or the defence might arise where a person sell shares in compliance with an order of the Court made, for example, in matrimonial financial relief proceedings."

---

[18] *Ibid*, paragraph 49.
[19] *Ibid*, paragraph 50.
[20] *Ibid*, paragraph 89.

Conclusion

59. Of that construction of s.271(3), the joint judgment concluded:[21]

> "…a connected person in possession of price sensitive information cannot deal in listed securities unless he brings himself within the statutory defence by proving an innocent purpose in his dealing which does not include the purpose of making a profit or avoiding a loss. This may well put him at a disadvantage compared to others who may deal in the same securities… but that is the consequence of being a connected person who comes into possession of price sensitive information. A restriction on that connected person from dealing in listed securities may disadvantage him but that, it seems to us, is a reasonable price of achieving a fair and level playing field in the market. It is akin to restrictions placed on trustees and other fiduciaries from self-dealing or profiting from their positions."

60. In his judgment, in which he said that he agreed with the joint judgment[22], Neuberger NPJ said that he was satisfied that:[23]

> "s.271(3) is intended only to apply where the purpose of the insider dealer's purchase or sale of the shares concerned can be shown to be unconnected with the market price of the shares. In other words, in the case of a normal transaction-i.e. one motivated (at least in part) by the quoted price of the shares-the insider dealer will not be able to invoke s.271(3) where he has been objectively advantaged as against the market by having the information. It would be inappropriate and unnecessary (and indeed impossible) to provide an exhaustive list of circumstances in which s.271(3) could avail an insider dealer, but they would include a sale or purchase pursuant to a specific contractual obligation or a court order, and a sale or purchase when, if the information had been publicly available, it would, respectively, have increased or decreased the quoted price.
>
> I accept that this conclusion places people in the position of the respondents in this case at a disadvantage to other people in that they may be unable to sell or buy shares in the company concerned when they would do so even if they had not got the information.

---

[21] *Ibid*, paragraph 91.
[22] *Ibid*, paragraph 170.
[23] *Ibid*, paragraphs 181 and 182.

From the insider's perspective that is the price of being an insider; from the public perception, that is the price of ensuring a perceptibly fair and undistorted market."

61. In his oral closing submissions, Mr. Yu submitted that Lord Neuberger was, "expressing his own single view. It is not a majority view." With respect, the Chairman has directed the Tribunal that Lord Neuberger's judgment is consistent with that of the joint judgment. To avail himself of the statutory defence, a person who deals in shares in possession of inside information must prove that his purpose in doing so does not include securing or increasing a profit or avoiding a loss.

Disclosure Proceedings

62. Section 307J of the Ordinance provides that:

(1) Without limiting section 307H, the object of disclosure proceedings as for the Tribunal to determine-

(a) whether a breach of a disclosure requirement has taken place; and

(b) the identity of any person who is in breach of the disclosure requirement.

Requirements for listed corporations to disclose inside information.

63. Section 307B provides that:

(1) A listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public.

(2) for the purposes of subsection (1), inside information has come to the knowledge of a listed corporation if-

(a) information has, or ought reasonably to have, come to the knowledge of an officer of the corporation in the course of performing functions as an officer of the corporation; and

(b) a reasonable person, acting as an officer of the corporation, would consider that the information is inside information in relation to the corporation."

64. Section 2 and Schedule 1 of the Ordinance provide for interpretation of stipulated terms used in the Ordinance:

"Corporation" means a company or other body corporate incorporated either in Hong Kong or elsewhere.

"Listed" means listed on a recognised stock market. Further, a corporation shall be regarded as listed if any of its securities are listed.

"Officer" in relation to a corporation means a "director, manager or secretary of, or any other person involved in the management of, the corporation".

Inside information

65. Section 307A(1) stipulates that "inside information" in relation to a listed corporation, means specific information that-

(a) is about-
  (i) the corporation;
  (ii) a shareholder or officer of the corporation; or
  (iii) the listed securities of the corporation or their derivatives; and
(b) is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities.

Breach of disclosure requirement

66. Section 307 A (2) provides that:

(a) a breach of disclosure requirement takes place if any of the requirements in section 307B or 307C is contravened in relation to a listed corporation; and
(b) in those circumstances, the listed corporation is in breach of the disclosure requirement.

Exceptions to disclosure requirement

67. Section 307D (2) provides that:

A listed corporation is not required to disclose any inside information under section 307B if and so long as-

(a) the corporation takes precautions for preserving the confidentiality of the information;
(b) the confidentiality of the information is preserved; and
(c) one or more of the following applies-
  (i) the information concerns an incomplete proposal or negotiation…

68. Section 307D (4) provides that:

> Despite subsection (2)(b), a listed corporation is not in breach of a disclosure requirement in respect of information the confidentiality of which is not preserved if-
>
> (a) the corporation has taken reasonable measures to monitor the confidentiality of the information; and
>
> (b) the corporation discloses the information in accordance with section 307 C as soon as reasonably practicable after the corporation becomes aware that the confidentiality of the information has not been preserved.

Duty of officers of listed corporations

69. Section 307G provides that:

> (1) every officer of a listed corporation must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the corporation.
>
> (2) if a listed corporation is in breach of a disclosure requirement, an officer of the corporation-
>
> (a) whose intentional, reckless or negligent conduct has resulted in the breach; or
>
> (b) who has not taken all reasonable measures from time to time to ensure that proper safeguards exist to prevent the breach,
>
> is also in breach of the disclosure requirement.

Reckless

70. A person acts recklessly in respect of a circumstance if he was aware of a risk which did or would exist, or in respect of a result if he was aware of a risk that it would occur, and it was, in the circumstances known to him, unreasonable to take the risk.[24]

Negligence

71. Negligence has been defined as "the failure to exercise that care which the circumstances demand."[25] The legal standard is objective. In the context of the liability of an

[24] Sir Anthony Mason NPJ in *Sin Kam Wah & Another v HKSAR* (205) 8 HKCFAR 192 at paragraph 44, page 210.

[25] *Carmarthenshire County Council v Lewis* [1955] AC 549.

officer of a corporation in relation to section 307G(2)(a) for his negligent conduct, paragraph 58(c) SFC's *Guidelines on Disclosure of Inside Information* [26] (the "*Guidelines*") states:

> "The requirement of conduct to be negligent means the officer failed to exercise such care, skill or foresight as a reasonable officer in his situation would exercise to ensure or cause the corporation to comply with a disclosure requirement."

Director's duty of care, skill and diligence

72. Section 465 of the Companies Ordinance, Cap. 622, provides:

> (1) A director of a company must exercise reasonable care, skill and diligence.
> (2) Reasonable care, skill and diligence mean the care, skill and diligence that would be exercised by reasonably diligent person with-
> (a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out functions carried out by the director in relation to the company; and
> (b) the general knowledge, skill and experience that the director has.
> (3) The duty specified in subsection (1) is owed by a director of a company to the company.
> (4) The duty specified in subsection (1) has effect in place of the common law rules and equitable principles as regards the duty to exercise reasonable care, skill and diligence, owed by a director of a company to the company.

73. The Ordinance came into effect on 25 April 2013. As Harris J observed in his judgment in *Chung Keng v Pearl Oriental Oil Limited* [27], those duties of care "are similar to these duties in common law…".

74. In determining whether a director has exercised care and diligence the considerations identified by Brereton J in *Australian Securities and Investment Commission v Maxwell and Others* are relevant:[28]

> "…the type of company, the provision of its constitution, the size and nature of the company's business, the composition of the board, the director's position and responsibilities within the company, the particular function the director is performing, the experience or skills of the particular director, the terms on which he or she has

[26] Expert Evidence Bundle; page 605, paragraph 60(I).
[27] *Chung Keng v Pearl Oriental Oil Limited* (HCMP 1795/2018; [2019] HKCFI 1743; unreported, 2 May 2019).
[28] *Australian Securities and Investment Commission v Maxwell* (2006) ACSR 373 at paragraph 100.

undertaken to act as a director, the manner in which responsibility for the business of the company is distributed between its directors and its employees, and the circumstances of the specific case.

CHAPTER 4

Dickson Concepts' investment in Honey

October 2016: US$5 million

75. On the introduction by Yinne Yu[29]

to Dickson Concepts of Honey as an investment opportunity in August 2016, Kinford entered into a Series B Preferred Stock Investment Agreement with George Ruan and Ryan Hudson, dated 3 October 2016, by which Kinford acquired 496,692 Honey shares for US$5 million.[30]

Series C and Series D financing: 1March 2017 and 25 April 2018

76. Following a Series C financing on 1 March 2017 and a Series D financing on 25 April 2018, when each of those shares was converted and reconstituted, first on a one to ten basis and secondly on a one converted and reconstituted share to five basis, Kinford held 24,834,600 Honey shares.[31,32]

Yinne Yu

77. Yinne Yu was employed as Head of Investments and Strategy by Dickson Concepts, through its wholly-owned subsidiary Ever Success Management Ltd, by a contract of employment, dated 19 June 2013, at an initial salary of $195,000 per month with a discretionary bonus. Sir Dickson testified that he had been personally involved in the decision to employ Yinne Yu.[33] At the outset he and Yinne Yu constituted the Investment and Strategy team. Very shortly after Yinne Yu's employment, Johnny Chan became involved in the team. Subsequently they were joined by Edmund Lo, previously a managing director of Goldman Sachs & Co., and by Pearson Poon when he joined Dickson Concepts in October 2016.[34]

78. Yinne Yu holds the degree of Bachelor of Arts in Economics awarded by Stanford University in 2003. She was employed as an Equity Capital Markets Analyst by Goldman Sachs & Co. in New York in 2003 to 2004; as an Associate Consultant by Bain & Co in Hong Kong in 2005 to 2007; as an Associate of Bain Capital LLC in Boston and Shanghai in September 2007 to December 2011; and as an Analyst by Myriad Asset Management in Hong Kong in May 2012 to December 2012.

---

29 Exhibits Volume 2, page 797 at 12.
30 Experts Volume 1, pages 180-203.
31 Exhibits Volume 1, page 482 at 13.
32 Experts Volume 1, pages 426-473.
33 Transcript; 23 December 2025, page 28.
34 Transcript; 23 December 2025, pages 23-24.

Yinne Yu's introduction of Honey as an investment opportunity to Dickson Concepts

79. In an email to Sir Dickson Poon, dated 5 August 2016, Yinne Yu introduced Honey, writing:[35]

> "Subject**: Snap and something else**
>
> Hi Dickson,
>
> Let's not fixate on Snap. We need to work w company on controlling SPV 100% and it may get blocked because they already refused to let us add to our existing vehicles directly. If it works great, if not we move on. We have 20M already which will make you 100M - 200M. That's pretty good.
>
> Instead want to turn our attention to another cool opportunity ... It's a company base in LA founded by a guy my age who has started 5 companies and sold 3, so a very successful serial entrepreneur. The company is called Honey and makes an add-on to computer browsers that automatically applies discounts when people check out online at Walmart or Macy's or Amazon (and other retailers).
>
> Company takes a cut of the revenue generated via these purchases. This year it will take about 20M in "cuts" and make >10M USD in net profit. At the rate it is growing next year it will generate more than >150M of "cuts" and 100M of net profit.
>
> Why I think this makes sense for us is because it is 1) in a space we can understand, 2) fast growing, 3) profitable, 4) reasonably valued - I can invest around 200M USD valuation right now which is only 10x this year's estimated net profit, 5) direct and 6) it has a visible exit path -Jack Ma already offered to acquire the company but founder wants to stay independent for a bit longer to sell at higher valuation.
>
> Here's the deck https://docsend.com/view/fbd9mgt.
>
> Would be for 10-20M.
>
> Thanks,
>
> Yinne"

80. In an email, dated 5 August 2016, Sir Dickson had sought Pearson Poon's comments.[36] He explained that he did so because Pearson Poon, "…worked at Goldman Sachs investment-IBD department, and he was at the technology sector." [37]

---

[35] SP1, page 266.
[36] SP1, page 265.
[37] Transcript; 23 December 2025, page 44.

81. For his part, in an email in reply to Sir Dickson, dated 7 August 2016, Pearson Poon provided his comments, including:[38]

> "This is quite an interesting plug-in rather than being an app, it is something that users install onto their website browsers (such as Internet Explorer and Google Chrome) and will automatically help users find online coupons to make savings for them when they shop. I just installed this and it is very much in the background won't disturb you and will only come to live when you shop on its merchant network. Hence, many people will probably download this because it's an all-gain, no loss scenario.
>
> -Honey already has 1.3mm MAUs and generated revenues of $2.7 mm in 2Q16 alone (more than double 1Q16), which is certainly impressive and more than I would have expected. So while this seems like a niche opportunity, I think it would be unfair to categorize it as one. Equally impressive is that it had a net income margin ~20% in the last quarter."

82. Nevertheless, Pearson Poon raised his concerns about the prospect of growth of the business:

> "At this stage it can grow quickly based on just more people downloading while merchants also seem to endorse it (helps keep buyers at checkout and stops them from leaving), but without new features/functionalities, I think the business will reach a certain level of penetration/saturation that will cap its value, since it is after all just a plug-in that lies in the background of user's browsing experience and is not something users really engage in/with. A question, for example, is whether it can use its data on customers' shopping behaviour to help merchants understand their customers better and become a useful CRM/analytics platform for merchants. Also, it would be good to have more clarity on their mobile strategy (will it launch an app itself will work with merchants so discounts show automatically when checking out from other merchants' apps?)"

83. For his part, Sir Dickson raised some of those issues in an email to Yinne Yu, dated 6 August 2016.[39] In an email to Sir Dickson, dated 7 August 2016, in reply Yinne Yu wrote:[40]

> "Yes you hit on a very important point … The data is very valuable and eventually the most important asset of the company. They have hired some artificial intelligence

[38] SP1, page 265.
[39] SP1, page 268.
[40] SP1, page 267.

engineers for this and will feed the analytics to the merchants for product recommendations, customer specific coupons, etc, to drive greater online conversion and basket size.

Mobile is definitely in the picture to be rolled out in near future.

Company projects 175M of revenue next year and 97M of net income. There is no COGS in this business model so very high margin."

84. Having been provided by Sir Dickson with a forward of Yinne Yu's email, Pearson Poon replied to Sir Dickson, writing:[41]

> "Even thought (sic) they may have hired some data engineers, this doesn't really answer my questions on whether/how they can use data of its users and share those with merchants for CRM purposes (which I see as one of the main factors to whether or not it can have a successful merchant solution business). For instance, I'm not sure they can share raw data based on data privacy policies or perhaps they can only offer insights to merchants directly based on the data and can't provide any form of raw data directly to merchants..."

85. In his oral evidence, Sir Dickson confirmed that, through Kinford, only US $5 million had been invested in Honey, not the US $10-20 million suggested by Yinne Yu, explaining:[42]

> "Basically, I think we took into account that the Honey model is a viable model with potential of growth, but I also took into account the questions raised by my son Pearson and the correspondence from that point on between myself, Pearson and Yinne, and the fact that Pearson clearly stated that Yinne did not specifically answer his questions of whether those data could be used due to potential private data policy-privacy policy. I also obviously feel that the numbers of-or the growth that Yinne was talking about this again, in my opinion, very optimistic. I don't know and it was never proven or shown to us that Jack Ma actually made an offer to acquire the company. So I also discounted that aspect of the suggestion."

86. Of the objective of holding Honey shares, in the record of interview conducted of him by the Commission on 22 October 2020, Sir Dickson said that it was, "To make money". He explained: [43]

---

41 SP1, page 267.
42 Transcript; 23 December 2025, page 49.
43 Witness Volume 1, page 22, counter #s 116-118.

> "Typically I would say that when we make investment in start-ups, the objective or hope is that the company will have an IPO down the road or will be taken over, or have enough success to have new fundraising round that gives it a much higher valuation."

In his oral evidence, Sir Dickson confirmed that was the objective in the investment in Honey shares.[44]

Dickson Concepts acquisition and holding of Honey shares

87. In response to the Commission's enquiries of Dickson Concepts in its s.183(1) Notice, dated 3 March 2020, of its acquisition of Honey shares, in its reply on behalf of Dickson Concepts, dated 30 March 2020, Norton Rose Fulbright said:[45]

> "KIL acquired the HSC shares on 3 October 2016… pursuant to a Series B Preferred Stock Investment Agreement entered into between KIL, HSC, George Ruan and Ryan Hudson dated 3 October 2016 (the **Investment Agreement**). KIL initially acquired 496,692 HSC shares. The consideration…was rounded to US$5,000,000."

88. Of subsequent share splits, Norton Rose Fulbright said:

> "However, when HSC subsequently conducted its series C financing on 1 March 2017, each HSC share was converted and reconstituted into 10 HSC shares. Subsequently, when HSC conducted its series D financing on 25 April 2018, each HSC Share, (having already been converted and reconstituted) was further converted and reconstituted into 5 HSC shares.
>
> Accordingly, immediately prior to the transaction becoming effective, there were 24,834,600 HSC Shares."

February/March 2017

89. In an email sent to Sir Dickson and Pearson Poon, dated 2/23/2017, with the **Subject**: "Re: Honey new raise", Yinne Yu described the Series C financing:[46]

> "**Subjec**t: Re: Honey new raise
>
> …
>
> Honey is closing another round of funding at $1.47/share vs our $1.007/share with a $200 M valuation. This round comes from a top LA VC firm. I sent the docs needing

[44] Transcript; 22 December 2025, page 28.
[45] Exhibits Volume 1; page 482, paragraph 13.
[46] SP1, page 278.

our signature to Johnny. They are likely to get an acquisition offer next few months at an even higher price. I don't think they will sell but will keep you updated on the developments here."

90. Subsequently, in an email to Sir Dickson, sent on 10 March 2017, forwarded by her the following day to Pearson Poon, Yinne Yu wrote:[47]

"Honey-closed their round at $200M post valuation. CapitalOne has indicated that they will make an acquisition offer next few months, valuation TBD that will be higher than this round. I'm attaching the 2016 financials and have already sent these to Johnny."

March/April 2018

91. In advance of the Series D financing in April 2018, in an email sent to Sir Dickson, dated 3/20/2018, Yinne Yu wrote:[48]

"**Subject**: Feb and Mar deals

- Honey (our LA investment from 1.5 years ago) just got a term sheet at 700 M valuation. Minus dilution we made 5x our money in about 18 months. They are starting a secondary process and we can exit, so let's talk about whether we want to do that. I would recommend that we do, at least partially."

Dickson Concepts' accounting treatment of Honey shares reflected in its financial statements

92. Of Dickson Concepts' treatment of its' investment in Honey shares, in its reply to the Commission's enquiries, dated 3 March 2020 on behalf of Dickson Concepts, dated 21 April 2020, Norton Rose Fulbright said that the investment:[49]

"…has been treated for accounting purposes as "Unlisted Equity Securities" and classified as "Other Financial Assets" since the Group's investment in October 2016."

Y/e 31 March 2017 and 31 March 2018

93. It was noted that for the financial years ended 31 March 2017 and 31 March 2018, Honey shares:

"…were stated at an initial cost of US$5,000,000 (approximately HK $38,785,000) and the value… included in and formed part of the book value of HK $176,824,000 and HK$ 215,869,000 for "Unlisted Equity Securities" under "Other Financial Assets" in

[47] SP1, page 280.
[48] SP1, page 284.
[49] Exhibits Volume 2; page 798 at paragraph 20.

Note 12 of the consolidated audited financial statements of the company for the financial years ended 31 March 2017 and 31 March 2018 respectively."[50]

94. Having noted that from the financial year commencing 1 April 2018 a new accounting standard required unlisted equity investments to be stated at "fair value instead of cost", reference was made to Honey's financing in April 2018:

> "In April 2018, HSC completed an issue of Series D Preferred Stock a unit price of US$1.0253 per share and, based on this issue price and the 24,834,600 HSC shares held by the Group (following the issue of the Series D Preferred Stock) the valuation of the Group's investment in HSC was US$25,463,000 (before adjustment)."

Interim Financial Report-six months ended 30 September 2018.

95. Having regard to the fact that the valuation on that basis, "…had not taken into account the volatility in valuation of start-up businesses such as HSC and the fact that such investments are typically illiquid", Dickson Concepts determined to apply "a 65% discount thereon and revalued the book value of the HSC shares to US$8,912,000 (approximately HK$69,776,000)" for the company's interim financial report for the six months ended 30 September 2018."

96. Of that discounted valuation, it was noted that:

> "(it) was included in and formed part of the fair value of HK $221,536,004 "Unlisted Equity Securities" under "Other Financial Assets" in Note 8 of the consolidated unaudited interim financial report of the company for the six months ended 30 September 2018."

Y/e 31 March 2019

97. Having noted that on 16 May 2019 Dickson Concepts had received Honey's "audited consolidated financial statements for the year ended 31 December 2017 and… unaudited consolidated financial statements for the year ended 31 December 2018" it was asserted that those statements, "showed a significant improvement in revenue and net profit in the year ended 31 December 2018."

98. In consequence, of that information Dickson Concepts, "…increased the valuation of HSC shares by U$10,000,000 to US$18,912,000 (approximately HK$148,463,000, which

[50] Core Bundle, pages 32 and 41.

represented an approximate 25% discount from the valuation derived from HSC Series D Preferred Stock issuance."

99. Of that valuation, it was noted:

> "(it) was included in and formed part of the fair value of HK $224,710,000 for "Unlisted Equity Securities" under "Other Financial Assets" in Note 12 on the consolidated audited financial statements of the Company for the year ended 31 March 2019."[51]

Interim Financial Report-six months ended 30 September 2019

100. Having asserted that Dickson Concepts "did not receive any further information" about Honey", it was stated that, apart from an adjustment to reflect the change in the US$/HK$ exchange rate, the valuation of the Honey shares of US$18,912,000:

> "…was included in and formed part of the fair value of HK $224,452,000 for "Unlisted Equity Securities" under "Other Financial Assets" in Note 8 on the consolidated unaudited interim financial report of the company for the six-month period ended 30 September 2019."[52]

101. For his part, in his witness statement Johnny Chan said:[53]

> "Since the acquisition of shares in Honey Science in 2016, the investment has been booked in the company's financial statements and annual report as "*Unlisted available-for-sale equity securities*" under "*Other Financial Assets"*, without any specific reference to Honey Science."

102. In a footnote to that passage, he explained the absence of any specific reference to Honey Science, namely as arising:

> "... because the carrying book value of Honey Science accounted for less than 5% of the Company's total assets as at the year-end date. As such, I was advised by Ms. Or and verily believed that it was not required under the Listing Rules to include a breakdown of this investment in the annual reports pursuant to paragraph 32(4A) and paragraph 40 of Appendix D2 of the Listing Rules."

---

[51] Core Bundle, page 50.
[52] Core Bundle, page 66.
[53] SP1; page 71, paragraph 15.

103. Of his practice involving valuation of unlisted investments, such as Honey, in preparing the interim results and final year end results, Johnny Chan explained that he would consult Yinne Yu or, occasionally, contact the company directly.[54]

104. In an email sent to Johnny Chan, dated 16 May 2019, Dave Hsu of Honey wrote:

> "**Subject**: Honey Science Corporation Financials
> Hi Johnny,
> In regards to your letter requesting financials, please find attached 2017 audited financials and 2018 unaudited financial. Please let me know if any questions."

105. In an email sent to Yinne Yu, dated October 29 2019, Johnny Chan wrote:

> "For the purposes of DCIL's financial reporting at 30th of September 2019, please advise the latest valuation of the following unlisted investments held by DCIL:
> …
> 2. Honey Science-24,834,600 shares.
> …
> In particular, please advise the latest market valuation (or your estimation) of the company as a whole and total number of shares issued and to be issued.
> Please also let me have the latest capitalization table of each company if available."

106. In an email in reply, dated October 30 2019, Yinne Yu wrote:

> "**Subject***:* Re: Valuation of unlisted investments held by DCIL
> Hi Johnny…
> We should hold price/share of all the above at the same level as last reporting. I'll ask the companies for the latest share count."

107. In an exchange of emails, dated December 28, 2019, Dave Hsu replied to Johnny Chan's request:[55]

> "**Subject**: Re Honey Science Corporation financials
> **Attachments**: Honey Science Corporation FY18 consolidated financial statements. pdf
> Hi Johnny,
> Please find attached 2018 audited financials."

[54] SP3, page 1446.
[55] SP3, page 1446.

The attachment contained the consolidated financial statements of Honey, "as of December 31, 2018."[56]

No disclosure of Dickson Concepts holding in Honey shares

108. In the record of interview conducted of him by the Commission, Sir Dickson answered in the negative the question of whether, to the best of his knowledge, he had disclosed, "Dickson's holdings in Honey to any external party before the announcement in January this year." [57] Similarly, In the record of interview conducted of him by the Commission, Pearson Poon confirmed that he had not disclosed the holding in Honey to persons other than the members of his family.[58]

Email: Yinne Yu/Sir Dickson-15 October 2019-big exit coming up

109. In an email, dated 15 October 2019, copied to Johnny Chan, under the Subject: 'Re Talking to Johnny', Yinne Yu informed Sir Dickson of her attempts to speak to Johnny Chan, "about a potential structural change we might have to make with our investment vehicles" and of what she thought to be Johnny Chan's reluctance to discuss the matter on the telephone. As a result, she invited Sir Dickson to assist her in achieving that contact. Of the importance of the matter, she said:[59]

> "it's quite important… We may have a big exit coming up and there are some reporting and tax issues related to because I am a US citizen and need to report the gains I make everyone I invest for."

110. In her earlier emails to Johnny Chan under the Subject: 'Re: US investments', first, dated 8 October 2019, Yinne Yu informed him that she wished, "to discuss, a few legal/administrative items for our US investments because I am going to try to exit us from them." [60]Secondly, in an email, dated 13 October 2019, she informed Johnny Chan:

> "We may have an exit or 2 coming before the end of the year and I want to make sure we give ourselves enough time to process all of this."

---

56 SP3, pages 1448-1476.
57 Witness Volume 1, page 25, counter # 133.
58 Witness Volume 1, pages 139-140, counter #s 114-117.
59 SP3, page 1025.
60 SP3 at page 1022.

CHAPTER 5

Information provided to Sir Dickson Poon and Pearson Poon: 21 and 22 November 2019

Background: the provenance of Yinne Yu's information.

111. The background of the circumstances which led to Yinne Yu sending an email to Sir Dickson and Pearson Poon at 1:58 PM on 21 November 2019, were described in Herbert Smith Freehills' Reply on behalf of Yinne Yu, dated 1 February 2021, to the Commission's Notice, dated 12 January 2021, pursuant to sections 182(1) and 183(1) of the Ordinance. That Notice made enquiries in respect of the Announcement on 20 November 2019 by PayPal of its acquisition of Honey for approximately US $4 billion. Of when Yinne Yu had first learned of the transaction Herbert Smith Freehills wrote:[61]

> "Ms Yu formally learned about the Transaction on November 20, 2019 when she read the press release. Weeks earlier, at approximately the end of September and start of October 2019, one of HSC's founders had told her that HSC was in discussions about being acquired, but Ms Yu was provided with no specific such as the identity of the acquirer, or an assessment of the likelihood any acquisition would come to fruition. Ms Yu was instructed by the founder to keep confidential even the limited information the founder shared so as not to compromise his discussions and Ms Yu did not relay what Ms Yu was told to anyone."

112. In particular, it was stated that the matter was, "widely reported and Ms Yu read about it in media accounts".[62]

113. In the Chronology attached to the Reply of Norton Rose on behalf of Dickson Concepts, dated 5 May 2020, to the Commission's Notice to Dickson Concepts, dated 3 March 2020, pursuant to section 183(1) of the Ordinance, in which the Commission required the provision of a Chronology, "of all discussions, meetings or events" in relation to Dickson Concepts' Announcement, dated 9 January 2020, of the cancellation of Dickson Concepts' unlisted equity investment in Honey as a result of Honey's merger with PayPal, it was asserted that, "on or before 2:11 PM on 20 November 2019 (US Pacific time) Yinne Yu had become aware that PayPal had entered into an agreement to acquire Honey:[63]

---

61 Exhibits Volume 7, page 3250-3254 at Item 10.
62 Exhibits Volume 7, page 3252 at Item 11.
63 Exhibits Volume 2, page 893.

"…from multiple news reports such as TechCrunch[64] and CNBC[65] and obtained the PayPal announcement from PayPal's website."

Text messages: Yinne Yu and George Ruan/Ryan Hudson

114. In an exchange of text messages with George Ruan of Honey at around 5:15 a.m. on 21 November 2019 (Hong Kong time) Yinne Yu wrote, "I just saw the announcement… Congrats… So proud of you guys."[66] George Ruan responded, thanking her. Immediately afterwards Ryan Hudson also responded to her separate text message of congratulations.

Emails: Yinne Yu/ Chris Grogan

- *Yinne Yu to Chris Grogan -8:48 a.m. on 21 November 2019 (Hong Kong time)*

115. In an email to Chris Grogan, the General Counsel of Honey, sent at 8:48 AM on 21 November 2019 (Hong Kong time), Yinne Yu wrote:[67]

"**Subject**: Acquisition share price
Hi Chris congrats! Might you be able to confirm the acquisition price/share?
Thanks!"

- *Chris Grogan to Yinne Yu-7:32 a.m. 24 November 2019 (US Pacific time)*

116. In an email to Yinne Yu, sent at 7:32 AM on 24 November 2019 (US Pacific time), Chris Grogan thanked Yinne Yu for her earlier email and wrote:[68]

"We are thrilled and continue to appreciate all the support we have received from investors. Final share price won't be determined until we reach closing, but we are expecting that to be above $5/share. We will be in touch as the process moves forward. Thank you again."

117. The Chronology attached to the Reply of Dickson Concepts added that Yinne Yu, "did not pass on the information received from HSC to anyone in the Company."

Yinne Yu to Chris Grogan-1:55 a.m. 25 November 2019 (US Pacific time)

118. In an email to reply to Chris Grogan, sent at 1:55 AM on 25 November 2019 (US Pacific time), Yinne Yu thanked him for the information that he had provided and wrote:[69]

---

64 Core Bundle, pages 132-142.
65 Core Bundle, pages 143-144.
66 Core Bundle, page 147.
67 Core Bundle, page 148.
68 Core Bundle, page 153.
69 Core Bundle, page 153.

"Can you also give me a bit more information about what will need to be discussed/resolved between now and closing? E.g. regulatory, further diligence. Just so I can give a high level summary to the family."

119. In their Reply to the Commission, on behalf of Yinne Yu, Herbert Smith Freehills said that Yinne Yu did not receive any reply to that request.[70] The Chronology, attached to the Reply of Dickson Concepts provided by Norton Rose, added that Yinne Yu:[71]

"…did not inform anyone in the Company about this communication with HSC."

The role of Yinne Yu: communications with companies in which Dickson Concepts/Kinford invested

120. In his witness statement, Sir Dickson described Yinne Yu's ongoing role in Dickson Concepts, following investments in companies identified by her as being, "providing the Group with updates on those investments", noting that, "interactions with the target companies were (and still are) largely handled by Yinne".[72]

121. In his oral evidence, Sir Dickson said that Yinne Yu and Johnny Chan were the "contact point" between Dickson Concepts and such companies in which it had invested. Of Johnny Chan's role, he said, "some of them would provide financial statements directly to the company, that would be with Johnny." Sir Dickson accepted that such companies would regard Yinne Yu as the representative of Dickson Concepts.[73]

Information provided to Sir Dickson Poon and Pearson Poon

Yinne Yu's email to Sir Dickson Poon and Pearson Poon; 1:58 p.m. on 21 November 2019

122. In an email, sent at 1:58 p.m. on 21 November 2019 (HK) to Sir Dickson Poon and Pearson Poon, Yinne Yu wrote:[74]

"**Subject**: Re: update on our portfolio companies

Hi Dickson and Pearson,

As you know, venture capital investing is not for the faint hearted. It is characterized by a wide range of outcomes ... we might lose some or all our money in one investment

[70] Exhibits Volume 7, page 3252 at item 15.
[71] Exhibits Volume 2, page 894.
[72] SP1; page 14, paragraph 75.
[73] Transcript; 23 December 2025, pages 30-31.
[74] Core Bundle, pages 149-150.

while making more than we could ever have expected in another (and the goal is to catch 1 or 2 of the latter to return the whole portfolio).

Here I want to give you a quick update on 2 of our investments that lie on different ends of that spectrum ...

Hollar - the company has an acquisition offer from a strategic named Five Below. The price is still in discussion this week but will not be high, likely in the single digit millions. This means we will lose most of the original 15M we invested.

Honey - the company has an acquisition offer from PayPal. The price of this transaction has been agreed on and was announced today (4B cash offer https://www.paypal.com/stories/us/paypal-to-acquire-honey). That puts our stake at well over 100M and our investment multiple at >25x MoM. My only regret for this deal is that we cut our check from the 7M originally agreed on to 5M (that would have been another 50M of gains).

The net gain from the above 2 deals is 100M+. Both deals should close 1Q 2020.

I'll come back to you with more details on legal docs and price / share of the acquisitions (the exact amount that will return to us).

Happy holidays =)

Yinne"

PayPal web-link

123. The attached PayPal web-link afforded access to the following statement:[75]

"

PayPal to Acquire Honey

November 20, 2019 at 4:15 PM EST

PDF Version

Advances PayPal's leadership in digital commerce

Enhances PayPal's value proposition with an extensive set of consumer commerce capabilities

Drives increased sales and conversion for PayPal's merchants

SAN JOSE, Calif., Nov. 20, 2019 /PRNewswire/ -- **PayPal Holdings, Inc.** (NASDAQ: PYPL) today announced that it has agreed to acquire **Honey Science Corporation**, a rapidly-growing technology platform for shopping and rewards, for approximately $4 billion. Honey, in combination with PayPal's two-

[75] Core Bundle, pages 114-117.

sided network, will transform the shopping experience for PayPal's consumers while increasing sales and customer engagement for its merchants.



Founded in 2012, Honey is best known as a popular discovery tool that helps consumers find savings as they shop online. Honey has continued to grow and evolve, expanding its suite of products and services to include a mobile shopping assistant, offers and rewards program, and price-tracking tools and alerts. With approximately 17 million monthly active users, Honey helped millions of people find more than $1 billion in savings in the past year. Honey currently works across approximately 30,000 online retailers ranging from fashion and technology, to travel and pizza delivery.

The acquisition supports PayPal and Honey's shared mission to simplify and personalize shopping experiences for consumers while driving conversion and increasing consumer engagement and sales for merchants. The combination will help accelerate growth across both companies. Honey will accelerate its growth by driving adoption among PayPal and Venmo's more than 275 million active consumer accounts and sourcing exclusive offers from PayPal's extensive network of 24 million merchant accounts. Honey will enable PayPal to reach consumers at the beginning of their shopping journeys and will enhance PayPal's ability to help merchants acquire and convert consumers by delivering offers that are personalized, timely, and optimized across channels.

"Honey is amongst the most transformative acquisitions in PayPal's history. It provides a broad portfolio of services to simplify the consumer shopping experience, while at the same time making it more affordable and rewarding," said Dan Schulman, president and CEO of PayPal. "The combination of Honey's complementary consumer products with our platform will significantly enhance our ability to drive engagement and play a more meaningful role in the daily lives of our consumers. As a partner of choice for our merchants, this is another way that we can help them build and strengthen their customer relationships, provide personalized offers, and drive incremental sales. The combination of Honey and PayPal adds another significant and meaningful dimension to our two-sided platform."

Following the acquisition, Honey will retain its headquarters and brand in Los Angeles, California. Honey co-founders George Ruan and Ryan Hudson will continue to lead the Honey team as part of PayPal's global consumer product and technology organization, reporting to Senior Vice President John Kunze.

"Honey's vision has always been to give consumers the tools they need to make the best decisions with their money," said Ruan. "PayPal shares that vision and together we can build powerful commerce capabilities that create real value for both consumers and retailers around the world."

"Combining PayPal's assets and reach with our technology, we can build powerful new online shopping experiences for consumers and merchants/' said Hudson. "We' I have the ability to help millions of retailers efficiently reach consumers with offers that deliver more and more value to Honey members."

Honey was profitable on a net income basis in 2018. Subject to customary closing conditions, including the receipt of regulatory approvals, the transaction is expected to close in the first quarter of 2020. The acquisition is expected to be accretive to PayPal's non-CAAP earnings per share in 2021.

Perella Weinberg Partners LP is acting as sole financial adviser to PayPal, and Skadden, Arps, Slate, Meagher & Flom LLP is acting as its legal adviser with regard to the transaction. Qatalyst. Partners is acting as sole financial adviser to Honey, while Latham & Watkins, LLP is acting as legal adviser.

Webcast and Conference Call information

PayPal will host a conference call to discuss the transaction at 2:00 p.m. Pacific Standard Time (PST) today. A live webcast of the conference call, together with a slide presentation, can be accessed through the company's investor relations website at https://investor.paypalccrp. ccm. In addition, an archive of the webcast will be accessible for 90 days through the same link.

About PayPal

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering 300 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information, visit paypal.com.

About Honey

Honey Science Corporation is an LA-based tech company building tools to help people save time and money when shopping online. What started as a browser extension has grown into a suite of free tools that help everyone shop with confidence. From notifying you when a price drops, to showing you the lowest

prices available, Honey provides you with the information that you need to make the best decisions with your money. With approximately 17 million monthly active users, Honey has helped millions of people find more than $1 billion in savings in the past year. Visit www.ioinhoney.com to shop smarter.

Forward-Looking Statements

This announcement contains "forward-looking" statements within the meaning of applicable securities laws. Forward-looking statements and information relate to future events and future performance and reflect PayPal's expectations regarding the impact of this transaction on PayPal's and Honey's financial and operating results and business, the operation and management of Honey after the acquisition, and the timing of the closing of the acquisition. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", expect", "project, "forecast", or "intend", and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and any other similar expressions.

Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the statements made, and, accordingly, readers should not place undue reliance on forward-looking statements and information. Factors that could cause or contribute to such differences include, but are not limited to, the timing and possible outcome of security holder and regulatory approvals in connection with the transaction, the possibility that the transaction may not close, the reaction to the transaction of Honey's customers and business partners, the reaction of competitors to the transaction, the retention of Honey's employees, PayPal's plans for Honey's economic and political conditions in the global markets in which PayPal and Honey operate, the future growth of PayPal's and Honey's businesses and the possibility that integration following the transaction may be more difficult than expected.

More information about these and other factors that could adversely affect PayPal's results of operations, financial condition and prospects or that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in PayPal Holdings, Inc/s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission (the "SEC"), and its future filings with the SEC.

The forward-looking statements contained in this announcement speak only as of the date hereof. PayPal expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based."

PayPal Announcement

124. In the record of interview conducted by the Commission, dated 22 October 2020, having been shown the email from Yinne Yu sent at 1:58 PM on 21 November 2019, in which a link was attached to the PayPal Announcement, Sir Dickson said that he had read the Announcement.[76] In his witness statement, having noted that Yinne Yu had provided a link to the PayPal Announcement in her email, Sir Dickson said that he had used the link and read the Announcement.[77] In his oral evidence, Sir Dickson confirmed that he had done so, "to read what the announcement was about."[78]

125. For his part, in the record of interview conducted of him by the Commission, dated 6 November 2020, having been shown the email from Yinne Yu centre 1:58 PM on 21 November 2019, in which a link was attached to the PayPal Announcement, Pearson Poon said that he too had read the Announcement.[79] In his witness statement, Pearson Poon explained, "I briefly read the email and the PayPal Announcement through the link in the email."[80]

Webcast/Conference Call discussion

126. In addition, the Announcement informed readers that PayPal would host a Conference Call to discuss the transaction at 2:00 p.m. Pacific Standard Time on 20 November 2019 a live webcast of which, together with a Slide presentation, could be accessed through the Link:

> "**Webcast and Conference Call information**
>
> PayPal will host a conference call to discuss the transaction at 2:00 p.m. Pacific Standard Time (PST) today. A live webcast of the conference call, together with a slide presentation, can be accessed through the company's investor relations website at https://investor.paypalccrp. ccm. In addition, an archive of the webcast will be accessible for 90 days through the same link."

Slide presentation

127. In the Slide presentation, Under the heading, "Transaction Overview, it was asserted that:

> "Transaction Consideration

---

[76] Witness Volume 1; page 27, counter #s 149-152.
[77] SP1, page 20 at paragraph 99.
[78] Transcript; 22 December 2025, pages 33-35.
[79] Witness Volume 1; pages 140-141, counter #s 124-127.
[80] SP1; page 58, paragraph 32.

- $4.0 billion purchase price on a cash-free/debt-free basis, subject to certain adjustments
- Cash consideration to be financed with available cash".

128. In his oral evidence, in responding to the questions of the Chairman, Sir Dickson testified that in reading the PayPal Announcement on 21 November 2019 he had read the statement about the Webcast and Conference call. Nevertheless, he did not access the Webcast at any time. He had not done so because he thought that it would contain no more details than the Announcement.[81] For his part, Pearson Poon merely said that he had not taken part in the webcast.[82]

129. In an email to Sir Dickson Poon, sent at 2: 48 p.m. on 21 November 2019, Pearson Poon wrote:[83]

"Wow… good to see a bit of good news 😁😁"

130. In an email to Sir Dickson Poon, sent at 3:08 p.m. on 21 November 2019, Johnny Chan wrote:[84]

"**Subject: Honey Science Corporation**

Mr Poon,

Only DCIL/Kinford invested in Honey in Oct 2016. Number of shares (Series B) held is 24,834,600 (after 2 share splits) and initial cost of investment is USD5M.

In May 2019, we were advised that the pre-money valuation was USD700M before Series D issue for USD17M and our fully-diluted shareholding was 3.5374%.

Based on Series D issue price of USD1.0254 per share, the value of our investment was USD25,464,178. We discounted about 25.7% and revalued the investment at USD18.9M at the last year end closing at 31/3/19.

If the current valuation is USD1b, the value of our share should be USD35,374,000, but I don't know if there is any change in shareholding since last update.

Regards,

Johnny"

---

81 Transcript 23 December 2025 at pages 60-61.
82 Transcript 26 March 2026 at page 34
83 Core Bundle page 151.
84 Core Bundle, page 152.

131. In his witness statement, Sir Dickson explained:[85]

> "I called Johnny shortly after reading the Nov 21 Email. I asked him to check which entity had made the investment in Honey… I also asked Johnny to calculate how much we would make if Honey were worth a hypothetical value of US$1 billion… I also thought that one could later apply a straightforward multiplier to Johnny's figure should the acquisition transpire, at whatever price it may turn out to be."

Johnny Chan had sent him an email containing that information at 3:08 PM on 21 November 2019.

132. In his oral evidence, Sir Dickson confirmed that account, adding that to the best of his memory the request was made over the phone.[86]

133. For his part, in his witness statement Johnny Chan confirmed that Sir Dickson had made that request and had done so over the telephone on 21 November 2019. He replied, including his calculations, in the email he sent to Sir Dickson at 3:08 PM on 21 November 2019.[87]

134. In an email to Ms. Yinne Yu, sent at 3:45 PM on 21 November 2019, Sir Dickson Poon wrote:[88]

> "Hi Yinne,
> That's wonderful news. I suppose there shouldn't be any regulatory issues given the size of Honey?
> Is there more information about the approx valuation for Hollar you can share with us?
> Best Dp"

135. In an email to Pearson Poon sent at 15:47 on 21 November 2019, Sir Dickson wrote:

> "**Subject**: Re: update on our portfolio companies
> Dear Pearson
> Indeed and it looks like it's real from the announcement! I will forward to you Johnny's calculation on our share of profit which amounts to approximately $120m!
> Best Dp"

[85] SP 1, pages 22-23.
[86] Transcript 22 December 2025, pages 52-55.
[87] SP1; page 73, paragraph 23.
[88] Core Bundle, page 149 and Exhibits Volume 2, page 894.

136. In a second email to Pearson Poon, sent at 15:47 on 21 November 2019, to which the email from Johnny Chan sent to Sir Dickson Poon at 3:08 PM that day was attached, Sir Dickson Poon wrote:[89]

> "**Subjec**t: Fwd Honey Science Corporation
> Dear Pearson
> Fyi.
> Best Dp"

137. In an email to Sir Dickson, copied to Pearson Poon, sent at 09:13 on 22 November 2019, Yinne Yu wrote:[90]

> "**Subject**: Re: update on our portfolio companies
> PayPal is a payment business whereas honey an e-commerce tool. The acquisition would not help PayPal egregiously consolidate market share but deepens the relationship they have with existing merchants and customers. So no I don't think there will be regulatory issues.
> Hollar is likely mid-single digit millions."

[89] Core Bundle, page 152 and Exhibits Volume 2 page 937.
[90] Core Bundle, page 149 and Exhibits Volume 2, page 935.

CHAPTER 6

Sir Dickson's assessment of and reaction to the information of 21/22 November 2019

November 2019: substantial business challenges and social unrest

138. In his witness statement Sir Dickson said that the period around November was a particularly difficult time for DCIL/the Group. There were strategic as well as operational matters which required my constant attention. It was one of the most challenging times (if not the most challenging time) I had experienced as a business person."[91] He had returned to Hong Kong from an unsuccessful business trip to Japan on the night of 20 November 2019. As he recalled, he was working at home that day because of police roadblocks.

Dickson Concepts' Interim Report 2019-2020

139. In the Chairman's statement in the Dickson Concepts' Interim Report 2019-2020, published on 27 November 2019, Sir Dickson wrote:[92]

> "**FULL YEAR PROSPECTS**
>
> The Group is extremely pessimistic about the retail climate in Hong Kong. Trading has been adversely affected and sales have been achieved at the expense of margin. Meanwhile, fixed costs remain very high. Additionally, the Group does not expect a return of Asian and Mainland tourists in the foreseeable future. Significantly worse results could be expected in the second half of this financial year. With Hong Kong in recession, the future looks bleak."

Yinne Yu's email: 1:58 p.m. 21 November 2019:

140. Of his receipt of Yinne Yu's email to Sir Dickson and Pearson Poon, dated 1:58 p.m. 21 November 2019, stating, "Honey-the company has an acquisition offer from PayPal. The price of this transaction has been agreed on and was announced today (4B cash offer …)", Sir Dickson said that "I think that I would have, skimmed it on my phone" and read it again after lunch.[93] Of Yinne Yu's role, Sir Dickson explained that it included providing the Group with "updates" on the investments that were made on her recommendation, in particular:[94]

> "Yinne reported to me (and after he joined DCIL in October 2016) Pearson, as well as Johnny on these matters. I was not involved and interacting directly with the target

[91] SP1; page 19, paragraph 94.
[92] Core Bundle, page 65.
[93] SP1; page 19, paragraph 96.
[94] SP1, page 14, paragraph 74.

company or its management with respect to the proposed investments. Interactions with the target companies were (and still are) largely handled by Yinne."

Sir Dickson's assessment of the information

141. Of the question put to him in the record of interview conducted of him by the Commission on 22 October 2020, of whether he had verified the assertions made in Yinne Yu's email to him, sent at 1:58 PM on 21 November 2019, that the agreed price for the acquisition of Honey of US$4 billion, "… puts our stake at well over 100M and our investment multiple at > 25x MoM", Sir Dickson said:[95]

> "…what I did was I read the link of the PayPal announcement. I was naturally happy to see that a potential acquisition have been made on Honey. But after I read the whole announcement, I did not think much of that announcement. I felt that it was at a very preliminary and uncertain stage because there were a lot of qualifications and forward-looking statement including specifically the transaction may not close. And that is subject to regulatory approval. I also felt that statements like the ability to retain the staff or employees of Honey, the reaction of the partners of Honey, the reaction of its competitors were all statements to either ensure that the deal can or can be cancelled or at least set up such that it can go into negotiation for a potentially significant reduction in the value of the company. So I did not think too much of it."

142. Of Yinne Yu's assertions of how profitable the investment in Honey could turn out to be, in his witness statement he said:[96]

> "But obviously she was uncertain that the transaction would happen or what would happen at what price. She said in the email that she will come back to us with more information on "legal docs and price/share of the acquisitions"."

143. Having said that he had read the PayPal Announcement, having used the link provided by Yinne Yu, Sir Dickson acknowledged that he was, "happy to learn that there was potentially an acquisition of Honey" and that it was, "certainly a bit of good news amidst the difficult times and generally gloomy atmosphere." He concluded, "the proposed acquisition would be positive for the Group-should it transpire."[97]

---

95 Witness Volume 1; pages 28-29, counter# 160.
96 SP1; page 20, paragraph 98.
97 SP1; page 20, paragraph 99.

Forward-Looking Statements

144. Nevertheless, Sir Dickson said:[98]

"However, from my reading of the Nov 21 Email and PayPal Announcement my impression was that the proposed acquisition was not a done deal.

(1) The PayPal Announcement claimed that the Proposed Acquisition was expected to close, but also stated that such was subject to conditions, including regulatory approvals.

(2) The announcement stated that it contained "*forward-looking statements*" with "*risk and uncertainties which may cause actual results to differ materially*". It then warned its readers not to place "u*ndue reliance*" on such statements and gave a long list of uncertainties, referring to:

> *"the timing and possible outcome of security holder and regulatory approvals in connection with the transaction, the possibility that the transaction may not close, the reaction to the transaction of Honey's customers and business partners, the reaction of competitors to the transaction, the retention of Honey's employees, PayPal's plans for Honey, economic and political conditions in the global markets in which PayPal and Honey operate, the future growth of PayPal's and Honey's businesses and the possibility that integration following the transaction may be more difficult than expected."*

(3) I understood the situation to be that PayPal and Honey had had negotiations. PayPal had made an offer. But there were conditions and qualifiers such that, in effect, the transaction might not transpire.

(4) As a business person based on my own business experience, I understood the PayPal as the intended buyer would have to conduct due diligence. That could uncover deal-breakers or, moreover, serve up excuses for PayPal to back out of the deal. It could also lead to substantial changes to the terms of the offer or transaction.

(5) Although the announcement referred to the price of *"approximately $4 billion*", my experience told me that this could be further negotiated.

(6) Indeed, Yinne herself expressed uncertainty about what the final price might be."

[98] SP1; pages 20-21, paragraph 100.

Honey: Start-up

145. Next, Sir Dickson addressed the fact that Honey was a start-up:[99]

> "The uncertainty was all the more so when one takes into account that Honey was a start-up. I have been involved in venture capital investing for some time. In my experience, start-up ventures are high risk, and exit from them is an uncertain exercise at all stages. Deals can fall through for any number of reasons."

No information from Honey

146. Then, Sir Dickson noted that:[100]

> "As at 21 November 2019, we had not been informed by Honey of anything. All that I saw was an email from Yinne and a qualified announcement by PayPal."

Of those circumstances, he said "I expected that if a potential acquisition of it from us the shareholders was or had become serious, we would be informed by Honey. Ultimately this is what happened, later, on 25 December 2019."[101]

Conclusion

147. In the result, he concluded:[102]

> "I did not take the proposed acquisition particularly seriously.
> Had it even remotely crossed my mind that there was any inside information, I would have ensured that an announcement was made or at least consulted with people within the Group and external advisers about whether an announcement was necessary."

148. In his oral evidence-in-chief, Sir Dickson reiterated that assertion:[103]

> "…after I read PayPal's announcement, I did not take it seriously because other than a figure of $4 billion, there was absolutely no financial information about Honey or about how that valuation came about. On the other hand, there were a lot of statements, such as subject to due diligence and regulatory approval, statements like one should not pay undue reliance on it, or the transaction may not close. And there were so many forward-looking statements like I haven't seen before, such as reaction of partners, of

[99] SP1; page 21, paragraph 102.
[100] SP1; page 22, paragraph 107.
[101] SP1; page 22, paragraph 106.
[102] SP1; page 22, paragraphs108-109.
[103] Transcript; 19 December 2025, pages 99-100.

competitors, of whether one can retain the staffs, many, all of which to me were designed for PayPal to negotiate down the price substantially or simply to exit the deal. And you have to understand that as an early investor of Honey, I would expect the company to advise us, if they were seriously engaged in negotiation, to sell the company, but I heard nothing, receive nothing from Honey, and factually nothing more than what is called an update from Yinne in which another company we invested in was also covered.

I could not understand how is it that Honey just one and a half year ago was valued at 700 million to raise money could become six times or just under six times more expensive in one and a half years' time. So, to me, there was huge uncertainty about whether the deal would transpire, conclude or at what valuation, how much less. So that's how I felt after reading the announcement."

149. In cross-examination, in answer to the question of whether he was, "a bit sceptical" of Yinne Yu's description in that email, Sir Dickson said: [104]

"…at that point, I was a bit, firstly, surprised because it came in the format of an update, and she talked about two deals one being Hollar, where we lost, according to her, US $15 million, and yet on the other hand she talked about Honey. Now from my perspective, Yinne has a tendency to jump to conclusions without looking into the real possibility. So as an example, Hollar never materialised to this day, despite her saying in the email that they have received this acquisition and the deal is going to happen.

Secondly, rather than saying anything, when I read her comment on the PayPal deal, of course I looked at it is positive but I went to the announcement and obviously, to me, Yinne's statement completely ignored what was in the announcement because as I've explained to the Tribunal why I consider the announcement of the transaction or proposal to be highly uncertain."

Agreement to acquire Honey for approximately $4 billion

150. Of the stipulation in the Announcement of the price that PayPal had agreed to acquire Honey, namely "for approximately $4 billion", in cross-examination Sir Dickson reasserted and emphasised his earlier evidence:[105]

[104] Transcript; 22 December 2025, pages 33-34.
[105] Transcript; 22 December 2025, page 35.

> "…there was no basis from my perspective on how that number came about. There was no financial numbers in there. There is no valuation model in there. But there were a lot of forward-looking statements as well as statements like "subject to due diligence", subject to regulatory approval", and those forward-looking statements… really to me, was completely designed to allow PayPal to significantly negotiate down the price for use as a reason to exit."

Due diligence

151. Subsequently, Sir Dickson agreed that there was no reference in the Announcement that the agreement was subject to due diligence which was yet to be done.[106] In fact, there was no reference specifically to "subject to due diligence". Notwithstanding the fact that the Announcement stated that the acquisition price had been agreed at $4 billion, Sir Dickson said that, given "all the forward-looking qualifications" it was "not necessarily" the case that due diligence had been done: "it was not uncommon that … agreement could have been reached but subject to due diligence amongst other things."[107]

152. Similarly, in cross-examination, Sir Dickson repeated and emphasised his incredulity of the increased valuation attributed to Honey and the fact that he had received no communication from Honey: [108]

> "…with Honey only having a valuation of 700 million when they raised capital one and a half years ago, I really don't understand how is it possible, without any explanation, that the valuation could have increased by almost sixfold to 4 billion, especially being an early investor of Honey.
>
> Why is it-and is it not Honey's responsibility, and I certainly expected Honey would have informed us had they been engaged in serious negotiation to sell the company, let alone if they've reached a definite deal, which it wasn't."

Analysis of the risks

153. Of his analysis of the risks involved and mentioned in the PayPal Announcement Sir Dickson said: [109]

---

[106] Transcript; 22 December 2025, page 43.
[107] Transcript; 22 December 2025, pages 43-45.
[108] Transcript; 22 December 2025, page 35.
[109] Transcript: 22 December 2025, page 50.

"I tried to analyse the risk involved in relation to the announcement of PayPal. And honestly, I was completely taken aback by forward-looking statements that were mentioned in there. I have never seen it like that."

154. Of the adequacy of the available information, Sir Dickson added:[110]

"I did not believe at the time that I needed clarification, because… I felt that the announcement was really full of uncertainty, and I really felt that if there was anything that Honey must do, to say the least Honey would have been to inform us. Because, as you said, this is a big deal for them. But we heard nothing, which to me is extremely strange."

155. Sir Dickson explained that it was, "Extremely strange that if Honey was in such a serious negotiation and if they have reached anything like an agreement, they would not inform their shareholders, like myself."

No enquiries made of Honey

156. In response to the question, if that was his view, had he asked Yinne Yu to make enquiries of Honey, "What was going on?", Sir Dickson said:[111]

"Well, I did not because I expect that to be their responsibility."

157. Subsequently, when he was asked why he himself did not ask Honey for information, Sir Dickson repeated his assertion that he thought that it was, "Honey's responsibility to notify and inform their shareholders". Secondly, he pointed to the statement in Yinne Yu's email in which she wrote, "I'll come back to you with more details on legal docs and price/share of the acquisitions (the exact amount that will return to us)." Sir Dickson said, "So…they are the parties who should come to me."[112]

Consideration of disclosure of the information to the public

158. Sir Dickson having agreed with the suggestion that the information in the Announcement would be positive to Dickson Concepts, if completed, the following interchange in respect of the issue of disclosure of that information to the investors of the company ensued in cross-examination:[113]

[110] Transcript: 22 December 2025, page 51.
[111] Transcript; 22 December 2025, page 52.
[112] Transcript; 22 December 2025, pages 66-67.
[113] Transcript; 22 December 2025, page 45.

"Q. Are they not entitled to know this piece of information that at around the same time as you knowing this piece of information?

A. I basically felt that it was so full of uncertainty at the time, and I honestly cannot imagine or believe that the transaction could close at that price or anywhere near it, if it will close at all. So I thought it was very, very preliminary and uncertain.

Q. As to whether this acquisition from PayPal of Honey will actually close, isn't that for potential investors in Dickson concepts to draw their own conclusion

A. Yes. Yes."

159. Sir Dickson went on to explain:[114]

"I think it's also a matter of whether there was sufficient information for potential investors or Dickson shareholders to gauge whether that transaction could happen, and I didn't feel there was any such information as contained in the announcement. That's why I kept emphasising why I felt it was so full of uncertainty, and that this was again reiterated by the fact that I expect Honey would have advised shareholders that they were seriously in a position for the company to be sold. But there was absolutely nothing that we received from Honey at-at all.

So I just didn't feel that it was at this stage with anything other than it being very preliminary at best. So, rightly or wrongly that is how I felt."

Price sensitive information?

160. When asked if he agreed that, if the potential investors in Dickson Concepts had been aware, around 21/22 November 2019 or towards the end of November 2019, of the news of, "PayPal's acquisition of Honey for US $4 billion and the potential benefits for Dickson Concepts", that would generate material buying interest in the shares of Dickson Concepts, Sir Dickson said:[115]

"Possibly but not necessarily, because it was not certain at all in terms of if there will be a deal. Unlike after the 25 December announcement."

161. Subsequently, in light of that answer, when asked if that information, "could potentially be price sensitive", Sir Dickson answered, "Possibly, looking back." He added:[116]

[114] Transcript; 22 December 2025, page 46.
[115] Transcript; 22 December 2025, page 47.
[116] Transcript; 22 December 2025, page 50.

"I definitely didn't think that at the time, otherwise I would have given it to Johnny and asked him to look into it, as I've always done."

162. Sir Dickson took issue with the suggestion that, in not passing on the information to Johnny for him to help Sir Dickson make the assessment of the significance of the information, he was negligent:[117]

"…from my perspective at the time, I used my best endeavour to analyse and look at that announcement, and I came to the conclusion that I did. So even with hindsight, rightly or wrongly, I did try my best."

163. In subsequent cross-examination Sir Dickson said of his assessment of the likelihood of the deal completing:[118]

"…from my perspective, from the experience that I gathered from other deals I have done, there are many aspects throughout the process of the deal, from agreeing something or at an advanced stage of discussions till completion, that the deal can go wrong. So again, all the uncertainties and issues I have raised and which I genuinely believe them to be issues or points set up for PayPal to negotiate down the price, or to exit as they wish, I certainly did not believe that it was anywhere near a done deal, let alone a done deal."

Sir Dickson's reaction to receipt of the information

(i) Sir Dickson contacted Johnny Chan

164. Sir Dickson acknowledged that, on receipt of the information in the email and the PayPal Announcement, he had spoken to Johnny Chan on the telephone and asked him to identify the company which had been used to invest in Honey and to calculate the profit of that shareholding on the basis of a value of $1 billion.[119] He did not tell Johnny Chan of the information that he had read from the PayPal Announcement. Notwithstanding the fact that he regarded the information as "wonderful news", nevertheless, "…given how uncertain it was", he did not find it "necessary" to tell Johnny Chan.[120]

[117] Transcript; 22 December 2025, page 50.
[118] Transcript; 22 December 2025, pages 75-76.
[119] Transcript; 22 December 2025, page 53.
[120] Transcript; 22 December 2025, pages 54-55.

165. Of why he had asked Johnny Chan for a valuation, if he thought the deal was "so uncertain", Sir Dickson said:[121]

> "… we were going through a very difficult challenge, different types of challenges, and of course when we received this news, however uncertain, it was a piece of wonderful news. But in my mind and I never believed that the value of the transaction if it completes, could be at 4 billion or near 4 billion. So there is a discussion going on. Therefore, I asked Johnny to use a value of 1 billion (,) because 1 billion will be higher than the 700 billion which Honey raised more than one and a half years ago… Should that discussion result in a transaction, we would be able to apply that number from Johnny, and multiply it if the amount is higher, or to adjust if it is less."

166. Of why he had not simply forwarded Yinne Yu's email, sent at 1:58 PM on 21 November 2019, Sir Dickson said that, "…it did not cross my mind at all as necessary, for reasons I mentioned earlier about my view on the transaction." Subsequently, he denied strongly the suggestion that he had deliberately withheld the truth from Johnny Chan.[122]

Johnny Chan's email: 3:08 p.m. 21 November 2019

167. In an email to Sir Dickson, sent at 3:08 p.m. on 21 November 2019, Johnny Chan identified Kinford as the subsidiary company used to invest US $5 million in Honey in October 2016 and stipulated 24,834,600 to be the number of shares now held after two share splits. Having noted that in May 2019 Dickson Concepts had been advised that the "pre-money valuation was USD 700 M before series D issue for USD 17 million", the fully diluted shareholding was stipulated to be 3.5374%.[123]

168. Of the valuation, Johnny Chan wrote:

> "If the current valuation is USD 1b, the value of our stake should be USD 35,374,000, but I don't know if there is a change in shareholding since last update."

(ii) Sir Dickson's exchange of emails with Pearson Poon

Pearson Poon's email: 2:48 p.m. 21 November 2019

169. Of the email sent to him by Pearson Poon, at 2:48 PM on 21 November 2019, in which he had written "Wow… Good to see a bit of good news 😁😁." Sir Dickson said in his witness statement, "I did not think anything about this comment at the time other than to infer that, like

[121] Transcript; 22 December 2025, pages 53-54.
[122] Transcript; 22 December 2025, page 68.
[123] Core Bundle, page 152.

me, Pearson felt the Proposed Acquisition was a nice piece of news in an otherwise gloomy environment."[124]

Sir Dickson's two emails: 15:47 21 November 2019

170. In response, in an email, sent at 15:47 on 21 November 2019 Sir Dickson wrote:[125]

> "Dear Pearson
> Indeed looks like it's real from the announcement! I will forward to you Johnny's calculation on our share of profit which amounts to approx $120m!
> Best Dp."

171. Also, at 15:47 on 21 November 2019, as stated in the first email as his intention, Sir Dickson forwarded Johnny Chan's email to Sir Dickson, sent at 3:08 on 21 November 2019, to Pearson.

Looks like it's real

172. Of his use of the phrase, "looks like it's real", in his witness statement Sir Dickson explained that he meant, "that the PayPal Announcement backed up what Yinne said in the Nov 21 email i.e., that there were real negotiations, not just rumours that the transaction seemed to have actual potential. They were not reflective of any view on my part of the transaction was a done deal…"[126]

173. In his oral evidence, Sir Dickson said:[127]

> "Well, you have to understand that on two different occasions Yinne advised us an offer to buy Honey would be forthcoming and both of which did not transpire. This case, we knew that there were at least a discussion going on and, therefore, it looks more real."

Our share of profit: approx. $120m!

174. Of his statement that, on Johnny's calculations, "our share of profit" amounts to "approx. $120m!", in his witness statement Sir Dickson said that the reference to that sum of money, "…was a casual extrapolation of the figure provided by Johnny (being very roughly four times his figure). It was not at all the subject of any analysis, nor anything which I felt was serious or reliable."[128]

---

[124] SP1; page 23, paragraph 116.
[125] Core Bundle, page 152.
[126] SP1, page 23, paragraph 117(1).
[127] Transcript; 22 December 2025, pages 56-57.
[128] SP1; page 24, paragraph 117(2).

175. In his oral evidence, Sir Dickson denied that his stipulation of the profit of approximately $120 million was based on the $4 billion consideration being "real": "That is not what I was saying to my son. It wasn't in that context at all."[129]

176. It is to be noted the product of multiplying US $35,374,000 by 4 is US $141,496,000, not approximately US $120 million. However, if US $18.9 million, stated by Johnny Chan to be Kinford's revalued investment "as at 31/3/19" is deducted, the difference is US $122,596,000.

(iii) Exchange of emails with Yinne Yu.

Sir Dickson's email: 3:45 pm. 21 November 2019

177. In an email to Yinne Yu, sent at 3:45 PM on 21 November 2019, Sir Dickson wrote:[130]

> "Hi Yinne,
> That is wonderful news. I suppose there shouldn't be any regulatory issues given the size of Honey?
> Is there more information about the approx valuation for Hollar you can share with us?
> Best Dp"

Yinne Yu's email: 9:13 a.m. 22 November 2019

178. In an email in response, sent at 9:13 a.m. on 22 November 2019, Yinne Yu wrote:[131]

> "Paypal is a payment business whereas honey an ecommerce tool. The acquisition would not help paypal egregiously consolidate market share but deepens the relationship they have with existing merchants and customers. So no I don't think there will be regulatory issues.
> Hollar, is likely mid-single digit millions."

Sir Dickson's email: 11:06 a.m. on 22 November 2019

179. In an email reply to Yinne Yu, sent at 11:06 AM on 22 November 2019, Sir Dickson wrote, "Thanks Dp".[132]

180. In his witness statement, Sir Dickson said that thereafter he," did not have any further communications with Yinne about the matter until 25 December 2019."[133] In re-examination,

---

[129] Transcript; 22 December 2025, page 57.
[130] Core Bundle, page 149 and Exhibits Volume 2, page 894.
[131] Core Bundle, page 149.
[132] SP1, page 302.
[133] SP1, page 24. paragraph 121.

Sir Dickson confirmed that he had received no further information from Yinne Yu until her email on 25 December 2019.[134]

181. Sir Dickson described Yinne Yu's response, "…to be a superficial and 'canned' analysis. It did not make me think the Proposed Acquisition was any more certain to take place." [135]

182. In response to the suggestion in cross-examination, that the form in which he posed the question to Yinne Yu about regulatory issues suggested that at the time he did not think there were any regulatory issues, Sir Dickson responded:[136]

> "I don't know. I am not an expert on antitrust, though I know this is something that often comes about when it comes to acquisition in America. Precisely because I don't know, and Yinne being someone living in the States, I asked her for her opinion, but I know also that she was not an expert in that. So it was a question for an answer from my staff."

183. He concluded by disagreeing strongly to that suggestion, "No. I completely disagree. This is not something I know that's why I tried to ask, even knowing Yinne wasn't an expert, what she thinks."

Sir Dickson's knowledge of PayPal

184. Of his knowledge of PayPal in November 2019, in answer to questions from the Chairman, Sir Dickson said:[137]

> "I know the name. I believe it something like a payment platform. I never used it. I don't really know much about it, but I know by reputation it was a successful company."

185. Sir Dickson went on to add that, whilst he did not know about "the size of the company et cetera" nevertheless he said, "I would think it is a big company because, again, of its reputation and that it was listed." He did not know that PayPal Inc. was listed on NASDAQ as PYPL until he read that statement in the PayPal Announcement. The Announcement also stated:

> "**About PayPal**
>
> PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering 300 million

[134] Transcript; 23 December 2025, page 84.
[135] SP1; page 24, paragraph 121.
[136] Transcript; 22 December 2025, page 58.
[137] Transcript; 23 December 2025, pages 61-62.

consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information visit paypal.com."

CHAPTER 7

Pearson Poon's assessment of and reaction to the information of 21/22 November 2019

November 2019

186. In his witness statement, Pearson Poon said that in November 2019, he was "heavily preoccupied with a number of significant issues facing the Company as well as certain Group entities. I note that at the time, November 2019 was by far the most hectic period in my career to date."[138]

187. In his oral evidence-in-Chief, Pearson Poon said that in November 2019 he was about 25 years of age. Having read economics, he graduated from Cambridge University in 2015, after which he worked for a year in the Consumer and Retail, Technology, Media and Telecommunications team of Goldman Sachs in Hong Kong. In October 2016, he began to work as a General Manager in Dickson Concepts. In 2017, he was appointed an Executive Director of Harvey Nichols and Co. Ltd. in the United Kingdom. On 18 December 2018, he was appointed an executive director of Dickson Concepts.[139] Although he was involved in both the investment team in the investment side of the business and the retail business, he said that, "In 2019, the vast majority of my time was spent on the retail business side." He agreed with the suggestion that the latter occupied about "90%, 95%" of his time.[140]

21 November 2019

188. On 21 November 2019, he was "in the middle of a tightly scheduled 11-day business trip to Paris, Milan and London." He was in Paris between 18 and 21 November 2019 for a series of business reviews and meetings with ST Dupont. He flew to Milan at 9:25 p.m. on 21 November 2019 for brand meetings on 22 November 2019. After that, he travelled to London to address issues in the Harvey Nichols Group in the UK, which business was "also facing difficulties due to the impact of Brexit on the London retail market." He returned to Hong Kong on 29 November 2019.[141]

Yinne Yu's email: 1:58 p.m. 21 November 2019 and the PayPal Announcement

189. Pearson Poon said that he had received Yinne Yu's email, sent at 1:58 p.m. on 21 November 2019 (Hong Kong time) whilst he was in Paris, at 6:58 a.m. on 21 November

[138] SP1; page 55, paragraph 29.
[139] Transcript 26 March 2026 at pages 19-20. SP1; pages 49-51, paragraphs 10-17.
[140] Transcript 26 March 2026 at pages 21-22.
[141] SP1; page 60, paragraph 40.

2019. In the record of interview conducted of him by the Commission on 6 November 2020, Pearson Poon explained that he had been copied in that email from Yinne Yu because, "at the time Yinne reports to my father and myself on this type of investment."[142] As far as he recalled, he had, "…briefly read the email and the PayPal Announcement through the link in the email." Of his assessment of the information contained there, in his witness statement he said[143]

> "…my impression was that the Proposed Acquisition was good news especially when contrasted with the very real difficult retail climates we were facing, but it was apparent that there was still significant hurdles to go through, such as receiving requisite regulatory approvals in order for the transaction to complete."

190. In the result, he said:

> "Therefore I did not give the 21 November email or the PayPal announcement much further thought and instead turned my focus to the matters that I had to deal with on that day in Paris, as well as my upcoming meetings in Milan and London."

191. In his oral evidence in-chief Pearson Poon said that he remembered seeing the email and having clicked the Link to see the PayPal Announcement, which he had read at "normal speed". He went on to estimate that it had taken him, "between three to five minutes" to do so.[144] He said that he remembered that the Announcement stated:[145]

> "Honey was profitable on a net income basis in 2018. Subject to customary closing conditions, including the receipt of regulatory approvals, the transaction is expected to close in the first quarter of 2020. The acquisition is expected to be accretive to PayPal's non-GAAP earnings per share in 2021."

Customary closing conditions

192. Of what he understood by the phrase, "customary closing conditions", in his oral evidence- in-chief, Pearson Poon said:[146]

> "It would vary deal to deal, but effectively the various conditions before the deal completion, so it can include items such as regulatory approval, other third-party consent, no material adverse change, accuracy of reps and warranties, and so on."

---

[142] Witness volume 1; page 142, counter# 135.
[143] SP1; page 58, paragraph 32.
[144] Transcript 26 March 2026 at page 32.
[145] Core Bundle at page 115.
[146] Transcript 26 March 2026 at page 37.

Forward-looking statements

193. Of the several paragraphs in the PayPal Announcement under the heading, "Forward-Looking statements", Pearson Poon said that he remembered seeing them in the Announcement.[147] He did not regard them as, "standard, boilerplate reminders". Rather, he said that they were, "specific about this deal. So for instance, it talked about the reaction of competitors, retention of employees, and so on."[148]

194. Of Forward-Looking statements generally, subsequently, he said in his oral evidence-in-chief that he regarded them as, "serious warnings. There are definite cases where transactions that are announced are not completed for these reasons."[149]

Price-sensitive information

195. In his oral evidence-in-chief Pearson Poon said that he did not regard the information contained in Yinne Yu's email, dated 21 November 2019, as containing price sensitive information.[150]

196. Of the "seriousness" with which he regarded the email, he said:[151]

> "I think at the time my impression of Yinne's emails is sometimes she would exaggerate on possible acquisition opportunities, and we have twice heard previously that a possible acquisition is forthcoming. However, this time it is more concrete because it's an announcement from both parties."

197. Of whether he regarded the deal as, "certain to go through" he said:

> "No. The reason is that the announcement specifically stated that the deal was still subject to regulatory approval and other closing conditions, so absolutely it is not certain that it would go through."

Ant Financial/MoneyGram

198. To illustrate that point, for the first time in his oral evidence Pearson Poon adduced two Announcements: the first provided by Ant Financial, dated 26 January 2017[152]; and the second

[147] Transcript 26 March 2026 at page 36.
[148] Transcript 26 March 2026 at page 37.
[149] Transcript 26 March 2026 at page 47.
[150] Transcript 26 March 2020 at page 48.
[151] Transcript 26 March 2026 at pages 48-49.
[152] SP1 at pages 431-435.

by MoneyGram, dated 2 January 2018.[153]

199. Pearson Poon explained that in 2015-2016, when he was working at Goldman Sachs: "I spent almost a full year working on a company called Ant Financial… the financial technology platform of Alibaba Group." In 2017, although he was now working in Dickson Concepts, he had noted that:[154]

> "…Ant Financial, together with a company called MoneyGram agreed and announced that Ant Financial would acquire MoneyGram… in that announcement they actually mentioned a definitive agreement was signed, but again subject to regulatory conditions. But ultimately, the transaction failed to complete because regulatory approval was not obtained."

200. Of the relevance of the first Announcement, Pearson Poon said that it was "very similar" to the PayPal Announcement.[155] He agreed with the suggestion in evidence-in-chief that he was not saying that he had in mind these Announcements at the time that he read the PayPal announcement. Rather, he agreed that it was something at the back of his mind, "…something I've read before."[156]

201. The banner heading of the first Announcement stated:

MoneyGram Agrees to Merge with Ant Financial

Then, it was stated:

> "DALLAS, Texas and HANGZHOU, China, Jan 26, 2017/PRNewswire-MoneyGram (NASDAQ: MGI), a global provider of innovative money transfer services, and Ant Financial Services Group, one of the world's digital financial services providers and parent company of Alipay, global mobile payment platform, today announced that they have entered into a definitive agreement under which MoneyGram will merge with Ant Financial, with stockholders of MoneyGram being offered $13.25 per share in cash."

202. Other statements made in the Announcement included:[157]

---

[153] SP1 at pages 436-438.
[154] Transcript 26 March 2026 at pages 37-38.
[155] Transcript 26 March 2026 at page 38.
[156] Transcript 26 March 2026 at page 46.
[157] SP1 at page 432.

"**Transaction Highlights**

…The transaction is subject to the approval of MoneyGram stockholders, regulatory approvals and other customary closing conditions. The acquisition is expected to close in the second half of 2017."

203. Further, it was stated:[158]

"**Forward-Looking Statements**

This communication contains forward-looking statements which are protected as forward-looking statements under the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect MoneyGram's current beliefs, expectations or intentions regarding future events."

204. Having identified multiple words and expressions, "intended to identify such forward-looking statements", the Announcement stated:

"These statements are subject to numerous risks and uncertainties, many of which are beyond MoneyGram's control, which could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include but are not limited to:

the failure to obtain the required votes of MoneyGram's stockholders; the timing to consummate the proposed transaction; the satisfaction of the conditions to closing of the proposed transaction; the satisfaction of the conditions to closing of the proposed transaction may not be satisfied or that the closing of the proposed transaction otherwise does not occur; the risk that a regulatory approval (including CFIUS approval) that may be required to consummate the proposed transaction is not obtained or is obtained subject to conditions that are not anticipated; the diversion of management time on transaction-related issues; expectations regarding regulatory approval of the transaction; results of litigation, settlements and investigations; actions by third parties, including governmental agency; global economic conditions; adverse industry conditions; adverse credit and equity market conditions; the loss of, or reduction in business with, key customers; legal proceedings; the ability to effectively identify and enter new markets; governmental regulation; the ability to retain management and other personnel; and other economic, business or competitive factors."

[158] SP1 at page 434.

205. The banner heading of the second Announcement, dated 2 January 2018, stated:[159]

MoneyGram and Ant Financial Announce Termination of Amended Merger Agreement

206. Then, it was stated:

"DALLAS and HANGZHOU, China, Jan 26, 2017/PRNewswire-MoneyGram (NASDAQ: MGI), and Ant Financial Services Group today announced that they have mutually agreed to terminate their Amended Merger Agreement following the inability of the companies to obtain the required approval for the transaction from the Committee on Foreign Investment in the United States ("CIFUS") despite extensive efforts to address the committee's concerns, -MoneyGram and Ant Financial also announced that they plan to work together on new strategic initiatives…"

207. In cross-examination, Pearson Poon acknowledged that Ant Financial was a Mainland Chinese company taking over a US company. Of the suggestion, that there were "obvious political sensitivities" arising as a result, he said, "I don't know if I would say it was obvious, but I would say there was a risk that CFIUS could block the transaction." He acknowledged that PayPal's acquisition of Honey concerned two US companies and did not give rise to the same complications.[160]

Pearson Poon's email to Sir Dickson: 2:48 p.m. 21 November 2019

208. Pearson Poon sent an email in reply to Sir Dickson at 7:48 a.m. (Paris time) in which he wrote:

"Wow… Good see a bit of good news 😁😁"

209. In his record of interview, Pearson Poon said that he was there referring to the information in both Yinne Yu's email and the PayPal Announcement.[161] In his witness statement, he explained:[162]

"My comment was in reference to the fact that the past two months in particular have been devastating to the Hong Kong retail sector and that we were facing a tough situation and a difficult market… In the circumstances, the news from Yinne about HSC

[159] SP1 at page 436.
[160] Transcript 26 March 2026 at pages 84-85.
[161] Witness Volume 1; page 144, counter #s 140-141.
[162] SP1; page 59, paragraph 33.

look positive amidst what had otherwise been an extremely tough situation for the Company in Hong Kong."

210. In cross-examination when asked to describe what he regarded as the "good news", Pearson Poon said, "…if it were to complete, then it will be good news for the company." Of how good the news was, he said, "At the time, I wasn't thinking the degree of good. Any good news was good news in a very tough environment." Nevertheless, he acknowledged that:[163]

- from the PayPal Announcement, the amount of the offer was US $4 billion in cash;
- in her email Yinne Yu stated that Dickson Concepts' share was well over 100 million, which he understood to be US dollars; and
- at the time the net asset value of Dickson Concepts was approximately HK $2.5 billion.

In the result, Pearson Poon acknowledged that, if it were to complete, it would be a very material piece of good news.

Telephone call: Pearson Poon/Sir Dickson

211. In his witness statement, Pearson Poon said that he had a telephone call scheduled with his father just after 8:00 a.m. (Paris time). Notwithstanding the exchange of emails described earlier, he said:[164]

> "…the focus of that call was on my draft statement for the upcoming Harvey Nichols UK board meeting."

Pearson Poon's emails to Sir Dickson: 3:47 p.m. 21 November 2019

212. In an email to Pearson Poon, sent at 3:47 p.m. on 21 November 2019, Sir Dickson wrote:

> "**Subject**: Re: update on our portfolio companies
> Indeed and looks like it's real from the announcement! I will forward to you Johnny's calculation on our share of profit which amounts to approx $120m!"

213. In a second email to him from Sir Dickson at the same time and date, Sir Dickson forwarded an email from Johnny Chan:

> "**Subject**: Fwd: Honey Science Corporation
> Dear Pearson

[163] Transcript 26 March 2026 pages 65-66.
[164] SP1; page 59, paragraph 34.

Fyi.

Best Dp"

Johnny Chan's email to Sir Dickson: 3:08 p.m. 21 November 2019

214. In an email to Sir Dickson, sent at 3:08 p.m. on 21 November 2019, Johnny Chan identified Kinford as the subsidiary company used to invest US $5 million in Honey in October 2016 and stipulated 24,834,600 to be the number of shares now held after two share splits. Having noted that in May 2019 Dickson Concepts had been advised that the "pre-money valuation was USD700 M before Series D issue for USD 17 million", the fully diluted shareholding was stipulated to be 3.5374%.[165] Of the valuation of that shareholding, Johnny Chan wrote:[166]

> "If the current valuation is USD 1b, the value of our stake should be USD 35,374,000, but I don't know if there is a change in shareholding since last update."

Sir Dickson's email to Yinne Yu and Pearson Poon: 3:45 p.m. 21 November 2019

215. Sir Dickson sent an email in reply to Yinne Yu, at 3:45 PM on 21 November 2019:

> "Hi Yinne,
>
> That is wonderful news. I suppose there shouldn't be any regulatory issues given the size of Honey?
>
> Is there more information about the approx valuation for Hollar you can share with us?
>
> Best Dp"

Telephone call: Pearson Poon/Sir Dickson-4:00 p.m. 21 November 2019 (Hong Kong time)

216. In his witness statement, Pearson Poon said that he had a further telephone call with his father at around 4:00 p.m. Hong Kong time (9:00 a.m. Paris time). Their discussions were about the renegotiation of Dickson Concepts purchase commitments with Fenty Beauty.

Yinne Yu's email to Sir Dickson and Pearson Poon: 9:13 a.m. 22 November 2019

217. In an email in response, sent at 9:13 a.m. on 22 November 2019, Yinne Yu wrote:[167]

> "Paypal is a payment business whereas honey an ecommerce tool. The acquisition would not help paypal egregiously consolidate market share but deepens the

[165] Core Bundle, page 152.
[166] Core Bundle, page 152.
[167] Core Bundle, page 149.

relationship they have with existing merchants and customers. So no I don't think there will be regulatory issues.

Hollar, is likely mid-single digit millions."

218. Of those two emails, in his witness statement, Pearson Poon said that whilst he could not recall exactly when he had seen them:[168]

> "…most likely this would have been late in the morning of 22 November 2019, CET. I had just flown from Paris to Milan the night before after a full day of meetings I did not really pay much attention to Yinne's email or accord much weight to it. She was not an expert on US regulatory issues, so I assumed that she was just giving her opinion in response to my father's question."

219. In cross-examination, in response to the suggestion that Sir Dickson's question of Yinne, "I suppose there shouldn't be any regulatory issues given the size of Honey?" that Sir Dickson did not think there would be any regulatory issues, Pearson Poon said:[169]

> "I don't know if he necessarily thought that. I think he asked the question to Yinne what she thought, but I don't know what he thinks."

220. In response to the Chairman's question that the question posed by Sir Dickson, "I suppose there shouldn't be any regulatory issues", was "not neutral", Pearson Poon said:[170]

> "I think if you were to read it very objectively, I would agree, but again I really don't know what my father specifically thought, so I don't want to speculate on that."

221. For his part, when asked in cross-examination what regulatory issues he thought might arise, Pearson Poon said:[171]

> "I had a broad impression that, you know, these kinds of agreements, even though they said there is a definitive agreement, the price is agreed and so on and so forth, may not necessarily transpire."

Pearson Poon went on to add:

> "…in 2019, you know, I was also aware that the Federal Trade Commission formed a new body to specifically look at M&A… Previously, by understanding, it was more

[168] SP1; page 60, paragraph 39.
[169] Transcript 26 March 2026 at pages 86-88.
[170] Transcript 26 March 2026 at page 88.
[171] Transcript 26 March 2026 at pages 85.

about market share. In 2019, I think it started to evolve; even for instance data privacy could be a risk."

222. In the result, Pearson Poon responded in the negative to the suggestion that he did not think the regulatory approval would be an issue in the case of PayPal and Honey.[172]

Pearson Poon's assumption: news of PayPal's Announcement shared by Sir Dickson with Johnny Chan

223. In his record of interview, it was suggested to Pearson Poon that the value of Dickson Concepts/Kinford's stake in Honey, identified by Johnny Chan in his email to Sir Dickson at 3:08 p.m. on 21 November 2019, of "around US $35 million if the valuation is US $1billion", on the consideration announced by PayPal of $4 billion translated to about $140 million. Of that calculation, the following exchange occurred:[173]

"Q. …So do you think this amount is material to Dickson Concepts' financials?"

A. Yes. I think it is not a small amount for Dickson Concepts.

Q ...So, if so, do you think that at that time Dickson Concepts should inform the public shareholders about it?

A …I didn't think about it at the time because obviously after receiving this email *I presumed Johnny was aware of this news* you know as per what described in terms of our normal disclosure policies and procedures, normally if Johnny believe that there will be an announcement that required-- sorry, if there's news that required an announcement that he would go along that process. So you know I had quite a busy day working in Paris at that time, so yes, I didn't think about it at that time.

Q. Did your father or Johnny discuss with you about this news, whether they should announce-at least an announcement in some form?

A …No. That was not discussed at that time.

Q. And for this news and calculation, do you talk to or did you discuss with other directors of Dickson Concepts?

A. … No."

[Italics added.]

[172] Transcript 26 March 2026 at page 88.
[173] Witness Volume 1, pages 145-146 counter #s 148-153.

224. In his witness statement, Pearson Poon repeated his explanation of the assumption that he made: [174]

> "Given the Company's usual internal processes, as outlined above in Section C above, given the email from Johnny that my father sent me, I assumed that Johnny had been briefed by my father about this."

225. Of Sir Dickson's statement that, "I will forward to you Johnny's calculation on our share of profit which amounts to approx $120m!", in his oral evidence-in-chief Pearson Poon confirmed his assumption that Sir Dickson, "…spoke with Johnny, shared the news with him, and Johnny then calculated our share of profits if the transaction were to complete, which, as he stated, is 120 million."[175]

Consideration of whether the information required disclosure

226. In cross-examination, in response to the suggestion that he had not thought about the need to inform the public of the information, Pearson Poon said that, having read the PayPal Announcement:[176]

> "…I formed my impression of it, …I thought there was still a lot of obstacles and hurdles to overcome, so whether or not it will complete is uncertain. That was my thought process.
>
> Then very shortly after, I understand that both my father and Johnny were on it and were already working on different calculations, so I did not think about it further, and I left it to them, who I believe were in very good hands."

227. Of Sir Dickson's statement in the email, sent at 3:47 p.m. on 21 November 2019, "…looks like it's real from the announcement!", in his oral examination-in-chief, Pearson Poon said that he thought that:[177]

> "…refers to the fact that there is actually an announcement, because in previous instances, you know, Yinne had advised us there would be an acquisition for Honey that did not take place."

[174] SP1; page 59, paragraph 36.
[175] Transcript 26 March 2026 at page 51.
[176] Transcript 26 March 2026 at pages 77-78.
[177] Transcript 26 March 2026 at page 51.

Price sensitive information: assessment

228. Of what he understood to be involved in the assessment as to whether or not a piece of information is price-sensitive, in cross-examination Pearson Poon said:[178]

> "At the time, I would say my general understanding is that if a piece of information, a reliable piece of information, that had strong certainty to, which would have a material impact on the stock price, then it could be considered price sensitive."

229. Of the suggestion made in cross-examination, that, if information of the fact of the PayPal offer; the fact of Dickson Concepts' shares in Honey; and the fact of the gain, if the transaction went through, was released to the public, it would cause investors to share his view that the information was, "good news" for Dickson Concepts, Pearson Poon said:[179]

> "…if the transaction does definitely go through, you know, possibly the investors will see it positively, but again I don't think I am best placed to speculate on what investors may or may not think."

Any action to be taken: 'Leave it' to Sir Dickson/Johnny Chan

230. Pearson Poon went on to explain:[180]

> "At the time, I knew that that this piece of information, obviously my father was aware, I assume that Johnny…was aware. They were both very, very experienced members of the board, so I felt, you know, I could leave it to them to see if any actions need to be taken, because precisely at the time I had been a director for less than one year; I honestly don't feel I'm experienced enough to say for sure how investors might think, and that's why we have a company inside information policy and system in place."

231. In his subsequent evidence, Pearson Poon reiterated his statement that he left it to Sir Dickson and Johnny Chan to determine if any action needed to be taken, in consequence of the information of PayPal's Announcement:

- "…my understanding at that time was that both… my father and Johnny, who were very experienced with these matters, were aware. So, if they felt any actions were needed they would have seen to it.";[181]

[178] Transcript 26 March 2026 at page 67.
[179] Transcript 26 March 2026 at page 71.
[180] Transcript 26 March 2026 at page 71.
[181] Transcript 26 March 2026 at page 72.

- "…I understand that both my father and Johnny were already working on different calculations, so I do not think about it further, and I left it to them, who I believe were in very good hands";[182]
- "…I had my father, Johnny and the company system, who were very adept at dealing with these issues. So I then had to move on…"[183]
- "…as to whether or not the piece of information was price sensitive, again, at the time, I relied on my father and Johnny to make the determination on that";[184]
- "…we had a company system, we had very experienced individuals in the company to deal with these matters. So I had to rely on them and focus on my responsibilities, my core responsibilities as a director";[185]
- "… so from your perspective, if Johnny thought a price-sensitive information announcement was needed, he would raise it, so you just left it entirely to him, is that correct?
- Yes…"[186]

No discussions about a price-sensitive Announcement

232. Pearson Poon confirmed that, after the email exchanges of 21 and 22 November 2019 but prior to Christmas, Johnny Chan had not contacted him as to whether a price-sensitive information Announcement was needed. Similarly, the matter was not discussed by the board of directors of Dickson Concepts.[187]

Negligence

233. Having replied in the negative to the question of whether it had ever occurred to him to follow up with Johnny Chan the issue of whether a price-sensitive information Announcement was needed, Pearson Poon denied that, in not doing so, he was at least negligent:[188]

> "Firstly, again as I mentioned, based on our company's inside information policy, how we normally deal with inside information, Johnny would not proactively tell me if it is not inside information, but they would very duly and timely make a disclosure, if it were needed.

[182] Transcript 26 March 2026 at pages 77-78.
[183] Transcript 26 March 2026 at page 78.
[184] Transcript 26 March 2026 at page 80.
[185] Transcript 26 March 2026 at page 81.
[186] Transcript 26 March 2026 at page 91.
[187] Transcript 26 March 2026 at page 91.
[188] Transcript 26 March 2026 at page 92

> Secondly, if you look at the email that Yinne sent, she specifically also said she had to come back on legal docs and the price. So, at the time, the company had not reached out to us and we were still pending information, so I didn't feel I would have needed to follow up."

234. Having confirmed in his evidence in cross-examination his acknowledgement in his witness statement that he was aware of Sir Dickson's purchase of Dickson Concepts shares from 28 November 2019 onwards, given that he was copied in emails from UBS detailing those transactions, Pearson Poon replied in the negative to the suggestion that in those circumstances he ought to have enquired of Johnny Chan why the company had not issued a price-sensitive information Announcement:[189]

> "… I thought Johnny and my father was already aware, so if any inside information announcement was needed they would have seen to it. Separately, you will also see that Johnny is copied on the emails here, so again, if he felt that any announcement was needed upon seeing these, he would have seen to it also."

He denied that he was negligent in not making those enquiries.

Incorrect assumption of Johnny Chan's knowledge

235. Pearson Poon acknowledged that he had come to know that his assumption about Johnny Chan's state of knowledge about Yinne Yu's email to Sir Dickson, dated 21 November 2019, and the PayPal Announcement, dated 20 November 2019, was incorrect. He came to know that probably only at the time that a Reply was being prepared to the Notice from the Commission, dated 3 March 2020, but before the Reply of Norton Rose, dated 5 May 2020.[190]

Pearson Poon's subsequent references to PayPal's Announcement of its potential acquisition of Honey

3 December 2019

236. In cross-examination, by reference to the Chronology attached to Norton Rose's Reply on behalf of Dickson Concepts to the Commission, dated 5 May 2020, Pearson Poon acknowledged that, having just returned from his business trip in Europe, on 3 December 2019 he had a conversation with Edmund Lo, managing director of Dickson Concepts with principal responsibility for investments, in which, probably they were reviewing Dickson Concepts'

[189] Transcript 26 March 2026 at page 96.
[190] Transcript 26 March 2026 at pages 133-134.

investment portfolio. During that conversation he had provided an update in respect of Honey, namely: [191]

> "…in terms of PayPal issuing this announcement with Honey, that there's a potential acquisition."

4 December 2019

237. Pearson Poon acknowledged that, having received an email from Yinne Yu dated 4 December 2019 [192], with the **Subject**: 'Another investment opportunity-Yumi', he had forwarded the email to Edmund Lo. Yinne Yu wrote, "The company is named Yumi. It's a baby health food delivery service that's been growing like crazy and now serves one of every 10 babies in San Francisco." In pitching it as an investment, she wrote of it, "I think this could be a real winner".

238. For his part, in forwarding the email to Edmund Lo, Pearson Poon wrote:

> "Let me know what you think? Yinne thinks it can potentially be another Honey."

239. Of the provenance of that assertion attributed to Yinne Yu, in cross-examination Pearson Poon said, "I believe after I have received the email from Yinne, I had a call with her to talk about the transaction and she felt that it could be another Honey." [193]

240. Pearson Poon denied that at this time he thought that Honey was "a winner" because he expected the PayPal acquisition of Honey to complete without issues": [194]

> "I disagree, because at that time, irrespective of whether or not the PayPal acquisition would go through, I already considered Honey quite a successful investment, to have been able to 5x'ed our investment, at least from an accounting basis."

[191] Transcript 26 March 2026 at pages 98-99.
[192] Exhibits Bundle 2 at page 939.
[193] Transcript 26 March 2026 at page 101.
[194] Transcript 26 March 2026 at pages 103-104.

CHAPTER 8

Interim Results 2019-2020

241. At 16:52 hours on 27 November 2019, Dickson Concepts published its Interim Report with its Interim Results on the HKSE website.

242. In his witness statement, Johnny Chan described the practice followed in the preparation of Dickson Concepts' Interim Results and Final Year End Results, in particular the valuation of unlisted investments made by Dickson Concepts, such as Honey.[195] In the process, both he and KPMG, Dickson Concepts' auditors, made enquiries, including conducting online market news searches. For his part, Johnny Chan said that, "there was nothing among the materials I had read at the time which contained any reference" about the proposed acquisition of Honey by PayPal.[196] In his oral evidence, Johnny Chan said that the searches had been conducted, "…from the end of October to mid-November 2019."[197] After the latter date, he conducted no further searches.[198]

Emails Johnny Chan/Yinne Yu: 29 and 30 October 2019

243. In an email to Yinne Yu, sent on 29 October 2019, Johnny Chan wrote:[199]

> "**Subject**: Re: valuation of unlisted investments held by DCIL
> Hi Yinne,
> For the purpose of DCIL's financial reporting at 30 September 2019, please advise the latest valuation of the following unlisted investments held by DCIL:
> ….
> 2. Honey Science-24,834,600 shares.
> In particular, please advise the latest market valuation (or your estimation) of the company as a whole and total number of shares issued and to be issued.
> Please also let me have the latest capitalization table of each company if available."

244. In an email reply, sent on 30 October 2019, Yinne Yu wrote:

> "…

[195] SP1, page 71 at paragraph 16.
[196] SP1, pages 73-74 at paragraph 25.
[197] Transcript; 23 December 2025, page 113.
[198] Transcript; 23 December 2025, page 113.
[199] SP3, page 1017.

We should hold price/share of all the above at the same level as last reporting. I'll ask the companies for latest count."

Audit Clearance Committee meeting: 4:30 p.m. 21 November 2019

245. In his oral evidence, Johnny Chan said that following those enquiries a meeting of the Audit Clearance Committee was held around 4:30 p.m. on 21 November 2019.[200] Those present at the meeting included Ms. Vivian Chang, a partner of KPMG, together with other colleagues. For Dickson Concepts, he and the Group Financial Controller, then Martin Lam, were in attendance. At such meetings, "KPMG would discuss "all audit issues (including valuation of all unlisted investments)."[201] Johnny Chan said that at that Audit Clearance meeting:[202]

> "KPMG also confirmed to me that they did not find any market news on all of our investments, and that they agree with my valuation. Therefore, I did not take any further action because the unlisted investment was basically very insignificant, it accounts for less than 5 per cent of our total asset. So the audit focus was not on the unlisted investment."

Audit Committee meeting: 2:00 p.m. 27 November 2019

246. Johnny Chan said that, in advance of the board meeting held at about 4 p.m. on 27 November 2019, a meeting was held of the Audit Committee, which he, Stella Or and independent non-executive directors attended. [203]

Board of Directors of Dickson Concepts meeting: 4 p.m. 27 November 2019
KPMG Review Report

247. In presenting the Interim Financial Report to the Board of Directors of Dickson Concepts, KPMG stated that, "…nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2019 is not prepared, in all material respects, in accordance with HKAS 34 "Interim financial reporting" ".

248. In his oral evidence-in-chief, Johnny Chan said that he attended the meeting of the Board of directors on 27 November 2019. In his witness statement, Sir Dickson said that "the

[200] Transcript; 23 December 2025, page 105.
[201] SP1; page 71 at paragraph 16 f).
[202] Transcript; 23 December 2025, pages 114-115.
[203] Transcript; 23 December 2025, pages 108-109

Board meeting focused on the key results and business issues… The Board approved the interim results, which were then published."[204]

Dickson Concepts' Interim Report 2019-2020

CHAIRMAN'S STATEMENT

249. In the Chairman's Statement of Dickson Concepts Interim Report, 2019-2020, Sir Dickson set out a description of the Financial Results and Interim Dividend:[205]

> "For the six months ended 30th September 2019, the Group's turnover was HK $1,712.9 million, a decrease of 6.6%.
>
> Net profit attributable to equity shareholders was HK $119.0 million (2018: HK $133.5 million) a decrease of 10.9%. The Group's investment portfolio contributed a net profit of HK $7.8 billion (2018: HK $10.3 million).
>
> In view of these results, the Board has resolved to declare an interim dividend of HK (2018: HK 8 cents) per ordinary share."

BUSINESS REVIEW

250. Under the heading 'Business Review' the Chairman stated:[206]

> "During the period under review, the Group achieve significant growth in both sales and profit in Hong Kong during initial few months. However, the retail climate in Hong Kong deteriorated significantly thereafter and mainland Chinese tourists all but disappeared."

FULL YEAR PROSPECTS

251. As noted elsewhere, in considering the Full Year Prospects, the Chairman said, "the Group is extremely pessimistic about the retail climate in Hong Kong". The Chairman concluded that paragraph by stating, "With Hong Kong in recession, the future looks bleak."

252. However, the Chairman went on to state:

> "On the investment side, the Group will continue to seek new investment opportunities to diversify and broaden its earning space.
>
> With net cash of HK $1,728.0 million and its strong balance sheet, the Group is in a strong position to cope with Hong Kong's recession and the very difficult retail climate."

---

[204] SP1, page 25 at paragraph 128.
[205] Exhibits Volume 1, page 377.
[206] Exhibits Volume 1, page 377.

Listing Rules: Blackout period

253. As Sir Dickson noted in his witness statement:[207]

> "…the Listing Rules prescribe a blackout period from the end of each annual or interim accounting period of a listed company, to the date of publication of the annual interim results. During the blackout period, directors are not allowed to trade in the shares of the listed company."

[207] SP1, page 25 at paragraph 129.

CHAPTER 9

The purchase of shares in Dickson Concepts by Equity: 28 November 2019-19 December 2019

Equity

254. In its Reply on behalf of Sir Dickson, dated 20 June 2020, to the Commission's Notice, dated 4 June 2020, Debevoise & Plimpton said that Equity Advantage Ltd (Equity):[208]

> "… is a company wholly owned by the Dickson Trust (a discretionary trust which Sir Dickson Poon is the founder). It was established on 23 July 2002 as an investment vehicle for investments in equities, fixed income and other financial instruments on behalf of the Dickson Trust."

Equities accounts with UBS AG

255. In its Reply, dated 6 April 2020, to the Commission's Notice, dated 23 March 2020, UBS AG identified Equity as an account holding client, of which the persons authorised to operate the account were Sir Dickson, Pearson Poon, Johnny Chan and Edmund Lo.[209]

Equity: trading in Dickson Concepts' shares-27 November 2019 to 19 December 2019

256. Kiki Heung was identified as the member of staff responsible for opening that account and the person who had received orders placed by Equity for trading in the shares of Dickson Concepts, including in the period between 27 November 2019 and 19 December 2019, whilst Eddie Ko was identified as the person who executed each order.[210]

Equity: placing of orders with UBS AG to buy Dickson Concepts' shares

27 November 2019

257. In his witness statement, Sir Dickson said that:[211]

> "On 27 November 2019 evening, I called Kiki to foreshadow that I intended to place an order the following day for 1 million DCIL shares at HK $3.70 per share or better."

As Sir Dickson went on to note, the closing price of Dickson Concepts shares on 27 November 2019 was HK $3.55.

---

[208] Exhibits Volume 6, page 2944 at paragraph 6
[209] Exhibits Volume 7, page 3266 paragraphs 2 and 3.
[210] Exhibits Volume 7, page 3268 at paragraphs 8 and 9.
[211] SP1, page 27 at paragraph 144.

First purchase order

28 November 2019

Telephone call: 09:00 a.m. 28 November 2019- Kiki Heung/Johnny Chan: purchase price of $3.70 per share

258. At 09:00 am on 28 November 2019 Kiki Heung initiated a telephone call with Johnny Chan, which included the following dialogue: [212]

> "Kiki: … I want to do a voice log for the order. So
> Johnny: Okay!
> Kiki: … Mr. Poon wants to place an order, it's for EA 216789…his own account. He wants to buy 1,000,0000 shares of 113.HK at $3.7 or better. This is a good-till-cancelled order, and we will use the previous buying strategy
> Johnny: Okay! Good."

Telephone call 10:04 a.m.-Kiki Heung/Johnny Chan

259. In a telephone call and 10:04 a.m. Kiki Heung reported to Johnny Chan that 330,500 shares had been bought at $3.4874 per share, but that the whole order had been stopped. Then, the following dialogue ensued:[213]

> "Johnny: OK, no worries. This, this one is fine, but let me check the maximum, might be some issues with "up to 3.7".
> Kiki Oh, OK, but, the problem is…
> Johnny: I'm checking with the boss now, OK.
> Kiki: Look, I stopped it for now, I stopped it."

260. In his witness statement, Sir Dickson said that Johnny Chan had spoken to him, informing him that the suspension was at his request because of his concerns as to whether there was a regulatory requirement imposing a share buyback price limit. Sir Dickson advised him that he understood that such a requirement applied to purchases by DCIL only, but asked that Johnny Chan seek confirmation from Stella Or and Keith Wong.[214]

Telephone call: 10:14 a.m.-Kiki Heung/Johnny Chan: changed purchase price to $3.60

261. In another telephone call a few minutes later, at 10:14 a.m., a discussion ensued between Kiki Heung and Johnny Chan as to the concern that had been raised as to whether there was an

[212] Core Bundle, page 161.
[213] Core Bundle, page 166.
[214] SP1, page 28 at paragraph 147.

applicable share buyback price limit, which issue was being checked. Then, Johnny Chan said:[215]

> "Ok Look, I just spoke to him, change order. The remaining ones, change the limit to 3.6."

Johnny Chan answered in the affirmative Kiki Heung's enquiry, "… 669,500 shares, and we'll place the limit at 3.6 or better. It will be good-till-cancelled all right?"

Telephone call: 11:13 a.m.-Kiki Heung/Sir Dickson: changed purchase price to $3.70

262. In a telephone call at 11:13 a.m. Sir Dickson instructed Kiki to change the price to "3.7".[216]

Email: Betty Yim (UBS)/Sir Dickson and Pearson Poon-12:11 p.m. 28 November 2019

263. In an email with the Subject: 'Execution Detail-Nov 28', sent at 12:11 p.m. 28 November 2019, Betty Yim advised Sir Dickson and Pearson Poon that 330,500 shares of Dickson Concepts had been bought at HKD 3.487383 and asserted that a new order had been placed to buy 669,500 shares at HKD3.70.[217] That, of course, was the balance of the original order to buy 1 million shares at $3.7.[218] It is to be noted that the email, and subsequent emails on various dates up and until 19 December 2019 with the Subject heading 'Execution Detail' and the relevant date, were copied to various members of staff of Dickson Concepts including Johnny Chan and Stella Or.

264. In his witness statement, having noted that the email from UPS confirming execution of part of his order was also addressed to Pearson Poon, Sir Dickson explained that it was, "…customary for UBS to copy him into such emails. Pearson was not in fact involved in the share purchases and I have not spoken to him about them."[219]

Telephone call: 2:38 p.m. 28 November 2019: Sir Dickson/Betty Yim

265. In a telephone call at 2:38 p.m. on 28 November 2019, in response to his enquiry Betty Yim of UBS AG advised Sir Dickson that although 285,000 shares had been bought in the

---

[215] Core Bundle, page 171.
[216] Core Bundle, page 175.
[217] Core Bundle, page 186.
[218] Core Bundle, page 179.
[219] SP1; page 28, at paragraph 151.

existing order, 384,500 shares had not been acquired as yet. In response, Sir Dickson instructed her to buy an additional 1 million shares and confirmed that was at a limit of $3.7 or better.[220]

Second purchase order: 1 Million shares at $3.70 or better

Email: Betty Yim/Sir Dickson and Pearson Poon-4:31 p.m. 28 November 2019

266. In an email with the Subject: Execution Detail, sent at 4: 31 p.m. 28 November 2019, Betty Yim advised Sir Dickson and Pearson Poon that 318,500 shares of Dickson Concepts had been bought at HKD3.6607 per share and said that the outstanding order was for "1,351,000 shares at HKD3.70 or better (good till cancel)."[221]

267. The purchase of a total of 649,000 Dickson Concepts shares by Sir Dickson on 28 November 2019 was out of a total volume of trading of Dickson Concepts shares of 983,500 that day.[222]

29 November 2019 and 2-4 December 2019

268. There was no trading in the shares on Saturday, 30 November 2019 and Sunday 1 December 2019. On the trading days of 29 November 2019 and on and between 2 and 4 December 2019, the Dickson Concepts shares purchased, pursuant to that outstanding order, were respectively:[223]

29 November 2019: 53,500 shares out of a total volume of trading of 149,500 shares;
2 December 2019: 42,500 shares out of a total volume of trading 116,500 shares;
3 December 2019: 135,500 shares out of a total volume of trading of 158,000 shares;
4 December 2019: 2,000 shares out of a total volume of trading of 95,500 shares.

Telephone call: 4:27 p.m. 4 December 2019: Kiki Heung/Sir Dickson

269. In a telephone call with Kiki Heung at 4:27 p.m. on 4 December 2019, having observed that most of the shares were being brought at $3.7 or above and having said that, if his price remained at $3.7, he would not be able to buy shares, Sir Dickson said:[224]

"Ask the trader if it's okay for me to give him a discretion at 3.75, because look, today he couldn't buy anything."

---

[220] Core Bundle, page 183.
[221] Core Bundle, page 186.
[222] Core Bundle, page 112.
[223] Core Bundle, pages 112, 187-189 and 191.
[224] Bundle of Second, Third and Fourth Statements of Hon Sin Mi, page 92.

Telephone call: 4:32 p.m.4 December 2019- Kiki Heung/Sir Dickson: purchase price change to $3.75 or better

270. In a telephone call at 4:32 p.m. on 4 December 2019 Kiki Heung advised Sir Dickson:[225]

> "I spoke with the trader, and he said to go with what you want. He said that today he saw Goldman placing all the orders there to scoop up the shares, and he suspects it might actually all be for the same client…. So he said to move it to 3.75, and we'll monitor it again tomorrow to see how it goes.

Sir Dickson confirmed that the remaining order was to be "1.1175 million shares, to 3.75 or better."

Email: Betty Yim/Sir Dickson and Pearson Poon-4:31 p.m. 5 December 2019

271. In an email with the Subject: 'Execution Detail-Dec 5', sent at 4:31 p.m. on 5 December 2019, Betty Yim advised Sir Dickson and Pearson Poon:[226]

> "**Dickson Concepts (0113. HK)**
> Bought 170,000 shares of 113.HK at $3.7320.
> Remaining 947,500 shares of HKD3.70 or better (good till cancel)."

As Sir Dickson noted in his witness statement, the reference to the price being $3.70 was made in error, the price he had set was $3.75 or better.[227] The total volume of trading of Dickson Concepts shares that day was 303,500 shares. [228]

Email: Betty Yim/Sir Dickson and Pearson Poon-4:16 p.m. 6 December 2019

272. In an email, sent at 4:16 p.m. on 6 December 2019, Betty Yim advised Sir Dickson and Pearson Poon that only 20,000 Dickson Concepts shares had been bought that day at $3.75. [229] The total volume of trading in Dickson Concepts shares that day was 124,000 shares.[230]

7 to 9 December 2019

273. There was no trading in the shares on Saturday 7 December 2019 and Sunday 8 December 2019.

---

[225] Core Bundle, page 194.
[226] Core Bundle, page 196.
[227] SP1, page 30 at paragraph 163.
[228] Core Bundle, page 112.
[229] Core Bundle, page 197.
[230] Core Bundle, page 112.

9 December 2019

274. No shares were bought by Sir Dickson for the Trust on 9 December 2019. The range of price at which shares were bought was a High of $3.82, which was also the Closing Price, and a Low of $3.75. The total volume of trading in Dickson Concepts shares that day was 18,000 shares. [231]

Email: Betty Yim/Sir Dickson and Pearson Poon-4:22 p.m. 10 December 2019

275. In an email, with the Subject: "Execution Detail-Dec 10' sent at 4:22 p.m. on 10 December 2019, Betty Yim advised Sir Dickson and Pearson Poon that 76,000 Dickson Concepts shares had been purchased that day at $3.7999 per share and confirmed that the outstanding purchase order was for 851,500 shares, "at HKD3.80 or better (good till cancel)."[232] The total volume of trading in Dickson Concepts shares that day was 194,000 shares.[233]

Purchase price change to $3.80 or better

276. In his witness statement, Sir Dickson acknowledged that, "at some point in the day, I revised the price limit to HK $3.80 or better."[234]

Email: Betty Yim/Sir Dickson and Pearson Poon-4:25 p.m. 11 December 2019

277. In an email with the Subject: 'Execution Detail- Dec 11', sent at 4:25 p.m. on 11 December 2019, Betty Yim advised Sir Dickson and Pearson Poon that 147,500 Dickson Concepts shares had been bought that day at $3.7999 per share and confirmed that the outstanding purchase order was for 704,000 shares," at HKD3.80 or better (good till cancel)."[235] The total volume of trading in Dickson Concepts shares that day was 164,509 shares.

Telephone call: 4:36 p.m. 11 December 2019-Kiki Heung and Rachel/Sir Dickson

278. In a telephone call at 4:36 p.m. on 11 December 2019, Kiki Heung having introduced a colleague, Rachel, the latter confirmed Sir Dickson's instructions of a purchase order for

[231] Exhibits Volume 1, page 434. Stock Historical Data.
[232] Core Bundle, page 198.
[233] Core Bundle, page 112.
[234] SP1, page 30 at paragraph 168.
[235] Core Bundle, page 199.

2 million shares at $3.80 or better, in addition to the remaining unfilled order to purchase 704,000 shares on the same terms. [236]

Third Purchase Order: 2 million Dickson Concepts shares at $3.80 or better

Email: Rachel Chan /Sir Dickson and Pearson Poon-4:20 p.m. 12 December 2019

279. In an email with the Subject: 'Execution Detail-Dec 12', sent at 4:20 p.m. on 12 December 2019, Rachel Chan advised Sir Dickson and Pearson Poon that 54,000 Dickson Concepts shares had been bought that day at $3.7998 per share and that there remained an outstanding purchase order for 2,650,000 shares at HKD3.80 or better (good till cancel).[237]The total volume of trading in Dickson Concepts shares that day was 191,244 shares.

Fourth purchase order: 2 million shares Dickson Concepts shares at $3.80 or better (good till cancelled)

Telephone call: 11:39 a.m. 13 December 2019-Kiki Heung/Sir Dickson

280. In a telephone call at 11:39 a.m. on 13 December 2019, Kiki Heung advised Sir Dickson that UBS had bought 1.318 million Dickson Concepts shares at an average price of $3.7987 and that the outstanding purchase order was for only 1.332 million shares. She confirmed Sir Dickson's oral instructions, to add another 2 million shares to his purchasing order, "at 3.8 or better, good till cancelled."[238]

Email: Rachel Chan /Sir Dickson and Pearson Poon-4:20 p.m. 13 December 2019

281. In an email with the Subject: 'Execution Detail-Dec 13', sent at 4:20 p.m. on 13 December 2019, Rachel Chan advised Sir Dickson and Pearson Poon that 1,346,000 Dickson Concepts shares had been bought that day at $3.7987 and that there remained an outstanding purchase order for 3,304,000 shares at HKD3.80 or better (good till cancel).[239] The total volume of trading in Dickson Concepts shares that day was 1,972,000 shares.

14-17 December 2019

282. There was no trading in the shares on Saturday, 14 December 2019 and Sunday, 15 December 2019.

[236] Core Bundle, pages 200-204. SP1, page 31 at paragraph 170.
[237] Core Bundle, page 205.
[238] Core Bundle, pages 206-207.
[239] Core Bundle, page 208.

16 and 17 December 2019

283. No shares were purchased by Sir Dickson for Equity on either 16 or 17 December 2019. On 16 December 2019, the range at which Dickson Concepts shares traded was a High of $3.90 and a Low of $3.84, the latter being the Closing Price. The total volume of trading in Dickson Concepts shares that day was 22,500 shares.

284. On 17 December 2019 the range at which those shares traded was a High of $3.94 and a Low of $3.82, at which price the shares closed.[240] The total volume of trading in Dickson Concepts shares that day was 120,000 shares.

Telephone call: 10:17a.m. 18 December 2019-Kiki Heung/Johnny Chan: purchase price change to $3.90 or better

285. In a telephone call at 10:17 a.m. on 18 December 2019, Kiki Heung confirmed with Johnny Chan a change of instructions as to price:[241]

> "Kiki: As for the remaining 113's account…there are 3.304 shares left, which were originally at 3.8, now the boss says to change it to 3.9 or better. Can you confirm if that's okay?
> Johnny: OK, confirmed."

In his witness statement, Sir Dickson confirmed that he had given those instructions.[242]

Email: Rachel Chan /Sir Dickson and Pearson Poon-4:20 p.m. 18 December 2019

286. In an email with the Subject: 'Execution Detail-Dec 18', sent at 4:20 p.m. 18 December 2019, Rachel Chan advised Sir Dickson and Pearson Poon that 49,000 Dickson Concepts shares had been bought that day at $3.8955 per share and that there remained an outstanding purchase order for 3,255,000 shares at HKD3.90 or better (good till cancel).[243] The total volume of trading in Dickson Concepts shares that day was 81,000 shares.

Telephone call: 2:02 p.m. 19 December 2019-Betty Yim/Johnny Chan

287. In a telephone call at 2:02 p.m. 19 December 2019, Betty Yim confirmed with Johnny Chan the cancellation of the outstanding purchase order for Dickson Concepts shares.[244] In his witness statement, Sir Dickson acknowledged that he had cancelled the outstanding purchase

[240] Core Bundle, page 113.
[241] Core Bundle, pages 209-210.
[242] SP1, page 32 at paragraph 178.
[243] Core Bundle, page 211.
[244] Core Bundle, pages 212-213.

order and explained that he had done so because he was about to go on holiday and that, "I would rather have fewer outstanding matters whilst spending time with my family."[245]

Email: Betty Yim/Sir Dickson and Pearson Poon-2:18 p.m. 19 December 2019

288. In an email with the Subject: 'Execution Detail-Dec 19', sent at 2:18 p.m. 19 December 2019, Betty Yim advised Sir Dickson and Pearson Poon that 11,500 Dickson Concepts shares had been purchased that day at $3.8996 per share and that, "The balance of the order is cancelled."[246] The total volume of trading in Dickson Concepts shares that day was 25,000 shares.

Total purchases by Equity of Dickson Concepts shares: 28 November 2019-19 December 2019

289. On and between 28 November 2019 and 19 December 2019, Equity purchased through UBS AG a total of 2,756,500 Dickson Concepts shares for a total consideration, before charges, of HK$10,292,179.58.[247]

290. The 330,500 Dickson Concepts shares purchased initially on 28 November 2019 were purchased at an average of $3.487383 per share. By contrast, the 11,500 Dickson Concepts shares purchased on 19 December 2019 were purchased at an average of $3.899565 per share.

Pearson Poon

291. For his part, Pearson Poon acknowledged that, "I was copied on emails from UBS confirming the instructions to carry out the Share Purchases".[248] Further, he acknowledged that those purchases were made at a time when he knew that no Announcement had been made by Dickson Concepts of PayPal's agreement to acquire Honey.[249]

Notification of Directors' Intended Dealings in The Shares of Dickson Concepts

292. In his witness statement, Sir Dickson said that, in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, "…on 27 November 2019 I verbally informed Johnny of my intention to place an order. He acknowledged and approved my request and written documentation was also duly drawn up."[250]

---

[245] SP1, page 32 at paragraph 180
[246] Core Bundle, page 214.
[247] Core Bundle, page 158.
[248] SP1, page 61 at paragraph 43.
[249] Transcript 26 March 2026 at pages 95-96.
[250] SP1, page 26 at paragraph 135.

Johnny Chan

293. For his part, in his witness statement Johnny Chan said that he had approved four Notifications of Directors' Intended Dealings in The Shares of Dickson Concepts submitted by Sir Dickson dated, 28 November 2019, 5 December 2019, 11 December 2019 and 18 December 2019:[251]

(i) The Notification, dated 28 November 2019, sought approval in respect of a stated intention to acquire 2,000,000 Dickson Concepts shares for the period from 28 November 2019 to 4 December 2019;

(ii) The Notification, dated 5 December 2019 sought approval in respect of a stated intention to acquire 1,500,000 shares to be acquired in the period from 5 December 2019 to 11 December 2019;

(iii) The Notification, dated 11 December 2019, sought approval in respect of a stated intention to acquire 5,000,000 Dickson Concepts shares in the period 11 December 2019 to 17 December 2019.

(iv) Finally, the Notification dated 18 December 2019, sought approval in respect of a stated intention to acquire 3,500,000 shares in the period 18 December 2019 to 24 December 2019.

Director/Chief Executive Notice-Interests in Shares of Listed Corporation

294. In the record of interview conducted of her by the Commission on 13 January 2001, Stella Or said that she had held the position of Group Company Secretary from 2 April 2001 to the date of the interview.[252]

295. Stella Or said that her Department at Dickson Concepts was responsible for filing Disclosure of Interests forms for the Company's directors with the SEHK. She said that in practice, the banker acting for the director in his purchase or sale of Dickson Concepts shares, "…will send out an email and copy to me about the details of the trading that day. And then I-after receiving it I will check with Johnny if this is regarding the trading of Dickson Poon, I will check with Dickson Poon through Johnny Chan whether the date or the details are correct. If so-then I will pass to my team to prepare the relevant disclosure of interest form."[253]

[251] Core Bundle, pages 154-157.
[252] Witness Volume 1, page 401 at counter #s 34-36.
[253] Witness Volume 1, pages 421-422 at counter #156.

296. After the form had been completed, it was her duty to review it, after which her staff helped her to submit the form to the SEHK.

Notice-Interests in Shares of Listed Corporation: Relevant Event-28 November 2019

297. Stella Or identified a Notice-Interests in Shares of Listed Corporation, stipulated to be a Notice pursuant to s.347 of Part XV of the Securities and Futures Ordinance (Cap. 571) in the name of Dickson Poon, in which the 'Relevant Event' was stated to be 28/11/2019. [254]She had helped in filing the form with the SEHK. The Notice stated that the number of shares bought was 649,000 at an average price of $3.5724 per share and as being the Long Position. She explained that the information been obtained from "…an email from UBS with the trading details".[255]

298. Under the heading, **34. 'Supplementary Information'** it was stated:[256]

> "For reporting the change of percentage level of interest in shares caused by the acquisition of 649,000 shares (i.e. 0.16% of the issued share capital) of Dickson Concepts (international) Ltd. by Equity Advantage Ltd."

299. Dickson Investment Holding (PTC) Corporation (as Trustees of a Trust), of which Dickson Poon was described as having 100% control, was stipulated to hold 230,707,565 shares in Dickson Concepts. In turn, Dickson Investment Holding (PTC) Corporation was described as having 100% control of Equity Advantage Ltd., which held 649,000 Dickson Concepts shares.

300. Stella Or said that, although she was not aware of the exact number of shares bought by Sir Dickson from November 28 to December 19, "but I know about it." She agreed that she and her staff had filed similar forms in respect of those purchases.[257]

Sir Dickson's purpose and practice of buying Dickson Concepts shares for the Dickson Trust

(i) Sir Dickson's purpose of buying Dickson Concepts shares: 28 November-19 December 2019

301. In the record of interview conducted of Sir Dickson by the Commission on 22 October 2020, in which he was informed that he was 'a person under investigation' in respect of enquiries into insider dealing in the shares of Dickson Concepts in the period on and between

[254] Witness Volume 1, pages 424-427 at counter #s 177-190; and pages 471-475.
[255] Witness Volume 1, page 425 at counter #180.
[256] Witness Volume 1, page 475.
[257] Witness Volume 1, page 426-427, counter #s 187-192.

28 November 2019 and 19 December 2019, in response to the enquiry as to whether he was, "aware of any insider dealing issues" when he began buying Dickson Concepts shares on 28 November 2019, Sir Dickson asserted that, "the potential transaction, the 21 November email were not even remotely in my mind."[258] His subsequent explanation for why he had made the purchases included:

> "Now I have long considered Dickson Concepts to be grossly undervalued, that is why I have regularly been purchasing Dickson Concepts shares after the announcement of our interim or annual results since 2012."

He added:

> "And I consider it to be very good long-term investment. That is why in spite of all the purchases I have never sold one Dickson Concepts shares since 2004. They are all held for long-term purposes."

302. In his witness statement, Sir Dickson explained that, in purchasing Dickson Concepts shares on and between 28 November and 19 December 2019:[259]

> "I was continuing a long-time practice of accumulating DCIL shares for Dickson Trust in a prudent way for long-term investment… it had long been my belief that DCIL is undervalued as a stock. It was a good investment simply given its recurrent dividend yield, which had been 6.14% to 14.4% since 2016/17."

303. In his oral evidence-in-chief, Sir Dickson reasserted that his purpose in buying Dickson Concepts shares on and between 28 November 19 December 2019 was, "for long-term investment purposes", adding:[260]

> "And also, I consider DCIL undervalued. That is why I have always supported the company, I have always accumulated company share price, shares for my trust, and I have never sold them for my trust or myself since 2004."

304. In cross-examination, in response to the suggestion that the period, on and between 28 November 2019 and 19 December 2019, was a bad time to buy Dickson Concepts' shares, Sir Dickson said:[261]

---

[258] Witness Volume 1, page 58 at #303.
[259] SP1, page 35 at paragraph 197.
[260] Transcript 19 December 2025 at pages 95-96.
[261] Transcript 22 December 2025 at pages 22-23.

"The honest answer to that question depends on your purpose. If I may elaborate, from my perspective, because my purchases were always from a long-term perspectives angle, and because my belief, through the track record Dickson Concepts, that we are always able to pay a good dividend even if times are more difficult. In the interim results of 2019, we stated the difficulty but we paid interim dividend of 8 cents, which was the same as the year prior; and with our strong net cash position of 1.7 billion, not knowing the full year's results at the time, there would be every reason to expect the company being able to continue paying a decent dividend, because we were still profitable at the interim stage, with profit of 119 million.

So from my perspective, it's not necessarily a bad time, because the share price have also come down and it's a show of support to the company."

305. Subsequently, in cross examination Sir Dickson denied that he had been in a rush to buy Dickson Concepts shares on and after 28 November 2019, adding:[262]

"…it's just that I felt like I wanted to buy shares, as I usually do, as long-term investment for my trust."

306. Sir Dickson's explanation of why he had not waited, "a while longer" before purchasing Dickson Concepts shares included: [263]

"… I also wanted to support my own company. The share price, in my opinion, is of very good value, it was cheaper there when I bought 4 million shares in June.

And, as I said, we were in a very strong net cash position, and I believe that, firstly we were profitable. Secondly, even if we may face a decline or declining market condition, it doesn't mean we can't be profitable. It could mean we make less. And despite of all that, because of our strong net cash position, because of our record of always paying a good dividend, we were still in a position to do that. So it would still have provided a good deal for me as long-term investment."

307. In re-examination, Sir Dickson answered forcefully in the negative the question:[264]

"Did the reason why or purpose why you bought Dickson Concepts shares between 28 November and 19 December 2019 include as a purpose, or part of purpose, making

[262] Transcript 22 December 2020 at page 72.
[263] Transcript 22 December 2020 at page 73.
[264] Transcript 23 December 2025 at page 82.

a gain or avoiding a loss from the use of information that you had from the PayPal announcement?"

UBS Notification/Report to the Commission: 24 March 2020

308. On 24 March 2020, the Commission received a Notification/Report from UBS AG, pursuant to paragraph 12.5 of the Code of Conduct for Persons Licensed by or Registered with the Commission, that Sir Dickson and Equity Advantage Ltd might have committed market misconduct by insider dealing by the purchase of Dickson Concepts shares between 28 November 2019 and 19 December 2019.[265]

309. The Notification/Report stated:[266]

"**a) Reason(s) for suspicion**

SUMMARY

We suspect that a client, which is beneficially owned by an insider, has accumulated the stock before releasing favourable price sensitive information."

The client has identified as Equity Advantage Ltd, of which the beneficial owner was Sir Dickson.

310. The Notification/Report went on to state: [267]

"**b) Finding(s) of preliminary assessment**

ACCOUNT ACTIVITIES

The EAL account purchased 2,756,500 shares of Dickson Concepts shares between 28 November and 19 December 2019 ("the Period"). The purchases were done after Dickson Concepts released interim results on 27 November 2019 and had been disclosed on Stock Exchange website by the Trustee. All these shares were transferred out to same name account with Bank of East Asia on 11 March 2020."

311. Having reviewed a chronology of events, commencing with, "On 21 November 2019, PayPal Holdings, Inc. ("PayPal") announced that it had agreed to acquire Honey Science… for approximately US $4 billion" and, having noted that an Announcement by Dickson Concepts that its equity interest in Honey, " had been compulsorily cancelled in exchange for cash and it would record a gain of approximately HK $928.7 million", was not made until 9 January 2020, it was stated that, on resumption of trading on 10 January 2020, shares of Dickson Concepts

[265] Witness Volume 2, page 802 at paragraph 18; Core Bundle at pages 378-389.
[266] Core Bundle at page 385.
[267] Core Bundle at page 386.

closed at $5 per share, "which represents an increase of over 33% comparing to the last traded price on 8 January 2020."

312. Then, it was stated:

> "One-year look back found that EA L had also bought shares of Dickson Concepts in June 2019 after the release of annual results and the shares were consistently transferred out to same name account with Bank of East Asia subsequently.
>
> CONCLUSION
>
> EAL has prior record of buying shares of Dickson Concepts and its accumulation of shares in the Period is consistent with historical pattern. However, we cannot rule out the possibility that Poon, EAL's beneficial owner and an insider of Dickson Concepts, was aware of Dickson Concepts' significant gain arising from PayPal's acquisition of Honey Science announced on 21 November 2019 and bought shares in the period before the favourable price sensitive information was released by Dickson Concepts on 9 January 2020. We therefore have concerns over possible market misconduct and that the property, in whole or in part, directly or indirectly represents proceeds of such crime."

(ii) Sir Dickson's practice in buying Dickson Concepts' shares

313. In his witness statement, Sir Dickson asserted that he had a practice of buying Dickson Concepts shares:[268]

> "Since 2012, I've had a long-standing practice of acquiring DCIL shares for the benefit of the Dickson Trust. Often, I would carry out these purchases DCIL shares *shortly after* the release of DCIL'S interim or annual results." [Italics added.]

314. Having said that the Dickson Trust had been founded in January 1989 and that it had been established, "to provide financially for my wife and children", Sir Dickson said that he, "ceased to be a beneficiary of the Dickson Trust in 28 September 2002."[269]

Chronology: trading in Dickson Concepts shares for the Dickson Trust

315. Attached to his witness statement was what Sir Dickson described as a, "chronology of my on-market trading in DCIL shares since 2012 on behalf of the Dickson Trust".[270] It was entitled 'Chronology of EAL's and DIHC's acquisition of DCIL shares between 2012 to

[268] SP1, page 12 at paragraph 65.
[269] SP1, page 12 at paragraph 63.
[270] SP1, page 13 at paragraph 70.

2019'.[271] Included in the information set out in the Table was the date, price and volume at which purchases of Dickson Concepts shares had been made, together with the date of the release of relevant Final Results or Interim Results. Also, it stipulated the Daily Volume of trading, together with the Opening, Closing, High and Low price of trading. During the hearing, another version of that material was provided with the addition of two columns:

- Cumulative Daily Volume; and,
- % of DPs trades out of cumulative daily volume.[272]

316. Of those purchases of Dickson Concepts' shares, Sir Dickson said:[273]

> "Since 2012, the most shares that I purchased on market directly after release the financial results were around 7.1 million shares following release of DCIL's annual results in May 2016. I have also previously purchased around 14 million DCIL shares outside of the period of release of annual results in January 2016. Since 2012, I paid between HK $2.183 per share and HK $4.449452 per share for DCIL stock for on and off-market purchases."

317. In her second witness statement, dated 3 October 2025, Hon Sin Mi, May confirmed the accuracy of the information in respect of the date of the release of Interim Results and Final Results by Dickson Concepts set out in the Chronology of trading attached to Sir Dickson's witness statement.[274] For her part, she attached to her statement a Table which included information as to the 'Number of market trading days from and including the results publication date to the day before the first relevant trade date', the latter being a reference to the first date of purchase of Dickson Concepts shares on behalf for the Dickson Trust in each of the periods following the publication of the results. It was stated that there were "nil" purchases of Dickson Concepts shares after the publication of the Interim results for 2012, 2013, 2017 and 2018. Further, the same was true after the publication of the Final results in 2015.

318. In addition to providing information about the time-gap between the publication of the relevant results and the first trading day in which Dickson Concepts' shares were acquired for the Trust, the table also stipulated together the number of market trading days on which such trades for the Trust occurred, namely:

> Final results 2012: 2 trading days- 31 days after publication of the results;

---

[271] SP1, pages 101-111.
[272] SP1, pages 101-A - 101A-3.
[273] SP1, page 13 at paragraph 70.
[274] Bundle of the 2nd, 3rd and 4th Statements of Hon Sin Mi, page 2 at paragraph 5.

Final results 2013: 6 trading days-19 days after publication of the results;

Final results 2014: 2 trading days -50 days after publication of the results;

Interim results 2014 (6 months ended 30.9.2014): 5 trading days-7 days after publication of the results;

Interim results 2015 (6 months ended 30.9.2015): 2 trading days -36 days after publication of the results;

Final results 2016:5 trading days -1 day after publication of the results;

Interim results 2016 (6 months ended 30.9.2016): 2 trading days - 61 days after publication of the results;

Final results 2017: 3 trading days - 77 days after publication of the results;

Final results 2018: 3 trading days - 78 days after publication of the results;

Final results 2019: 3 trading days - 1 day after publication of the results; and

Interim results 2019 (6 months ended 30.9.2019): 13 trading days - 1 day after publication of the results.

319. In cross-examination, Sir Dickson agreed that there were only two occasions, namely on 31 May 2016 and 4 June 2019, when he had purchased Dickson Concepts shares the day after the announcement of relevant results, namely Final results.[275] He acknowledged that, prior to 20 November 2019, he had never bought Dickson Concepts shares on the day after the publication of the Interim results.[276]

Purchase of Dickson Concepts shares: 4-6 June 2019

320. In response to being asked if he recalled, why it was that he had bought Dickson Concepts shares on 4 June 2019, the day after the publication of the Final results, Sir Dickson said:[277]

> "I don't, but I never said that I will always buy the next day. It all depends on the circumstances at the time."

321. Having acknowledged that the final dividend announced for the financial year ended 31 March 2019 was $0.27 per share in contrast to a final dividend of $0.17 in 2017 and $0.23 per share in 2018, Sir Dickson agreed with the suggestion that the year-end 31 March 2019

[275] Transcript 22 December 2025 at page 7.
[276] Transcript 22 December 2025 at page 9.
[277] Transcript 22 December 2025 at page 9.

results were "good" and the dividend was "good". However, in face of the suggestion that was why he had bought Dickson Concepts shares on 4 June 2019, Sir Dickson replied:[278]

> "This may or may not be the reason why I purchased Dickson Concepts shares on the date immediately following those results… Typically, we have to look at a few things beyond just the results announced. We have to look at the environment for the business going forward, we have to look at what was the share price at the time and what that dividend-what yield that dividend would represent. We have to consider whether, going forward, the company would continue to be in a position to pay a good dividend yield, which we believe it would because of its very strong net cash position and because of its track record even before then, when times were perhaps less strong in terms of profits, that we still paid a stable dividend with strong yield."

322. Sir Dickson took issue with the emphasis placed in cross-examination on the immediacy of his purchase of Dickson Concepts shares, following the publication of the results of Dickson Concepts:[279]

> "What I must say is you seem to emphasise a lot on this element leading to me buying shares this immediately after the announcement of the results. But the fact remains that throughout all these years, I bought shares after announcing the results, but not necessarily immediately after, because one has to take into account the market environment at the time, and the market environment could mean the state of the stock market as well as not just the market for businesses. And the fact remains that even when business were not as strong, I also purchased Dickson Concepts shares as long-term investment. And the fact remains also that irrespective of when I bought, which year I bought since 2012, I never sold any shares for the trust or for myself since 2004. So whenever the shares may have been bought, they were all for long-term investment purposes."

323. In re-examination, in response to the question of whether, for his purposes, there was any difference between acquiring Dickson Concepts shares, "immediately after the publication of the results or sometime afterwards", Sir Dickson said "There is no difference."[280] Further, in response to the question of whether, as far as he was concerned, there was any difference

[278] Transcript 22 December 2025 at pages 12-13.
[279] Transcript 22 December 2025 at pages 14-15.
[280] Transcript 23 December 2025 at page 70.

between acquiring Dickson Concepts shares after the release of Final results or Interim results, Sir Dickson said, "Absolutely no difference."[281]

Purchase of 7,124,000 Dickson Concepts shares:31 May 2016, 1-3 and 7 June 2016

324. Subsequently, in re-examination Sir Dickson explained his purchase of 7,124,000 Dickson Concepts shares for the Trust on 2, 3 and 7 June 2016. Having acknowledged that the Final results, published on 30 May 2016, described a decrease of sales of 13.6%, a net loss from operations of HK $126.3 million, a non-cash impairment charge of HK $161.9 million but also asserted that, "The Group has net cash of HK $1.3 billion and is in an extremely strong position", Sir Dickson said:[282]

> "… I bought DCIL shares because I believe the company would recommend (sic) good long-term investment for our trust. I wanted to show support for the group, especially during difficult moments. Despite the losses and the impairment charge we had to make due to the poor retail climate we still had net cash of 1.3 billion, meaning that we would still be in a strong financial position not only to ride out the difficult period but also to continue to look for potential opportunities to invest, and as importantly, if not more so to be able to pay a good dividend in the coming time to our shareholders."

'Chronology of EAL's and DIHC's acquisition of DCIL shares between 2012 to 2019': revised version

325. The revised version of the *'*Chronology of EAL's and DIHC's acquisition of DCIL shares between 2012 to 2019' with the addition of two columns: 'Cumulative Daily Volume'; and, '% of DP's trades out of cumulative daily volume' provided a calculation of the percentage of the volume of Dickson Concepts shares bought by Sir Dickson in the market for the Trust against the overall trade in the shares on those days.

326. Sir Dickson's purchase of 7,124,000 Dickson Concepts shares in the five days, 31 May 2016, 1-3 June and 7 June 2016 represented 67.98975% of the total volume of Dickson Concepts shares traded on those days. Those purchases commenced on the day after the publication of the final results on 30 May 2016. Sir Dickson's purchase of a total of 14,351,500 Dickson Concepts shares on 21 and 22 January 2016 represented 97.6491801% of the total

[281] Transcript 23 December 2025 at page 68.
[282] Transcript 23 December 2025 at pages 66-67.

volume of Dickson Concepts shares traded on those two days. Those purchases commenced 36 market trading days from the publication of the Interim results on 30 November 2015.

327. By contrast, Sir Dickson's purchase of 2,726,500 shares in the 13 days of trading on and between 28 November and 19 December 2019 represented 60.47272935% of the total volume of Dickson Concepts shares traded on those days.

328. In his written closing submissions, Mr. Benjamin Yu invited the Tribunal to note that:[283]

> "Between 28.11.2019 19.12.2019, Dickson only bought about 60.47% of the cumulative daily volume, lower than in other periods when he accumulated DCIL shares."

[283] Written Closing Submissions at paragraph 90.3.

Chapter 10

Information provided to Sir Dickson on 25 December 2019: his reaction, that of Pearson Poon and others.

329. In an email to Sir Dickson, sent at 5:37 p.m. (Japan time) on 25 December 2019, Yinne Yu wrote:[284]

> "Hi Dickson,
>
> Merry Christmas! Hope you are having a lovely time with family this holiday season! Honey would like us to sign a few documents and do so electronically (faster than mail). Might you please let me know who will sign for Kinford so that the company can send the documents directly to that person over email? Our signatures are needed for the Letter of Transmittal (this is necessary to receive our payout) and the Support Agreement and the Stockholder Consent (this is necessary for the transaction to close). Closing and payment are expected in January. The final price will depend on the company's cash balance and a few other items on the day of closing. The most recent estimate puts our stake at >$140m. Approx $10m of this will be held back in escrow as an insurance for further transaction price adjustments (this is true for every shareholder) so we will receive >$130m in the first wire.
>
> Best,
>
> Yinne"

330. In response, in an email sent to Yinne at 5:42 p.m. (Japan time) on 25 December 2019, Sir Dickson wrote:

> "Hi Yinne
>
> Merry Christmas. Can you pls send over the details of the deal so I can get someone appropriate to follow-up?
>
> Best Dp."

331. In reply to Sir Dickson's request, in an email sent at 6:11 p.m. (Japan time) Yinne Yu wrote:[285]

> "Honey is a company we invested in 3 years ago. We invested $5m at a $100m valuation. they recently agreed to be acquired by PayPal for $4b. Minus the dilution

[284] Core Bundle page 229.
[285] *Ibid* page 231.

from financing rounds post our investment, we made close to 30 x money on this investment. The closing of the acquisition is scheduled for January.

The company is circulating a few documents including the acquisition/merger agreement, wiring instructions (for the receipt of our profit) and a shareholder consent form. Two of them need our information and signatures. The co asked if we could get the signatures back to them electronically using a service called DocuSign (for speed). To facilitate that we need to give them the email of the person who will be signing for Kinford so that the documents needing signatures can be sent to the person directly via DocuSign. Honey mailed the same set of documents to us physically, which we can keep for our records.

Best,

Yinne."

332. In an email sent to Yinne Yu at 8:25 p.m. on 25 December 2019, Sir Dickson wrote:[286]

"Hi Yinne, I have updated Johnny. Pls liaise with him directly and copy me. Best Dp."

Email between Sir Dickson and Johnny Chan

333. Two minutes after sending his first email in response to Yinne Yu, at 4:44 p.m. (Hong Kong time) Sir Dickson forwarded those emails to Johnny Chan and wrote:[287]

"Johnny

Merry Christmas!

Below pls see email to and from Yinne FYI. I will keep you posted.

Best Dp"

334. For his part, Johnny Chan said in his witness statement that, having noted that Sir Dickson had said that he would keep him posted, "I decided to wait for further details and instructions from him, noting that he was on vacation with his family in Japan at the time."[288]

335. In cross-examination, Sir Dickson acknowledged that in his email to Johnny Chan he had not asked anything about the need to announce price sensitive information. Of why he had not done so, Sir Dickson explained:[289]

[286] Core Bundle at page 234.
[287] *Ibid* at page 229.
[288] SP1, page 75 at paragraph 29.
[289] Transcript 23 December 2025 at page 11.

"Because (a) it's a holiday, the 25th; (b) we haven't received the documents; (c), I would expect Johnny to advise me if he deems it necessary to make disclosure at this point."

Emails between Sir Dickson and Pearson Poon

336. In an email to Pearson Poon, sent at 6:58 p.m. (Japan time) on 25 December 2019, in which he forwarded Yinne Yu's email sent at 6:11 p.m., Sir Dickson wrote:[290]

"Dear Pearson
Fyi. I will ask Johnny to follow up.
Best Dp."

337. In an email in reply to Sir Dickson also sent at 6:58 p.m. (Japan time) on 25 December 2019 Pearson Poon wrote:

"Dear Chairman,
Noted, thank you.
Best,
Pearson."

338. For his part, in his witness statement, Pearson Poon acknowledged receipt of a series of emails between Sir Dickson and Yinne Yu.[291] In his evidence-in-chief, in response to the enquiry of whether or not he had done anything personally following up the signing of the documents and progressing the transaction, Pearson Poon said:[292]

"No, because I received the email from my father, as you can see… when he said he will ask Johnny to follow-up."

339. Of the subsequent action taken by Dickson Concepts, in his witness statement Pearson Poon said:[293]

"The disclosure process was being adequately handled and progressed by Johnny, Stella, NRF and my father. Each of them have ample experience and expertise in regulatory and compliance matters. I therefore believe the company was complying with its disclosure obligations."

[290] Core Bundle, page 231.
[291] SP1, page 62 at paragraph 44.
[292] Transcript 26 March 2026 at page 54.
[293] SP1, page 64 at paragraph 48.

340. In his oral evidence-in-chief, Pearson Poon asserted that there was no reason for him to believe that Dickson Concepts had not been fully compliant with the disclosure obligations.[294]

26 December 2019

341. In an email to Sir Dickson, sent at 1:43 a.m. on 26 December 2019, Yinne Yu reiterated her request that documentation be signed for Honey, writing:[295]

> "So sorry to trouble you over the holidays. The reason the company asked for electronic signatures is bc they want to close the deal and return the profits to everyone as soon as possible as a New Year present. But we can sort out once you are back from vacation."

342. Having forwarded the email from Yinne Yu to Johnny Chan, enquiring whether or not Johnny Chan would sign the documents, Sir Dickson received an email from Johnny Chan confirming, "I can sign upon receipt of documents electronically tomorrow." For his part, Sir Dickson replied to Johnny Chan in an email, "Got it. Will advice Yinne."[296]

343. Then, in a separate exchange of emails between Johnny Chan and Sir Dickson on 26 December 2019 first, in an email sent at 3:33 p.m. on 26 December 2019, Johnny Chan wrote:[297]

> "Mr Poon,
>
> This is really a very nice and big Christmas gift!
>
> However, given the estimated consideration of USD 140m (assuming Yinne is correct), the sales transaction is likely to be considered as a major disposal which requires shareholders' approval under listing rules. Let me double check the listing rules tomorrow and confirm.
>
> I'll also double check the consideration upon receipt of documents from Yinne.
>
> Besides, this is considered as price sensitive information and EA cannot continue to buy DCIL shares, until we made the relevant announcement. And DCIL cannot buy back as well.
>
> Regards,
>
> Johnny"

[294] Transcript 26 March 2026 at page 55.
[295] Core Bundle at page 233.
[296] *Ibid* at page 233.
[297] *Ibid* at page 244.

344. Secondly, in an immediate email reply to Johnny Chan, sent at 3:44 p.m. on 26 December 2019, Sir Dickson wrote

> "Johnny
> Of course I will stop all buying of DCIL shares with this news. If shareholders approval is required, can it be bypassed with me pledging to vote for the transaction given I have a majority stake and it's a completely unrelated transaction? I believe we've done that a long time ago.
> And we still don't know when the deal will be transacted, do we need to make any announcement at this stage or after you have signed?
> Best Dp."

345. In reply to Sir Dickson, in an email at 4:52 p.m. on 26 December 2019, Johnny Chan wrote:[298]

> "I believe we can apply exemption to hold shareholders meeting given this is not a connected transaction and you can vote as a major controlling shareholder.
> Let me check the requirements and procedure under the latest listing rules."

346. Of the advice that he had given Sir Dickson in the email at 3:33 p.m. on 26 December 2019, in his oral evidence Johnny Chan said:[299]

> "…I realised that the estimated consideration was actually very big and it might be considered as a major disposal transaction which requires shareholders' approval. But at that time, I was on holiday so I told him that I need to double check the listing rules and confirm the following day."

Johnny Chan explained:

> "It is our policy to comply listing rule and therefore when I realised that there are-there may be situation where we need to do something to comply with the listing rule, I remind Dickson of this obligation."

Johnny Chan added:

> "The second point is Sir Dickson was buying shares before he left for holiday, and although I believe that he's well aware of the inside information policy, as a precaution I sent an email to remind him that the email from Yinne constituted a price-sensitive

[298] Core Bundle page 250.
[299] Transcript 23 December 2025 at pages 119-121.

information which he could not continue buying DCIL shares until we've made an announcement."

An Announcement by Dickson Concepts?

347. In the context of the fact that no earlier Announcement was made by Dickson Concepts of the information in its possession, the following dialogue ensued in cross-examination of Sir Dickson:[300]

> "Q. Now, the fact that PayPal had agreed to acquire Honey for a consideration of US $4 billion, that is public information, at least by 25 December 2019. Do you agree?
>
> A. Public information as a possible deal.
>
> Q. …You wouldn't need consent from Honey or PayPal to disclose what PayPal had already publicly announced. Do you agree?
>
> A. I would think so.
>
> Q. As to the fact that Dickson Concepts held shares in Honey, again to disclose that would not require consent from PayPal or Honey. Do you agree?
>
> A. Yes."

348. Of the Announcement by PayPal on 20 November 2019, Sir Dickson said: [301]

> "… I have repeatedly stated how I did not believe and why I did not believe that the transaction would possibly complete at the 4 billion valuation or value. I had no basis other than the fact that only a year and a half ago Honey raised money at a valuation of 700 million, and I really cannot understand or see how possibly that value could have almost six-timed in that short period of time…"

349. Then, the following exchange occurred in cross-examination of Sir Dickson:[302]

> "Q. By December, late December 2019, Dickson Concepts had already been told that the consideration, total consideration was US $4 billion. Is there anything to stop Dickson Concepts from announcing the appropriate expected benefits to Dickson Concepts without the need to disclose exact dollars and cents?
>
> A. I instructed Johnny to appoint Norton Rose to advise us on all aspects of the transaction as well as on disclosure and sensitive information on 27 December, which I believe was the first working day after Christmas.

[300] Transcript 23 December 2025 at pages 14-15.
[301] Transcript 23 December 2025 at page 15-16.
[302] *Ibid,* at pages 16-17.

Now, I would expect Norton Rose would advise us to announce if what you suggested was appropriate, but we did not have any such recommendation at all.

Q. Do you accept that Dickson Concepts ought to have first issued a price-sensitive information announcement simply on the basis of what PayPal had already announced on 20 November 2019 and the expected gain to Dickson Concepts should the deal be completed?

A. Sorry. With hindsight, maybe. But at the time, I definitely didn't think so and again, I can only repeat myself by saying that I had no basis and I would not use the 4 billion number to assess the profit, because I did not believe in that number.".

27 December 2019

350. In an email from DocuSign (on behalf of Yinne Yu on behalf of DocuSign), sent at 5:46 a.m. (HK time) on 27 December 2019, under, 'Subject: Please DocuSign: Honey Science-Transaction Agreement for Kinford International Limited', Johnny Chan received a request that he review and sign documents:[303]

> "Matt Sargent
> matt.seargent@joinhoney.com
> Yinne Yu received documents to be electronically signed from Matt Sargent, but determined that you should sign in their place.
> PRIVATE MESSAGE
> From Reassigner: We need Johnny to provide the wiring information and have just given him signatory power for all the documents.
> Dear Stockholder of Honey Science Corporation ("Honey"):
> As you might be aware, PayPal will be acquiring Honey pursuant to an Agreement and Plan of Merger. Honey has distributed an information statement in the mail describing the background and terms of the transaction, as well as the steps you need to take to receive payment. For convenience, we are also sending you this DocuSign containing the documents you are being asked to review and sign in connection with the merger. You do not need to sign these twice…"

351. The message went on to state:

> "This DocuSign distribution contains a Letter of Transmittal, Support Agreement and the Stockholder Consent for the transaction, which are the main document that we will

[303] Core Bundle at pages 252-253.

need you to review and sign. It also contains a Form W-9 that stockholders are asked to complete, along with a courtesy copy of the merger agreement.

We are aiming to close the transaction as quickly as possible and will need to receive support agreements from at least 85% of Honey securityholders to do so."

352. In his witness statement, Johnny Chan said that the email provided:[304]

"a link to review and sign various documents including:-

a) a letter of transmittal, to effect transfer of Kinford's shares held in Honey Science to PayPal (**Letter of Transmittal**);
b) a taxpayer identification form and certificate of foreign status for the United States Internal Revenue Service;
c) a support agreement for the Acquisition (the **Support Agreement)**;
d) a stockholder consent, to approve by written consent the Acquisition, the Acquisition agreement and certain related transactions (the **Written Consent)**; and
e) certain appendices to the Written Consent."

353. Johnny Chan said that:[305]

"I then conducted an Internet search and noted that the proposed Acquisition was announced by PayPal on 20 November 2019, although (as noted from the email Attachment 13[306] and the announcement[307]) it was still subject to the fulfilment of various conditions including obtaining regulatory approval and approval from 85% of Honey Science and security holders."

354. Of the information he had obtained in that Internet search, Johnny Chan said:[308]

"…the Company (through myself) only became aware on 27 December 2019 of PayPal's announcement dated 20 November 2019 regarding the proposed Acquisition of Honey Science and its webcast held on that day at 2 p.m. (Pacific Standard Time)."

Steps taken to draft an Announcement for Dickson Concepts

355. In an email to Sir Dickson, sent at 11:09 on 27 December 2019, Johnny Chan wrote:[309]

---

[304] SP1, page 76 at paragraph 34.
[305] SP1, page 76 at paragraph 35.
[306] SP3, pages 1048-1239-documents described in the Witness Statement at paragraph 34.
[307] Core Bundle pages 114-122.
[308] SP1, page 73 at paragraph 22.
[309] Core Bundle page 250.

"I confirm that, under the current listing rules, 'major disposal' transaction may be approved by way of written resolution of shareholder as long as this is not a connected transaction and you undertake to vote for the transaction as a major controlling shareholder. However, a circular must be prepared and approved by HKEX, and dispatched to shareholders within 15 business days after publication of announcement for the transaction.

The announcement must be issued upon signing the sales agreement which is not subject to pre-vet by HKEX.

I'll draft the announcement for your review."

356. Attached to an email from Johnny Chan to Keith Wong, copied to Stella Or, sent at 12:26 p.m. on 27 December 2019 were documents described as "EnvelopePDF.pdf"[310] . The text of the email stated:[311]

"Keith,

We may sell shares in Honey Science. Please check if OK the (sic) sign the attached document.

Regards,

Johnny"

357. For her part, in an email to Johnny Chan, sent at 2:16 p.m. on 27 December 2019[312], and with the Subject: URGENT-Word, Stella Or attached a draft Announcement entitled: [313]

MAJOR TRANSACTION

DISPOSAL OF UNLISTED EQUITY INVESTMENT

The text of the second paragraph stated:

"As one of the applicable percentage ratios in respect of the Disposal exceeds 25 per cent but is less than 75 per cent, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement, circular and Shareholders' approval requirement, under the Listing Rules."

[310] SP 3, pages 1246-1433.
[311] Core Bundle page 255.
[312] Core Bundle page 256.
[313] SP 3, pages 1437-1442.

358. Stella Or said that:[314]

> "I was not aware of the Company's intention for Kinford to sell its investment in Honey Science until 27 December 2019, when I received an email from Mr. Chan attaching certain documents in relation to the proposed acquisition of Honey Science by PayPal".

Stella Or confirmed that the documents attached to the email included: "the Letter of Transmittal, various forms, the Support Agreement and written consent etc."

Sir Dickson's instructions to consult Norton Rose

359. In his oral evidence-in-chief, Johnny Chan said that, at around 2:00 p.m.-3:00 p.m. on 27 December 2019, he had forwarded the Draft Announcement he had received from Stella Or to Sir Dickson for his review, who was on his way to the airport to catch a flight at 3:00 p.m. In response, Sir Dickson had contacted him by telephone and, in a short conversation in which he explained to Sir Dickson that the transaction "looks to be very complicated"[315], Sir Dickson instructed Johnny Chan to consult Norton Rose. At around 3:30 p.m., Johnny Chan did so and contacted Mr. David Stannard of Norton Rose.[316] As noted earlier, in his oral evidence, Sir Dickson confirmed that he had given those instructions.[317]

Dickson Concept's dilemma: disclosure requirements/confidentiality obligations

360. In his oral evidence-in-chief, Johnny Chan reiterated what he had described in his witness statement[318] as the dilemma faced by Dickson Concepts:[319]

> "Well, we were advised by Norton Rose that we face a difficult position in the sense that if we sign the transaction document, we would trigger the company's disclosure obligation under the Listing Rules, whereas if we don't have the consent from Honey Science and PayPal, we may breach the confidentiality process therein. On the other hand, if the company were to delay disclosure or issue an incomplete announcement lacking key details of the proposed acquisition, the company risked breaching the requirement for making an announcement on notifiable transaction under the Listing Rules."

---

[314] SP1, page 93 at paragraph 13.
[315] Transcript 24 March 2026 at page 13.
[316] Transcript 24 March 2026 at pages 13-14.
[317] Transcript 23 December 2025 at page 16.
[318] SP1, page 79 at paragraph 49.
[319] Transcript 24 March 2026, at page 16.

361. In an email to Stella Or, sent at 4:05 p.m. on 27 December 2019, Johnny Chan wrote:[320]

> "Please see the PayPal announcement at following link:
> https://investor.paypal-corp.com/news-releases/news-release-details/paypal-acquire-honey"

362. In an email to Dave Hsu, of Honey, sent at 2:36 p.m. on 27 December 2019, Johnny Chan requested that he be provided with the, "2018 audited financials."[321] Johnny Chan explained that he had made that request directly, "…given the requirements under the Listing Rules that public disclosure must be made as soon as reasonably practicable" and having regard to the fact that "I considered that a draft announcement would need to be published by the company once Kinford proceeded to sign the documents."[322]

363. In an email to Yinne Yu, sent at 7:07 p.m. (HK time) on 27 December 2019, having said that he was reviewing the documents and, "will revert ASAP", Johnny Chan explained:[323]

> "In order to comply with requirements of listing rules in HK, we have to make a public announcement to disclose the key details of this transaction including the consideration, number of shares to be sold, identity of the counter-parties and the following key financial information about Honey in the last two financial years:
>
> 1. Net profit before tax and extraordinary items.
> 2. Net profit after tax and extraordinary items.
> 3. Total assets.
> 4. Net assets.
>
> Besides, we need the exact amount of the consideration to compute the size test to comply with the listing requirement. Can you advise the exact consideration or the best estimate?
>
> Can you please obtain the written consent from PayPal and Honey to allow us to make such disclosure to comply with the listing rules ion (sic) HK?"

364. In emails to Johnny Chan, sent at 7:55 p.m.[324] and 8:33 p.m.[325] on 27 December 2019, Stella Or attached, respectively:

---

[320] Core Bundle page 259.
[321] Core Bundle page 257.
[322] SP1, page 77 at paragraph 39.
[323] Core bundle pages 261-262.
[324] Core Bundle, page 264.
[325] Core Bundle, page 265.

(i) a Checklist for 'Size Tests for Notifiable Transactions and Connected Transactions'[326]; and

(ii) a revised draft Announcement.[327]

28 December 2019

365. In an email to Johnny Chan, sent at 1:49 a.m. on 28 December 2019, Yinne Yu wrote:[328]

> "Let me ask the company about the letter of consent. To clarify, will financials be disclosed to the general public?
> Kinford holds 24,834,600 shares. The acquisition price is dependent on the cash balance and a few other financial items on closing day so as not been completely finalized. Current estimate is over $5.90/share. At that price Kinford's stake is >$140m. There will be a small amount held back in escrow as insurance for any adjustments that will be made to the purchase price (39 cents currently) so our first wire will be $130 m+. Please see the table below."

Yinne Yu set out a table describing the calculation in detail based on the stated acquisition price/share.

366. In an email to Stella Or, sent at 22:21 on 28 December 2019, Johnny Chan forwarded Yinne Yu's email and asked Stella Or:[329]

> "Please recompute the size test using the full consideration. It is very close to 75%."

367. In her reply to Johnny Chan, sent at 11:15 p.m. on 28 December 2019, under the Subject: Re: revised 4 tests, Stella Or wrote:[330]

> "USD 146,524,140 x 7.828 = HKD1,146,990,967.92
> Consideration Test:
> 1,146,990,967.92/1,530,295,000 = 74.95%"

368. Of the significance of that information, Johnny Chan said that:[331]

---

[326] SP3, pages 1479-1480.
[327] SP3, pages 1483-1487.
[328] Core Bundle, page 283.
[329] *Ibid*.
[330] SP3, page 1498.
[331] Witness Statement at paragraph 45.

> "As the ratio of the size test fell below 75% but was above 25%, I believed that if Kinford was to proceed with signing the agreements, that would be classified as a major transaction under the Listing Rules"

369. In an email in reply to Yinne Yu, sent at 21:04 on 28 December 2019, copied to Sir Dickson, under the Subject: Re: Honey acquisition closing docs, Johnny Chan wrote:[332]

> "Yes, the financials about Honey and key terms of this transaction and name of parties involved will be disclosed to the public."

370. In an email to Johnny Chan, sent at 8:24 a.m. on 28 December 2019, Dave Hsu, of Honey, attached "2018 audited financials."[333] Having received an email from Yinne Yu, sent at 10:21 a.m. on 28 December 2019, in which she informed Johnny Chan that she had, "learned that Dave Hsu sent you 2018 financials earlier today", in an email in reply, copied to Dave Hsu, sent at 22:35 on 28 December 2019, Johnny Chan wrote:[334]

> "Dave, can you also advise the latest capitalisation table of Honey showing number of issued capital in each class and the shareholding percentage of Kinford."

371. In an email to Johnny Chan, sent at 6:21 a.m. on 29 December 2019[335], Dave Hsu attached: Honey Cap Table-Kinford.xlsx.[336] The Table stated, "As of 12/28/2019. Generated by Dave Hsu". The Table described Kinford's holding of 24,834,600 Series B shares as being 3.7264% of, 'Fully Diluted Ownership'.

372. Johnny Chan said that, having "considered the consolidated financial statement of Honey Science for the year ended 31 December 2018,"[337] he sent an email, at 4:58 p.m. on 28 December 2019, to Stella Or and Martin Lam, in which he provided figures, of which he said:[338]

> "Subject to Honey's consent, please insert the following key financial information about Honey end last 2 financial years (Year ended 31/12/18 and 31/12/17)."

The body of the email provided information of net profit (before/after tax and extraordinary items), Total Assets and Net Assets.

---

[332] Core Bundle, page 280.
[333] Core Bundle, page 257. SP3, pages 1448-1476.
[334] Core Bundle, page 285.
[335] Core Bundle, page 290.
[336] SP3, pages 1491-1492.
[337] SP1, page 78 at paragraph 45.
[338] Core Bundle, page 279.

29 December 2019

373. In an email to Yinne Yu, copied to Johnny Chan, sent at 2:24 a.m. on 29 December 2019, Sir Dickson wrote:[339]

> "In trying to secure their consent, pls advice them that we will only be posting the announcement on our Co website and the HKEX website and then in our circular to our shareholders. I don't think the financials would be of too much interest as I think the focus will be on the consideration. But we need it to meet the listing requirement and it's important you try your best to secure it."

374. In her email in reply, addressed to Sir Dickson and Johnny Chan, sent at 5:57 a.m. on 29 December 2019, Yinne Yu wrote:

> "…would it be possible for us to sketch out a draft of what we would like to publish? I talked to Honey and they would like to be as helpful as possible and get the lawyers on both sides signed off on the announcement next week.
> Specifically on what they are comfortable/not comfortable disclosing…
> Deal terms-we can of course disclose $4b and buyer and seller, as those have been already announced.
> Financials-would prefer more qualitative comments as they have never disclosed top or bottom line to the public. I suggest we perhaps focus on their user number (> 17m) which has been written about."

3 January 2020

375. In an email to Yinne Yu, sent at 4:46 p.m. on 3 January 2020, under the Subject: Draft Announcement, Sir Dickson wrote:[340]

> "Attached pls find the draft announcement which we have to make on signing. We have managed to reduce the financial disclosure of the subject company but this is the absolute minimum we must disclose or we would have breached the HKEX requirement. I hope you can convince PayPal to allow us to make the disclosure as this is a regulatory requirement."

[339] Core Bundle, page 286.
[340] SP4, page 1503.

376. The attached Draft Announcement was described as:[341]

> "Draft 1 - 03/01/20: Announcement E: Merger Effective/No Transmittal Agreements Signed"

The Draft Announcement was headed:

MAJOR TRANSACTION

DISPOSAL OF UNLISTED EQUITY INVESTMENT

The text of the draft Announcement included:

> "The Group did not enter into any agreement in connection with the merger nor exercise any of its voting rights in the Subject Company to support the merger. Notwithstanding this, the merger has been consummated and the Groups entire equity interest in the Subject Company has been cancelled in exchange for cash consideration."

6 January 2020

377. In an email in reply to Sir Dickson, sent at 11:15 a.m. on 6 January 2020, Yinne Yu wrote:[342]

> "Hi Dickson, the buyer and seller lawyers are still reviewing. I'll let you know as soon as they get back to me."

378. Johnny Chan said that on 6 and 7 January 2020, in answer to his enquiries, he had been advised by Norton Rose that:[343]

> "…no notifiable transaction would arise unless and until:
>
> (i) Kinford proceeded with signing the agreement, upon then Kinford would be bound by the aforementioned confidentiality provisions (unless prior consent had been obtained by PayPal and Honey Science) and the Company would be required to comply with this disclosure obligations concerning notifiable transactions under the Listing Rules, or that
>
> (ii) Kinford was notified by Honey Science or PayPal that all conditions precedent to the proposed Acquisition had been satisfied (including, e.g. obtaining regulatory approval and approval from 85% of Honey Sciences security holders) upon then Kinford shares in Honey Science would be compulsorily cancelled in exchange

[341] SP4, pages 1504-1509.
[342] Core Bundle, page 304.
[343] SP1, page 80 at paragraph 52.

for cash consideration, and the Company would be required to disclose the compulsory cancellation per requirement under the Listing Rules."

Suspension of trading in the shares of Dickson Concepts: 8 January 2020

379. At the request of Dickson Concepts trading in its shares were suspended at the SEHK with effect from 1:00 p.m. on 8 January 2020. In its related Announcement, in the name of Stella Or, as Company Secretary, Dickson Concepts stated:[344]

> " **TRADING HALT**
>
> At the request of Dickson Concepts (International) Limited ("the Company"), trading in the shares of the Company has been halted with effect from 1:00 p.m. on 8th January, 2020 pending the release of an announcement for a notifiable transaction to be made pursuant to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited."

380. Of the circumstances leading to the suspension of trading in Dickson Concepts' shares, Johnny Chan said that, to their surprise, at around 9:41 a.m. on 8 January 2020 he and Sir Dickson had been advised by Mr. David Stannard of Norton Rose Fulbright in Hong Kong, that, "a press release had been jointly issued by Honey Science and PayPal on 6 January 2020 (Pacific Standard Time, Monday) / 7 January 2020 (Hong Kong time, Tuesday), which "confirmed that the Acquisition had been consummated, and that Kinford's shares would now be compulsorily cancelled in exchange for cash consideration, notwithstanding that Kinford did not enter into any of the agreement in support of the Acquisition (the **"Compulsory Cancellation"**). Kinford was at no times notified by either Honey Science or PayPal of the compulsory cancellation."[345]

Dickson Concepts Announcement: 9 January 2020

381. Dickson Concepts' Announcement, dated 9 January 2020, stated that:[346]

> "This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong).

[344] SP4, page 1904.
[345] SP1, page 81 at paragraph 57.
[346] Core Bundle, pages 2-5.

(1) The Board announces that the Group has been notified by one of his investee companies, the Subject Company [Honey Science Corporation[347]], that a merger in respect of the Subject Company became effective on 3 January 2020, and was publicly announced on 6 January 2020 (US Pacific time). As the merger has been consummated, the Subject Company has become a wholly-owned subsidiary of the Purchaser [PayPal, Inc., A wholly-owned subsidiary of PayPal Holdings, Inc NASDAQ PYPL[348]] and all of the Subject Company's existing security holders will receive cash in exchange for the cancellation of the securities in the Subject Company.

The Group [the Company and its subsidiary companies[349]] did not enter into any agreement in connection with the merger nor exercise any of its voting rights in the Subject Company to support the merger. Notwithstanding this, the merger has been consummated and the Group's entire equity interest in the Subject Company has been compulsorily cancelled in exchange for cash consideration. The compulsory cancellation of the Group's entire equity interest in the Subject Company occurred by operation of US law, pursuant to which all of the rights of the Group as a security holder were automatically extinguished.

The Company [Dickson Concepts (International) Limited…a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange[350]], through the Relevant Subsidiary [Kinford International Ltd, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary company of the Company, the principal activity of which is investment holding[351]] (a wholly-owned subsidiary), owned 24,834,600 shares of the Series B Preferred Stock of the Subject Company, being approximately 3.73 per cent of the issued share capital of the Subject Company. The Group will, based on the per-share price for the merger, received US $147,585,708 (approximately HK$1,149,545,080) in cash (subject to potential escrow adjustments described below). This will be a gain (after the Group's expenses) of approximately HK$928,744,921 over the Company's net book value of its investment in the Subject Company as at 30 September 2019."

---

347 Text added by reference to the Definitions section of the Announcement.
348 *Ibid.*
349 *Ibid.*
350 *Ibid.*
351 *Ibid.*

CHAPTER 11

The Commission's enquiries of Dickson Concepts and its Replies

(i) The Commission's letter to Dickson Concepts: 10 January 2020

382. In a letter, dated 10 January 2020, to Dickson Concepts, addressed to Stella Or as Company Secretary, under the title, " Re: Cancellation of securities in the Subject Company", the Commission adverted specifically to the Announcement of Dickson Concepts (the "Company"), dated 9 January 2020, and said that the terms used in the letter have the same meaning as those defined in the Announcement unless otherwise stated.[352]

383. Then, the letter stated:

> "…the [Commission] is conducting an enquiry into the dealing in the shares of the Company prior to the Announcement. In such cases, it is the practice of the Commission to obtain information regarding the sequence of events leading to the Announcement. Accordingly, we would be grateful if you could provide us with the following information:
>
> (a) the date on which the Company was first aware of the merger of the Subject Company;
>
> …
>
> (e) a <u>detailed</u> timetable (including the relevant dates, meeting times, persons involved and agenda items) of all discussions/meetings/events leading to the Announcement."

384. The letter concluded:

> "Please note that we will rely on your submissions in reaching a decision on whether or not to commence a statutory investigation in this matter and caution you that the provision of any information which is false or misleading in a material particular would constitute an offence under section 384(3) of the Securities and Futures Ordinance."

(ii) Dickson Concepts letter to the Commission: 17 January 2020

385. Dickson Concepts' letter in reply to the Commission, in the name of Sella Or, dated 17 January 2020, addressed the requests made by the Commission, stating:[353]

---

[352] Exhibits Bundle 1, pages 442-443.
[353] Exhibits Bundle 1, page 445.

"a). The Company's directors first became aware of the merger of the Subject Company on 24 December 2019 when Ms Yinne Yu (a US representative for the Company) informed Sir Dickson Poon (the Company's Chairman) by phone while he was travelling in Japan about the possible merger. The Company has been informed that Ms Yinne Yu became aware of the possible merger in the US on or around 14th December 2019, but she did not communicate this to any of the Company's directors or any other employees of the Group until 24th December 2019.

…

e). A detailed timetable of all discussion/meetings/events leading to the Announcement is set out on the attached schedule."

386. The Timetable included the following information:

Timetable

Date	**Time (references are to Hong Kong time unless otherwise indicated)**	**Persons involved**	**Agenda of discussion/meetings/events**
14/12/19		YY	At a Christmas party of Honey Science Corporation (the "Subject Company"), YY was told of the possible merger of the Subject Company, and that the possible merger could become effective sometime over or after Christmas.
24/12/19	At or around 4.30-4.45 pm (Japan)	DP/YY	YY informed DP of the possible merger of the Subject Company by phone to ask that someone be available over the holidays to sign certain documents should it be required.
	4.58 pm (Japan)	DP/JC	DP informed JC of the possible merger by phone.
	Morning (US time)	YY	On 24 December 2019 morning (US Pacific time), YY received a call from the Subject Company notifying her that there will be documents sent to her regarding the proposed merger, which were subsequently received.

Date	**Time (references are to Hong Kong time unless otherwise indicated)**	**Persons involved**	**Agenda of discussion/meetings/events**
25/12/19	5.37 pm (Japan)	DP/YY	YY informed DP by email that the Subject Company would like the Company to sign certain documents and that the estimated consideration to be received by the Company in connection with the proposed merger would exceed US$140M.
	5.42pm (Japan)	DP/JC	DP asked YY by email to send over details of the proposed merger
	4.44pm	DP/YY	DP forwarded to JC the email from YY for his attention.
	8.25pm (Japan)		DP replied to YY that he has updated JC and asked YY to liaise with JC directly but copy him.
26/12/19	12.35am	YY/DP	YY asked DP by email if JC would be the authorized person to sign the documents.
	11.40am (Japan)	DP/JC	DP asked JC by email if JC would be the authorized person to sign the documents.
	1.57pm	JC/DP	JC replied DP by email that JC could sign electronically upon receipt of documents.
	1.59pm (Japan)	DP/YY	DP replied to YY's email that JC can sign the documents if everything is in order.
	4.33pm	JC/DP	JC advised DP by email that, assuming the estimated consideration was US$140M, it was likely to be a major transaction which requires Company shareholder's approval under listing rules.

DP: Dickson Poon

JC: Johnny Chan

YY: Yinne Yu

Sir Dickson's evidence

Commission's letter to Dickson Concepts: 10 January 2020

387. In cross-examination, Sir Dickson confirmed that the Commission's letter, dated 10 January 2020, had been brought to his attention around 10 January 2020. He believed that he had read it. Of whom it was who had brought it to his attention, he said:[354]

"I would think either Ms. Or, or Mr. Johnny Chan."

388. Having acknowledged that the Commission's letter stated that the Commission was conducting an enquiry into dealing in the shares of the Company prior to the Announcement on 9 January 2020, Sir Dickson agreed that he had purchased shares of the Company from 28 November to 19 December 2019, prior to the Announcement. However, he denied that he was worried when the letter was received, "No; I had nothing to hide." [355]

389. Then, the following exchange occurred:[356]

"Q. Were you asked to provide input into the answers that the Company were to give back to the SFC?

A. I don't really remember. I think the only-I think what we could have discussed was the date on which the company was first aware of the merger and which we took to be 25 December, as that was when the merger was-became a done deal.

Q. …When you say "which we could have discussed", who is we?

A. "We" would be either Stella, Johnny and myself."

Dickson Concepts letter to the Commission: 17 January 2020

390. In response to the question of whether he had seen a draft, before it was sent, of the letter of reply of Dickson Concepts to the Commission, dated 17 January 2020, Sir Dickson said: [357]

"I would have, but I don't think I paid too much attention to it."

Of whether he had been asked to confirm that the reply was correct before it was sent to the Commission, Sir Dickson said:

"I can't remember. I don't believe so."

---

[354] Transcript 22 December 2025 at page 88.
[355] Transcript 22 December 2025 at page 89.
[356] Transcript 22 December 2025 at page 89.
[357] Transcript 22 December 2025 at page 91.

He thought that it would have been either Ms Or, or Mr Chan who would have drawn it to his attention.

False statement

391. Of the suggestion, in cross-examination, that the statement in the letter of Dickson Concepts, dated 17 January 2020 that, "The Company's directors first became aware of the merger of Honey Science on 24 December 2019 when Ms. Yinne Yu…informed Sir Dickson Poon… by phone while he was travelling in Japan about the possible merger " was false, Sir Dickson said:[358]

"A. I don't know. I don't think so."

392. In response to the refined suggestion that the statement that, "the company's directors, including you, first became aware of the merger of Honey Science on 24 December 2019" was false, Sir Dickson replied:

"I do not remember about the call; it was really a long time ago. It's possible."

393. Then, the following exchange in cross-examination ensued:[359]

"Q. …do you agree that you, as a director of Dickson Concepts, first became aware of the possible merger on 21 November 2019?

A. Based on the announcement, yes.

Q. Why was the SFC not told of that in this answer at sub-paragraph (a)?

A. Because I took question as referred to the 25 December email, which was to me the first time the deal was confirmed."

Timetable

394. Sir Dickson acknowledged readily that there was nothing in the Timetable about his email discussions, first with Yinne Yu and secondly, with Pearson Poon on 21 and 22 November 2019. Of the suggestion that the Timetable was misleading in not stipulating the first date as 21 November 2019, Sir Dickson replied:[360]

"… But the 21 November email was not included, for reasons I explained earlier and I thought that the date in question was 25 December, because that was when the deal was

[358] Transcript 22 December 2025 at page 92.
[359] Transcript 22 December 2025 at pages 92-93.
[360] Transcript 22 December 2025 at page 94.

confirmed as a done deal to me, with Yinne advising that Honey for the first time advised us and wanted some documents signed."

395. Of the assertion in the Timetable, in respect of the Date "24/12/19", that, "At or around 4:30-4:45 p.m. (Japan)… YY informed DP of the possible merger of the Subject Company by phone to ask that someone be available over the holidays to sign certain documents should it be required", Sir Dickson acknowledged that was the first entry in the Timetable that stated that he was a person involved.

396. In response to the suggestion in cross-examination that the statement was misleading, because he knew Yinne Yu had informed him of "the possible merger" of Honey on 21 November 2019", Sir Dickson said:[361]

> "No, because to me the 21 November email was not a time of reference to the 25 December date, which was to me what the SFC was asking for. Because to me, that was the first time or the date that the Honey merger with PayPal was confirmed as a done deal. That's why we used it."

397. Sir Dickson answered in the affirmative the suggestion that, "By selecting 24 December 2019 as the date on which Ms Yu informed you of the possible merger, you are telling the SFC that you became aware of this possible merger only after you have dealt with Dickson Concepts shares." Sir Dickson added:[362]

> "I became aware of the merger, not possible merger, after, which was 25 December."

398. In response to the question of why there was no reference in his witness statement to such a telephone conversation with Yinne Yu on 24 December 2019, but rather only a reference to an email from Yinne Yu at 5:37 p.m. (Japan time) on 25 December 2019, Sir Dickson said:[363]

> "I do not remember the call. There is really no reason for it not to be in the witness statement if I remembered it."

Stella Or's evidence

Commission's letter to Dickson Concepts: 10 January 2020

399. In cross-examination, Stella Or said that having received the letter from the Commission, dated 10 January 2020, she had read it and taken it over, "to discuss with Johnny...

[361] Transcript 22 December 2025 at page 95.
[362] Transcript 22 December 2025 at page 96.
[363] Transcript 23 December 2025 at pages 7-8.

and then proceed on preparing an answer, with the help of Norton Rose, Johnny and Norton Rose."[364] Of her role in preparing the answers, she said, "for those parts that I have participated or to my knowledge, I will contribute or prepare drafts of the answers." She passed that material to Johnny Chan, "for him to add in his input, and so on."[365]

Dickson Concepts' letter to the Commission: 17 January 2020

400. Having identified her signature as Company Secretary, on Dickson Concepts' letter of reply to the Commission, dated 17 January 2020, Stella Or said that:[366]

> "Johnny passed me the final drafts of the answers, and with appendix and so on. So I reviewed the parts that I know, then I arrange for this to be printed on the letterhead and I signed."

401. Of the text in the letter, in response to the Commission's question as to the date on which Dickson Concepts was first aware of the merger of Honey, including the statement that, "the Company's directors first became aware of the merger of the Subject Company on 24 December 2019 when Ms. Yinne Yu… informed Sir Dickson by phone while he was travelling in Japan about the possible merger", Stella Or said that she had no personal knowledge of how the answer came to be made.[367]

Timetable

402. Of her review of the events described in chronological sequence in the Timetable, Stella Or said:[368]

> "I will start looking at 27 December. Because this is the day that I first know about the event or the issue."

Of events described on earlier dates, she said, "I looked at them but I can't verify anything."

403. Stella Or replied in the negative to the Chairman's question of whether she had taken any steps to secure confirmation or reassurance about the accuracy of the information provided in the reply, explaining, "because I rely on Johnny Chan, because I believe that he had taken steps to discuss or find out the facts and discuss with the lawyers… I trust him."[369]

---

[364] Transcript 26 March 2026 at page 7.
[365] Transcript 26 March 2026 at page 10.
[366] Transcript 26 March 2026 at page 11.
[367] Transcript 26 March 2026 at pages 11-12.
[368] Transcript 26 March 2026 at page 13.
[369] Transcript 26 March 2026 at page 15.

Johnny Chan's evidence

Commission's letter to Dickson Concepts: 10 January 2020

404. For his part, in cross-examination Johnny Chan said that on receipt of the letter on 10 January 2020, Stella Or had brought the letter to his office. Having read it, "given such important letter", on that day he had made a copy for Sir Dickson to notify him and also forwarded the letter to Norton Rose.[370]

Draft reply: email Norton Rose to Johnny Chan

405. Of the discussions that ensued, Johnny Chan said:[371]

> "I did discuss with Norton Rose. Basically, I worked together with Norton Rose to draft a reply, and I understand that Norton Rose spoke to Sir Dickson to get his input… because some of the entries concerned Sir Dickson which I don't know, and it was my understanding that Norton Rose had a meeting with Sir Dickson to find out the facts."

406. Johnny Chan went on to explain:[372]

> "Sometime after sending the letter to Norton Rose, Norton Rose sent back a reply to me with the chronologies and some other entries and they told me they had a meeting with Sir Dickson."

407. He added that the draft reply had been sent by email on a date before the reply, dated 17 January 2020. Then, he passed the draft reply to Sir Dickson by internal mail, "for his review" "and then I got his approval to finalise it for submission."[373] He did not ask Sir Dickson the date on which he was first aware of the merger. Of Sir Dickson's reply, Johnny Chan said, "I can't recall. Probably he rang me up and said, "It's fine, let's go… It's fine, there's no comment.""[374] He added that he could not recall if the draft reply and the version sent to the Commission on 17 January 2020 were the same.

Legal professional privilege

408. Johnny Chan offered to check his emails, to enable him to answer the question, "subject to checking if there was any legal privilege with my lawyers." In the event, at the conclusion of all the oral evidence Mr. Ambrose Ho informed the Tribunal that several drafts of the reply

[370] Transcript 25 March 2026 at pages 25-26.
[371] Transcript 25 March 2026 at page 27.
[372] Transcript 25 March 2026 at page 28.
[373] Transcript 25 March 2026 at page 29.
[374] Transcript 25 March 2026 at page 30.

had been located in a search of emails, but that legal professional privilege was claimed. The Commission did not challenge that claim.[375]

Dickson Concepts' letter to the Commission: 17 January 2020

409. Having identified Stella Or's signature on the letter of Dickson Concepts in reply to the Commission, dated 17 January 2020, and having noted the statement at paragraph a), that "the Company's directors first became aware of the merger of the Subject Company when Yinne Yu… informed Sir Dickson…while he was travelling in Japan about the possible merger", in cross-examination Johnny Chan said that at the time of the reply he was not aware of the existence of the emails, dated 21 November 2019, first from Yinne Yu to Sir Dickson and Pearson Poon, at 1:58 p.m. and secondly, from Sir Dickson to Pearson Poon at 15:47 p.m.[376] Further, he confirmed that in sending an email to Sir Dickson at 3:08 p.m. that day with a valuation of Honey based on a $1 billion valuation he was unaware that was provided in the context of the PayPal Announcement, dated 20 November 2019.

Timetable

410. In cross-examination, Johnny Chan confirmed that the reference in the Timetable attached to Dickson Concepts' letter, dated 17 January 2017, at 4:58 p.m. on 24 December 2019 of Sir Dickson Poon informing him "of the possible merger by phone" was something that, at the time Dickson Concepts sent the reply to the Commission:[377]

> "I believe I did have a call with Sir Dickson, but subsequently I couldn't recall it, whether it was a recall or a memory of seeing the email on the following day, and I did not pay much attention to this entry because from my perspective, whether I was informed during the late afternoon of 24 December or 25 December 2019, there was not much difference to me."

Johnny Chan said that the information set out in the Timetable about the phone call on 24 December 2019 did not come from him.

411. Having acknowledged that there was no reference in his witness statement to having received a phone call from Sir Dickson on 24 December 2019, albeit that there was a reference to having received an email from Sir Dickson on 25 December 2019 in which the latter forwarded Yinne Yu's email of the same date, Johnny Chan repeated his evidence that he could

[375] Transcript 26 March 2026 at pages 136-137.
[376] Transcript 25 March 2026 at pages 32-33.
[377] Transcript 25 March 2026 at page 37.

not recall the phone call, adding, "when I prepared the witness statement, I looked at my emails, it was very clear that the first time I was informed was 25 December."[378]

Pearson Poon's evidence

Commission's letter to Dickson Concepts: 10 January 2020

412. In cross-examination, Pearson Poon said that he believed that his father had showed him the Commission's letter to Dickson Concepts, marked for the attention of Stella Or, dated 10 January 2020, on that date:

> "I think he told me that he would deal with it with Johnny and Norton Rose, to reply back to the SFC."

413. Having read the letter as a whole, Pearson Poon said that he was aware that the Commission stated that it was conducting an enquiry into dealing in the shares of Dickson Concepts prior to the Announcement by Dickson Concepts on 9 January 2020 and that the Commission articulated a caution to the recipient, namely that "the provision of any information which is false or misleading in a material particular would constitute an offence under section 384(3) of the Ordinance." [379]

414. The information sought by the Commission included, "(a) the date on which the Company was aware of the merger of the Subject Company". Pearson Poon acknowledged that he realised when he read the letter that he was personally involved in that event:[380]

> "Yes, in the sense that I knew I was aware when the company was aware, but my father told me that he would work with Johnny and Norton Rose to reply to the SFC, so I did not deal with the replies, nor did I think the answer for each and every one, because that was dealt with via our lawyers."

415. In response to the suggestion that he was aware that the correct answer to when the Company was so aware was, "21 November 2019", Pearson Poon said:

> "At the time, I did not consider what is the correct answer for each of the ones, because as I mentioned, I was not involved in drafting the replies, which was managed by Johnny and our lawyers. So at the time I did not consider what was the correct answer for each and every one of these."

---

[378] Transcript 25 March 2026 at page 38.
[379] Transcript 26 March 2026 at pages 107-108.
[380] Transcript 26 March 2026 at page 109.

416. In response to the request of the Chairman to address the simple question posed at paragraph (a), Pearson Poon said:[381]

> "Again, at the time I did not think of the answer of that, because I wasn't involved in the drafting, but you know, if you look at it now and if you were to ask me now, obviously it mentioned the merger. That can be interpreted in a number of ways; in terms of when the company is actually aware the two companies would merge, which is December 25.
>
> So again, I don't know what is the correct answer, that's why we have lawyers to help us provide the right answer. "

417. Pearson Poon confirmed that he had not been approached to provide factual information to assist in responding to the Commission's enquiries, in particular Norton Rose had not approached him directly or indirectly to provide such information.[382]

Dickson Concepts' letter to the Commission: 17 January 2020

418. In cross-examination, Pearson Poon said that, prior to the letter in reply being sent to the Commission, he had not seen any version of a draft of the letter, dated 17 January 2020, sent by Dickson Concepts in the name of Stella Or.[383] He said that he believed that after it had been sent to the Commission, "my father forwarded it to me… probably one day after."[384] He read it at the time that he received it.

419. Of the assertions in paragraph (a) of the reply that:

> "…the Company's directors first became aware of the merger of the Subject Company on 24th December 2019 when Ms Yinne Yu (a US representative for the company) informed Sir Dickson Poon (the Company's Chairman) by phone while he was travelling in Japan about the *possible merger*", [Italics added.]

Pearson Poon said:[385]

> "I didn't think it was incorrect, because… I didn't have any specific reaction to reading it, because I think-again, if you look at the question from the SFC they were asking when the company was first aware of the merger…. So I don't know if that would have

[381] Transcript 26 March 2026 at pages 109-110.
[382] Transcript 26 March 2026 at page 110.
[383] Transcript 26 March 2026 at page 111.
[384] Transcript 26 March 2026 at page 112.
[385] Transcript 26 March 2026 at page 114.

referred to when we knew the merger would actually happen, which is 25-sorry, 24 December. And obviously in subsequent queries, I think based on the SFC's further question, we included the November 21 event, but those were the subsequent queries."

420. His attention having been drawn to the fact that the reply stated that Sir Dickson had been informed by telephone by Yinne Yu on 24 December 2019 of the "*possible merger"*, it was suggested that from 21 November 2019 he, Sir Dickson Poon and Yinne Yu knew of the possible merger of Honey. In reply, Pearson Poon said:[386]

"Again, at that time it didn't come to me that it was incorrect because, you know, the SFC's question is when the company was aware of the merger, truthfully, at the time, I didn't think this was incorrect."

421. In face of the suggestion that he must have been aware that the SFC's question was, "when the company first became aware of the merger, before the merger is consummated" Pearson Poon said:[387]

"Honestly, at the time, I don't know, and I think that's why we had Norton Rose to help compile the response, and I think between my father, Johnny and Norton Rose, they had the full information."

Timetable

422. Of the suggestion that the first entry in the Timetable, attached to Dickson Concepts' letter, dated 17 January 2020, was misleading in that it did not refer to 21 November 2019 but stated that the first event chronologically was the event on 14 December 2019 at a Christmas party of Honey, at which Yinne Yu, "was told of the possible merger" of Honey and that the "possible merger could become effective sometime over or after Christmas", Pearson Poon said:[388]

"No, I do not think it was misleading at the time, because again… based on the answer, obviously they felt that the appropriate date of saying when the company was aware of the merger was the 24th. So by that, I took it there when we actually knew that the deal would happen. So I presume that what it is referring to here is that the company told Yinne that the deal would actually happen, but obviously I was not aware that Yinne had this conversation with Honey, nor did I know what Honey said to her."

386 Transcript 26 March 2026 at page 115.
387 Transcript 26 March 2026 at page 115.
388 Transcript 26 March 2026 at page 116.

423. Pearson Poon said that he had not asked his father why there was no reference in the Timetable to the emails dated 21 and 22 November 2019. In fact, there were no discussions between them at the time about the contents of Dickson Concepts' reply to the Commission.[389] He rejected the suggestion that he had not raised questions about Dickson Concepts' reply, dated 17 January 2020, because he was aware that his father had purchased shares in Dickson Concepts when in possession of information about PayPal's offer to acquire Honey. He said:[390]

> "I understood that my father, Johnny and Norton Rose were all involved in compiling this answer, and between them three, they had all the information, including obviously knowing the November 21 email from Yinne.
>
> So, to my understanding, they came to what was the right response and went back to the SFC."

424. Of whether, in giving that answer, he thought that Norton Rose and Johnny Chan had information about the emails dated 21 and 22 November 2019, Pearson Poon said:[391]

> "I don't know if I necessarily thought that, but obviously between my father, Johnny and Norton Rose, I assume they have that information, yes."

425. At the conclusion of his evidence, in answer to a question from the Chairman, Pearson Poon said that he became aware that his assumption that Johnny Chan had that information about the emails dated 21 and 22 November 2019 was incorrect when responses were prepared to the Commission's letter to Dickson Concepts, dated 3 March 2020, but before the reply by Norton Rose, dated 5 May 2020.[392]

(iii) Commission's Notice to Dickson Concepts: 3 March 2020

426. In a Notice to produce records or documents to Dickson Concepts, dated 3 March 2020, pursuant to section 183(1) of the Ordinance, stated to be for the attention of Stella Or, an officer of the Commission stated that he had:[393]

> "…reasonable cause to believe that during or around the period 20 November 2019 to 10 January 2020:-
>
> (a) persons may have engaged in insider dealing in respect of dealings in shares of

[389] Transcript 26 March 2026 at page 118.
[390] Transcript 26 March 2026 at page 119.
[391] Transcript 26 March 2026 at page 119.
[392] Transcript 26 March 2026 at page 133.
[393] Exhibits Bundle 1 at page 471.

Dickson Concepts…, contrary to section 270 of the Ordinance;

(b) offences of insider dealing may have been committed in respect of dealings in the shares of Dickson Concepts…, contrary to Section 291 of the Ordinance; and/or

(c) Dickson Concepts… and or persons connected with it may have breached the disclosure requirements and Part XIVA, specifically section 307B and/or section 307C and /or section 307G of the Ordinance."

427. The Notice asserted**:**

You are a "person under investigation".

We require you to produce to the Commission the following records and documents and to provide an explanation or statement for the following:-

References are made to your company's announcement dated 9 January 2020 (the **Announcement"**) in relation to the compulsory cancellation of unlisted equity investment in the Subject Company, as a result of the merger in respect of the Subject Company becoming effective on 3 January 2020 (the "**Transaction**")."

428. The Notice went on to state:

"In relation to the Announcement and the Transaction:-

1. Please provide the certified true copy of a chronology of all discussions, meetings or events in relation to the transaction. The chronology should include the relevant dates, times, the person involved in a brief description of events. For all discussions, meetings or events identified in the chronology, please provide relevant documentary records, including but not limited to meeting minutes, emails, notes and audio recordings, if any."

(iv) Norton Rose's reply on behalf of Dickson Concepts to the Commission: 5 May 2020

429. Norton Rose's reply on behalf of Dickson Concepts to the Commission, dated 5 May 2020, asserted, in response to Item 1 in the Commission's Notice, dated 3 March 2020, that:[394]

"A certified chronology setting out the material discussions and events in relation to the Group and concerning the Transaction is attached together with the documentary records as Exhibit A. Where there are no documentary records to support the specific discussion, meeting or event, the summary of such discussion, meeting or event set out

[394] Exhibits Bundle 2 at page 889.

in the chronology is to the best knowledge or recollection of the relevant person(s) involved.

In the course of preparing these responses to the Notice, the Company has undertaken a review of all relevant material (including custodian emails). To provide the Commission with additional background information the Company has expanded on the previous chronology that was provided to the Commission on 17 January 2020, though certain of the additional information may or may not be relevant to the Commission. In this regard and in the context of the previous chronology, the Company notes that *two of its directors first became aware of the potential acquisition of HSC on 21 November 2019*." [Italics added.]

430. The Chronology commenced with a reference to "Approx. end of September/start of October" and concluded with a reference to 12:56 p.m. on 05/02/2020."[395] is included the following references for 20 and 21 November 2019:

Date	**Time (references are to Hong Kong time unless otherwise indicated)**	**Persons involved**	**Agenda of discussion/meetings/events**
20/11/19	On or before 2.11 pm (US Pacific time)	YY	YY became aware of the announcement regarding the entering into of an acquisition agreement for the transaction (PayPal Announcement) from multiple news reports such as TechCrunch and CNBC and obtained the PayPal Announcement from PayPal's website.
	2.11 pm (US Pacific time)	YY/GR/RH	YY text messaged GR and RH of HSC to congratulate them on the potential acquisition, and they subsequently replied to thank her for her text messages.
	4.48 pm (US Pacific time)	YY/CG	YY emailed CG of HSC to ask for information regarding the potential acquisition (the 20/11/19 4.48 pm Email).
21/11/19	1.58 pm	DP/PP/YY	YY emailed DP and PP to inform them that HSC had an acquisition offer from PayPal, providing a link to the PayPal Announcement (the 21/11/19 1.58 pm Email) [note: this was the first occasion on which YY communicated to anyone in the Company the possibility of the potential acquisition of HSC].
	2.48 pm	PP/DP	PP emailed DP in response to the 21/11/19 1.58 pm Email, saying it was "good to see a bit of good news".

[395] Exhibits Bundle 2 at pages 892-902.

Date	**Time (references are to Hong Kong time unless otherwise indicated)**	**Persons involved**	**Agenda of discussion/meetings/events**
	Between 2 - 3 pm	DP/JC	DP called JC to ask for information about the Company's investment in HSC.
	3.08 pm	JC/DP	JC emailed DP with information about the Company's investment in HSC.
	3.45 pm	DP/YY/PP	DP replied to YY saying "That's wonderful news. I suppose there shouldn't be any regulatory issues given the size of Honey?"
	3.47 pm	DP/PP	DP replied to PP saying it "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!". DP then forwarded PP the email from JC.
22/11/19	9.13 am	YY/DP/PP	YY replied to DP saying that "I don't think there will be regulatory issues".

DP: Dickson Poon

PP: Pearson Poon

JC: Johnny Chan

YY: Yinne Yu

GR: George Ruan

RH: Ryan Hudson

CG: Chris Grogan

Johnny Chan's evidence

Commission's Notice to Dickson Concepts: 3 March 2020.

431. In cross-examination, having said that Stella Or had brought to him in his office the letter to her sent by the Commission, dated 3 March 2020, Johnny Chan said that he had, "make a copy to Sir Dickson and then I make a copy to Norton Rose, to seek their advice." He sent the document to the former by internal mail and he thought, but he could not be sure, that he had scanned and sent a copy to Norton Rose by email.

Norton Rose's reply to the Commission: 5 May 2020

432. Of the statement in Norton Rose's reply to the Commission, dated 5 May 2020, that in preparing the response to the Notice, Dickson Concepts had undertaken "a review of all relevant materials (including custodian emails)", Johnny Chan said that Accura had been

engaged by Norton Rose to extract emails. [396]A copy of what they extracted was, "just given to Norton Rose."[397]

Chronology

433. Johnny Chan said that he had participated in the preparation of the Chronology attached to Norton Rose's reply, dated 5 May 2020: "I gave the input." Of the fact that the Timetable attached to Dickson Concepts letter, dated 17 January 2020, made no reference to the email, dated 21 November 2019, sent by Yinne Yu at 1:58 p.m.to Sir Dickson and Pearson Poon informing them of the offer for Honey by PayPal and the PayPal announcement, whereas there was such a reference in the Chronology, in particular that it was noted, "this was the first occasion on which YY communicated to anyone in the company the possibility of the potential acquisition of HSC", Johnny Chan said that there was no discussion of the difference between the Timetable and the Chronology. He said:[398]

> "In the first reply we focused on what happened when I received the email in December, and then we didn't go further back until subsequently we went further to look for more earlier to see what happened."[399]

434. In answer to a question from the Chairman, Johnny Chan confirmed that the information contained in the Chronology in respect of Yinne Yu's email and the reference to the PayPal Announcement was the first time that he was aware that Sir Dickson had been involved in receiving information about the PayPal Announcement on 21 November 2019.[400]

Pearson Poon's evidence

Commission's Notice to Dickson Concepts: 3 March 2020.

435. In cross-examination, Pearson Poon said that he was aware of the Notice from the Commission to Dickson Concepts, dated 3 March 2020, albeit that he was, "not sure if I was made aware on that date, but subsequently I was." He acknowledged that he was aware it was asserted by the Commission that Dickson Concepts was, "a person under investigation" and that the Commission had reasonable cause to believe that during the period from 20 November 2019 to 10 January 2020 persons may have engaged in insider dealing.[401]

---

[396] Transcript 25 March 2026 at pages 49-50.
[397] Transcript 25 March 2026 at page 51.
[398] Transcript 25 March 2026 at pages 53-54.
[399] Transcript 25 March 2026 at page 55.
[400] Transcript 25 March 2026 at page 55.
[401] Transcript 26 March 2026 at pages 121-122.

Norton Rose's reply to the Commission: 5 May 2020

436. In the context of the assertions in Norton Rose's letter to the Commission, dated 5 May 2020, that Dickson Concepts had undertaken a "review of all relevant material", Pearson Poon said of his role:[402]

> "I played a part in the sense that I think I was asked to share information and emails to Norton Rose to help them compile this response."

Notwithstanding that response, Pearson Poon said that he could not recall who had asked him to provide the information, the logistics of how it was provided or whether he had been interviewed by Norton Rose.

437. Furthermore, although Pearson Poon acknowledged that he was one of the two directors referred to in Norton Rose's letter in response to item 1, namely that, "the Company notes that two of its directors first became aware of the potential acquisition of HSC on 21 November 2019", he did not recall if he had provided that information to Norton Rose.[403] He acknowledged that that statement by Norton Rose was correct.

438. In those circumstances, Pearson Poon was asked:[404]

> "…if that's true, how could the previous statement that the Company made to the Commission, that the directors first became aware of the possible merger on 24 December 2019-how can that statement possibly be true?"

439. For his part, Pearson Poon replied:

> "Again, firstly, I wasn't involved at all in the drafting of the January enquiries. So I wouldn't be able to explain why they felt that it should be December as opposed to November. But the statement here is correct in terms of us being aware of the potential acquisition on 21 November.
>
> I guess if you look at the SFC's enquiry in January they asked when we are aware of the merger, not the potential acquisition so I guess there is some difference."

Chronology

440. Pearson Poon confirmed that the description in the Chronology in respect of Yinne Yu's email to him and Sir Dickson on 21 November 2019 was a correct description of what had

[402] Transcript 26 March 2026 at page 125.
[403] Transcript 26 March 2026 at page 126.
[404] Transcript 26 March 2026 at page 126.

happened:[405]

> "YY emailed DP and PP to inform them that HSC had an acquisition offer from PayPal, providing a link to the PayPal Announcement (the 21/11/19 1.58 pm Email) [*note: this was the first occasion on which YY communicated to anyone in the Company the possibility of the potential acquisition of HSC*]."

[405] Transcript 26 March 2026 at pages 131-132

CHAPTER 12

Expert evidence

Leung Yiu Man-Expert opinion

441. Without objection Leung Yiu Man was granted leave to give expert evidence in respect of dealings in the shares of Dickson Concepts in Hong Kong and other related matters addressed in his Expert Opinion, dated 13 September 2024.

Curriculum vitae

442. Having been awarded a Bachelor's Degree (Honours) in Political Science and Economics in 1990 by the University of Hong Kong, Leung Yiu Man became a Chartered Financial Analyst of the Chartered Financial Analyst's Institute, USA in 1994. Also, he is a Chartered Member of the Hong Kong Society Financial Analysts.

443. At the time he wrote his expert opinion he was the Responsible Officer and a director of Austen Capital Management Ltd and had been since August 2017. In his oral evidence he explained that he had ceased to occupy those positions and was no longer a licensed person since February 2025. In those positions he managed investment and research had made investment decisions, together with advising clients on investment and listed securities and listed assets. In the period 2015-2017, he had discharge similar duties, first with Kirin Investment Management (HK) Ltd and secondly, at JCap Assets Management Company Ltd.

Equity research

444. From September 2011 to April 2015, he was the Managing Director and Head of China Property Research for Morgan Stanley Asia, in which capacity he managed equity research in the Chinese property sector. From April 2001 to September 2009, he was the Managing Director of China International Capital Corporation, in which capacity he managed and supervised cross-border research teams in Hong Kong and the Mainland and led the equity strategy research team. In the period April 1994 to April 2001, he was responsible for equity research first at W. I. Carr (Far East) Ltd, secondly at Dresdner Kleinwort Benson and thirdly at Deutsche Asia Ltd.

Instructions to Expert

445. Attached as Appendix 30 to his Expert Opinion, were the 'Instructions to Expert' from the Commission, dated 17 July 2024, to Leung Yiu man. The Instructions identified the issues

to be addressed:[406]

"**Issues**

21. The questions or issues outlined in paragraph 22 below, which you are asked to deal with and give an opinion on, pursuant to these instructions, are formulated on the basis of each of Information A and Information B below was known to a particular group of persons (one not considered to be part of the potential investors defined in paragraph 22(1) below):-

    (a) On 21 November 2019 PayPal would acquire the entire HSC for approximately US $4 billion and, as a result, Dickson Concepts would receive as proceeds from its disposal of the HSC shares, approximately US $120 million in the following months (**"Information A"**).

    (b) On or around 26 December 2019, the Proposed Acquisition would be completed in January 2020 and the proceeds of the disposal of the HSC shares ("**proceeds**") would exceed US $140,000,000, of which the bulk would be paid in January 2020 (**"Information B"**).

446. In his report Mr. Leung set out the issues/questions that were posed at paragraph 22(1) of the Instructions to Expert, including:

(a) During the period from 21 November 2019 (or such earlier date as I consider more appropriate) to 9 January 2020 (before the DC Announcement was issued at 5:40pm) ("**Relevant Period**"), who was accustomed, or would be likely, to deal in Dickson Concepts shares ("**Potential Investors**")?

(b) At any time during the Relevant Period, was Information A or Information B generally known to the Potential Investors?

(c) Had Information A been generally known to the Potential Investors at any time during the Relevant Period, would it have been likely to materially affect the price of Dickson Concepts shares?

(d) Had Information B been generally known to the Potential Investors at any time between 27 December 2019 and 9 January 2020, would it have been likely to materially affect the price of Dickson Concepts shares?

(e) If in my answer to (c) or (d) above, I consider that it would have been likely to materially affect the price of Dickson Concepts shares, please set out each factor

[406] Expert Bundle Volume 3 at page 1299.

I have taken into account and explain how I rely on each such factor to assess the impact on the price of Dickson Concepts shares or the movement of the price of Dickson Concepts shares.

(f) How did Dickson Concepts shares perform (in terms of the price and trading volume of the shares) during the Relevant Period? What was/were the main reason(s), if any, for such performance?

(g) How did Dickson Concepts shares perform (in terms of the price and trading volume) after the publication of the DC Announcement? What was/were the main reason(s), if any, for such performance?"

Material relied upon

447. The material provided by the Commission and relied upon by Mr. Leung in preparation of his report[407] was identified in Appendix 27[408]. In addition, Mr. Leung said that he had also relied on other documents released by the SEHK and on news reports and data from major search engines, such as Google, Yahoo and Baidu. The documents identified in Appendix 27 included:

- PayPal's Announcements, dated 20 November 2019 and 6 January 2020;
- PayPal's presentation slides for the live webcast on 20 November 2019;
- emails from:

  (i) Yinne Yu to Sir Dickson/Pearson Poon, at 1:58 p.m. on 21 November 2019;
  (ii) Johnny Chan to Sir Dickson at 3:08 p.m. on 21 November 2019; and
  (iii) Yinne Yu to Sir Dickson at 4:37 p.m. on 25 December 2019.

448. In his oral evidence-in-chief Mr. Leung testified that he did have regard to those primary documents in expressing his opinions about both Information A and Information B.[409] A List of Appendices was attached to Mr. Leung's report.[410]

Issue/question (a)-those accustomed to or would be likely to deal in Dickson Concepts' shares

449. In his Expert report, both institutional and retail investors were identified by Mr. Leung as being 'Potential Investors' in Dickson Concepts shares.[411] In Mr. Leung's opinion the fact that Dickson Concepts' had continuously made dividend payments to shareholders, at an

[407] Expert report at paragraph 18.
[408] Extracted as Appendix 1 of this Report.
[409] Transcript 18 December 2025 at pages 20 and 22.
[410] Expert report, pages 3-4, extracted as Appendix 2.
[411] Expert report at paragraph 19.

average of 46% in the fiscal years 2017-2019, "should attract income or yield seeking institutional and retail investors to trade the shares of the Company."[412]

Issue/question (b)-at any time from 21 November 2019 to 9 January 2020 was Information A or Information B generally known to the potential investors?

450. In Mr. Leung's opinion a piece of information is considered generally known to the market and/or investing public, "if it had been publicly announced or widely reported in the mass media."[413]

451. Having said that there were no Announcements in respect of Information A or Information B by Dickson Concepts nor references to any comments on the two pieces of information found in searches of search engines such as Google, Yahoo and Baidu, it was Mr. Leung's opinion that Information A or information B was not generally known to potential investors in that period of time.[414]

Issue/question (c)-had Information A been generally known to the potential investors at any time from 21 November 2019 to 9 January 2020, would it have been likely to materially affect the price of Dickson Concepts shares?

452. Of Information A, Mr. Leung wrote in his report that it:[415]

> "…pointed toward that PayPal would acquire the entire HSC, including the HSC Shares, for approximately US$4 billion and, as a result, Dickson Concepts would receive, as proceeds from the disposal of the HSC Shares, approximately US$120 million in the following months."

453. Of the significance of the prospective receipt of those monies by Dickson Concepts, Mr. Leung said that they were the equivalent of "approximately HK $938 million". Noting that the book value of its 'Unlisted Equity Securities designated at fair value through profit and loss' was stated in Dickson Concepts' 2019 Annual Report to be HK $225 million, and on the obviously generous assumption that the costs of any other listed securities was zero, Mr. Leung said:[416]

---

[412] Expert report at paragraph 20.
[413] Expert report at paragraph 22.
[414] Expert report at paragraph 25.
[415] Expert report at paragraph 26.
[416] Expert report at paragraph 27.

"…the implied disposal profit of the HSC Shares would be at least HK$713 million and the accretion to net asset value of DC shares would be over 28%..."

454. Mr. Leung said that, in consequence, it was his opinion that the information:

"… would have attracted the Potential Investors to buy/refrain from selling DC shares."

455. Having regard to the nature of the information, Mr. Leung said that:[417]

- "…the transaction had already reached the deal closing stage with no peculiar issue anticipated"; and
- "(it) suggested that disposal of the HSC shares would be concluded in the near term to bring substantial disposal gains, value accretion and proceeds to Dickson Concepts"

456. In his oral evidence-in-chief, having acknowledged that the PayPal Announcement stated that, "…the transaction is expected to close in the first quarter of 2020", Mr Leung said that he interpreted the term "expected" as being, "a very highly likely scenario."[418]

457. In the result, Mr. Leung expressed the opinions that:[419]

- "the risk of the DC Group not receiving the US $120 billion proceeds would be low"; and
- "had Information A been generally known to the Potential Investors at any time during the Relevant Period, it would have been very likely to materially affect the price of Dickson Concepts shares"

Issue/question (e)-factors taken into account in reaching that opinion

458. Mr. Leung said that in his opinion, if information A had been generally known to Potential Investors during the Relevant Period, first:[420]

"…they would have been very likely to buy/refrain from selling Dickson Concepts shares until the price of DC shares reached the revised fair value…"

Secondly, of the impact of knowledge of that information on the price of Dickson Concepts shares, it was his opinion that:

[417] Expert report at paragraphs 28 and 29.
[418] Transcript 19 December 2025 at page 9.
[419] Expert report at paragraphs 28 and 29.
[420] Expert report at paragraph 33.

"… (it) would have very likely being positive, especially in the short-term."

(i) Net asset value accretion

459. Having noted that at the time there were 394,878,308 outstanding shares in Dickson Concepts, Mr Leung said that the prospective value accretion of at least HK $713 million to Dickson Concepts was equivalent to HK$1.81 per Dickson Concepts' share.[421] Given that the profit to Dickson Concepts from the proposed acquisition by PayPal was a "one-off disposal gain", Mr. Leung said that it was his opinion that regard to the magnitude of the net asset value accretion, "would be more relevant to assess the impact of Information A on the price of DC shares than the potential profit."

460. Having noted that Dickson Concepts' total net asset value at the end of FY 2019 was HK $2,521 million, Mr. Leung said that the prospective value accretion of at least HK $713 million was equivalent to 28% of the total net asset value.[422]

Dickson Concepts shares-reassessed fair value (range of HK $4.30 to HK $5.08)

461. In Mr. Leung's opinion the reassessed fair value of Dickson Concepts shares, "would have likely increased at the similar rate of 28%". Having noted that during the Relevant Period the daily Low of the share price of trading in Dickson Concepts shares during the Relevant Period was HK $3.35 on 21 November 2019 and the daily High was HK $3.96 on 23 December 2019, Mr. Leung calculated that a 28% increase produced a reassessed fair value of Dickson Concepts' shares in the range of HK $4.30 to HK $5.08 per share.[423]

(ii) Special cash dividend

462. Mr. Leung said that having regard to Dickson Concepts' Balance Sheet, namely a cash balance reported in the 2019 Annual Report of HK $1,739 million and its dividend policy:[424]

> "…it would have been reasonable to expect the company to make a special cash dividend with a payout ratio at least compatible to its three-year average, i.e. 46% or HK$0.83 per share subsequent to the completion of the Proposed Acquisition and the receipt of the proceeds."

[421] Expert report at paragraph 34.
[422] Expert report at paragraph 36.
[423] Expert report at paragraph 36.
[424] Expert report at paragraph 37.

(iii) Low probability of execution failure- no material discount in reassessed fair value

463. Mr Leung said that the PayPal Announcement indicated that:[425]

- the outstanding conditions and the terms of settlements that remain to be satisfied were only customary ones;
- the transaction was an all-cash one; and
- the target completion date was about four months away.

Further, that Information A suggested that PayPal would acquire the entire HSC. Having regard to those factors in his opinion there was, a low probability of execution failure, so that, "no material discount the reassessed failed value would have been demanded".

PayPal Announcement

464. In his oral evidence-in-chief Mr. Leung explained the opinion expressed in his report that the, "transaction had already reached the deal closing stage with no peculiar issues":[426]

> "So I believe the potential investors or the market because it provides no specific conditions for the closing and suggest that the closing conditions were customary and therefore quite general. It was also able to provide a timeline, which is the first quarter 2020. Therefore, I believe the that the market would reasonably expect that the key terms have been agreed between the sellers and buyers."

Customary closing conditions

465. Of the reference in the PayPal Announcement to, "customary closing conditions" Mr. Leung said:[427]

> "I think for the market or potential investor in particular, "subject to customary closing conditions" means the general formalities for closing the deal to them. And there was no specific conditions or specific and important conditions to be fulfilled at the time. Otherwise, in particular for investors only familiar with Hong Kong, I think they would have anticipated if there is any important and specific conditions to be fulfilled, would have been also included in this announcement. Thus, I believe it would have been reasonable for the potential investors to expect the formalities of closing to have very low risk of not to be fulfilled."

[425] Expert report at paragraph 38.
[426] Transcript 18 December 2025 at page 32.
[427] Transcript 18 December 2025 at pages 32-33.

466. Of what was encompassed in, "general formalities for closing", Mr. Leung said:[428]

> "I think probably those formalities would include, as stated here, regulatory approvals, as possibly PayPal may also need the stock exchange or the regulators, the SEC's consent, and the so-called standard conditions the provision of certain official documents by certificate of encumbrance and whether the company, that is Honey, is involved in any litigations, et cetera."

Possible regulatory approvals in the United States of America: PayPal

467. Of what he understood might be the possible regulatory approvals required of PayPal, Mr. Leung said:[429]

> "Because I'm not a US law(yer) or an M & A expert, I think similar to the potential investor, I'm not sure. But as described in the announcement, it put regulatory approval as customary, as an example of customary conditions."

468. In cross-examination, Mr Leung acknowledged that he did not have any expertise in relation to, "exits of start-ups in the United States of America", in particular in relation to a company such as Honey, " a technology company in the consumer industry".[430]

Forward-looking statements

469. Of the multiple references to forward-looking statements in the PayPal Announcement, Mr. Leung in his oral evidence-in-chief said:[431]

> "I do not think these forward-looking statements would likely affect the perceptions of- or my view on the risk of closing because these paragraphs look like general waivers or general reminders appearing in listed companies' announcements."

470. Of his reference to 'general waivers' or 'general reminders', Mr. Leung went on to explain:[432]

> "…similar, not exact wording, but similar wordings or meanings of statements, which is quite general in nature, seems to be, and I think for potential investors would likely to believe that the statements or similar statements would appear in most of the other announcements, and not specific to this PayPal acquisition of Honey Science. Therefore,

[428] Transcript 18 December 2025 at page 33.
[429] Transcript 18 December 2025 at page 33.
[430] Transcript 18 December 2025 at page 120.
[431] Transcript 18 December 2025 at page 36.
[432] Transcript 18 December 2025 at page 37.

these statements would very unlikely change the view of the potential investors that I have just mentioned."

Mr. Leung said that he was referring to, "…similar acquisition announcement in the US." In answer to an enquiry by the Chairman, Mr. Leung said that he had no such Announcement to provide to the Tribunal.[433]

Familiarity of potential investors with Company Announcements in the United States of America

471. Of the familiarity or otherwise of potential investors with such Announcements in the United States of America, Mr. Leung said:[434]

> "I think that depends on whether those investors were active in the US market and familiar with those listed company announcements. But if those investors were not familiar with the US announcements, the characterisation of the wordings and expressions of the statements look like they are general in nature."

Timing and possible outcome of security holder and regulatory approvals

472. Of the specific reference, in the context of the risk and uncertainty of forward-looking statements, to the "…timing and possible outcome of security holder and regulatory approvals", Mr. Leung said:[435]

> "I believe that refers to the timing and reaction of security holder if any could be a cause of risk and uncertainty of the expected completion and other details of the acquisitions mentioned above."

Transaction may not close

473. It having been pointed out to Mr. Leung that the Announcement also stated that one uncertainty or risk was that the "transaction may not close", in response to the question of whether those factors would change his opinion about the perception of potential investors, Mr. Leung said:[436]

[433] Transcript 18 December 2025 at pages 37-38.
[434] Transcript 18 December 2025 at page 37.
[435] Transcript 18 December 2025 at pages 39-40.
[436] Transcript 18 December 2025 at page 40.

> "I don't think so, because, again, expression looks general in nature and did not state specific conditions that may cause the scenario to happen; that is, the realisation of this risk."

The ambit of the material to which Mr. Leung referred: assumption or opinion?

474. In his evidence in cross-examination, Mr. Leung rejected Mr. Yu's suggestion that in making reference to Information A in his Expert report he was not expressing an opinion, but rather an assumption based on the Commission's instructions:[437]

> "this is the same as the SFC instructions, but I've also referred to the material that's provided to me, including the PayPal announcement regarding it's agreed to acquire Honey Science, the proceeds, which is US $4 billion and the emails."

475. In the face of the repeated suggestion of that proposition, Mr. Leung remained adamant:[438]

> "But, at the same time, as I mentioned, I also refer to the material I've been given, including the PayPal announcement";
> "…but again, I also refer to the other material that's provided to me… The other material provided to me, including the PayPal announcement and the emails."

Subsequently, he said:[439]

> "Again this is only--not took it as assumption. I also double-checked those descriptions with the facts put in front of me, including the PayPal announcement and the emails, to arrive my opinion to provide my opinion on that."

476. In cross-examination, Mr. Leung agreed that his statement in his Expert report[440] that, "PayPal would acquire the entire HSC, including the HSC Shares" and that it would receive, "approximately US $120 million in the following months" were not matters that were stated in those exact words in the PayPal Announcement. [441]

477. Similarly, he accepted that the statement in the Expert report[442] that, "the transaction had already reached a deal closing stage with no peculiar issue", was not stated in the PayPal

[437] Transcript 18 December 2025 at page 124.
[438] Transcript 18 December 2025 at pages 127-128.
[439] Transcript 18 December 2025 at page 129.
[440] Expert report at paragraph 26.
[441] Transcript 19 December 2025 at pages 6-7.
[442] Expert report at paragraph 28.

Announcement. Rather it was, "his interpretation of the meaning" of the first paragraph of the PayPal Announcement, at Core Bundle page 121.[443]

478. Whilst Mr. Leung accepted that his statement in the Expert report[444] that, "the disposal of the HSC Shares would be concluded in the near term" was, "not exactly as the announcement says", nevertheless he pointed out that the Announcement did state, "…the transaction is expected to close in the first quarter of 2020."[445]

479. Again, whilst Mr. Leung accepted that his statement in his Expert report[446] that there was "a low probability of execution failure" was not stated in the PayPal Announcement and that it was his interpretation of the Announcement, he said that the basis of that interpretation was explained in his report, namely that: [447]

> "…the outstanding conditions and the terms of settlement remained to be satisfied were only the customary ones and the target completion date was about four months at the time."

He added, "…it is quite general and normal for completion of acquisitions."[448]

Forward-looking statements: risks and uncertainties

480. In cross-examination, Mr. Leung rejected Mr Yu's suggestion that the reference in the PayPal Announcement that, "forward-looking statements involve risks and uncertainties" was a matter not mentioned once in his report.[449] On the contrary, he said:

> "In the reports, I did mention that it involves risk… The risk of deal failure. I think on several occasions…. for instance in paragraph 38… You have also quoted before:
>
> > So on and so forth. And also for Information B as well. In 'Moreover, the risks in relation to the completion of the Proposed Acquisition and its execution timeframe have been examined.'
>
> So on and so forth. And also for Information B as well. In paragraph 44: '…would have viewed the risk of the transaction to be completed and proceeds to be received by the Company very low.' "

[443] Transcript 19 December 2025 at page 7.
[444] Expert report at paragraph 29.
[445] Transcript 19 December 2025 at page 8.
[446] Expert report at paragraph 38.
[447] Transcript 19 December 2025 at page 10.
[448] Transcript 19 December 2025 at page 11.
[449] Transcript 19 December 2025 at pages 13-14.

481. Mr. Leung acknowledged that in stating in the Expert report that the risks had been "examined", he meant that was his interpretation of the PayPal Announcement.[450]

482. Having agreed that he did not refer in terms to the statement in the PayPal Announcement in respect of forward-looking statements that there were, "risks and uncertainties", Mr. Leung said that he had not done so because: [451]

> "… the warnings in the announcement, were general in nature. Therefore, I also address the potential risk as a general risk of failure in my statements."

483. In re-examination, Mr. Leung addressed the practice in Hong Kong in respect of such reminders to the market:[452]

> "The typical reminders to the market in a typical listco announcement on acquisition transactions would include the risk of possible deal failure and the caution to deal with the shares of the company."

484. Of the reaction to such reminders of Hong Kong investors, Mr. Leung said:[453]

> "According to my experience, Hong Kong investors would typically perceive these reminders as standard reminder and general in nature."

(i) Security holder and regulatory approval

No expertise in regulatory requirements in the United States of America

485. Of the fact that one of the risks and uncertainties specifically mentioned in the announcement was the timing and possible outcome of security holder and regulatory approvals in connection with the transaction", in cross-examination Mr. Leung acknowledged again that he did not have the expertise to assist as to what regulatory approval of the transaction might be required in the United States of America.[454]

486. On the other hand, in response to the suggestion that he was not in a position to give any assessment of the likelihood of regulatory approval being obtained, Mr. Leung pointed out that the PayPal Announcement stated, "Subject to customary closing conditions, including the

[450] Transcript 19 December 2025 at page 16.
[451] Transcript 19 December 2025 at pages 15-16.
[452] Transcript 19 December 2025 at page 68.
[453] Transcript 19 December 2025 at page 69.
[454] Transcript 19 December 2025 at page 17.

receipt of regulatory approvals, the transaction was expected to close in the first quarter of 2020 ."[455] Of that, he said:[456]

> "Therefore, it is reasonable, I believe, to interpret, and in particular for potential investors to understand, the regulatory approvals mentioned here or involved in this acquisition was not specific…
>
> … I provide my opinion in the statement as an expert that would understand the perspective and view of the potential investors of Dickson Concepts shares here. Thus, the opinion represents what I believe was a reasonable potential investors to believe and interpret."

487. Mr. Leung said that, given that the Announcement did not specify which security holders' approval might be required, he did not know if that was applicable to Honey or PayPal.[457]

(ii) The retention of Honey's employees

488. Of the reference to the "retention of Honey's employees" in the factors listed as risks and uncertainties in the Announcement, Mr. Leung said[458] that, although he did not know whether or not there was a related condition and the agreement between PayPal and Honey, it was to be noted that the Announcement stated specifically:[459]

> "Following the acquisition, Honey will retain its headquarters and brand in Los Angeles, California. Honey's co-founders George Ruan and Ryan Hudson will continue to lead the Honey team as part of PayPal's global consumer products and technology organization…"

(iii) Probability of the deal closing: the need for more information

489. In response to the suggestion in cross-examination that in November 2019, in order to assess the probabilities of the deal closing, "…one would have to look into a lot more than just simply what you can gather from the announcement", Mr. Leung said:[460]

> "I believe in the perspective of the market or the potential investors(,) if we put ourselves in the position of a reasonable potential investor and we look at the PayPal

[455] Core Bundle, page 121.
[456] Transcript 19 December 2025 at pages 17-18.
[457] Transcript 19 December 2025 at pages 19.
[458] Transcript 19 December 2025 at pages 22-23.
[459] Core Bundle at page 120.
[460] Transcript 19 December 2025 at pages 24-25.

> announcement since it did not specify any important or key conditions required for the transaction to be completed. Instead, it specifically mentioned that the transaction subject to customary closing conditions with an expected closing timeline of first quarter 2020. It also spares a paragraph, that is paragraph 5 of page 120 to provide the arrangement of Honey and its co-founders subsequent to the acquisition. Therefore, the risks, the various risks mentioned in the forward-looking statements would have been likely to be general in nature and I believe reasonable potential investors would think that the outstanding risk was low."

490. Mr. Leung responded in the affirmative to the question that, if he had been asked to make such an assessment of the probabilities of the deal closing, would he, "…wish to have more information than what you see in the PayPal announcement, assuming that you get the information?" It was in that context, that he said that he would wish to have the agreement and agreed with the suggestion that advice on regulatory approval from a "US qualified attorney" would be helpful.[461]

491. In re-examination, Mr. Leung said that he didn't think that potential investors would be able to access information about the PayPal/Honey agreement itself, nor would they look to engage a US attorney to advise on what regulatory approvals may be required. Rather, he said of potential investors that, in the process of making their investment decision to trade in Dickson Concepts shares and assessing the likelihood of the deal closing: [462]

> "I think they would probably just simply look at the announcements again and try to search whatever available on the website, and search engines… I believe the main source of information would be the PayPal announcement."

Issue/question (d) -had Information B been generally known to the Potential Investors at any time between 27 December 2019 and 9 January 2020, would it have been likely to materially affect the price of Dickson Concepts shares?

492. Mr. Leung noted in his Expert report that Information B indicated that the Proposed Acquisition would be completed in January 2020 and proceeds would exceed US $140 million, of which the bulk would be paid in January 2020.[463] The proceeds from the disposal would be US $20 million higher than that described in Information A and payment of the bulk of those

[461] Transcript 19 December 2025 at pages 26-27.
[462] Transcript 19 December 2025, at page 66.
[463] Expert report at paragraph 30.

proceeds would be made in around or less than one month. Further, he noted that the disposal profits for Dickson Concepts would be at least HK $871 million, so that the accretion to net asset value of Dickson Concepts shares would be over 35%.[464] That was equivalent to HK $2.21 per Dickson Concepts shares.[465]

493. In his opinion that information would have, "attracted the potential investors to buy/refrain from selling DC shares". Further, the closer completion timeline would have reduced the "risk of deal failure". In the result, it was his opinion that, if information been generally known to the Potential Investors at any time between 27 December 2019 and 9 January 2020, "it would have been very likely to materially affect the price of Dickson Concepts shares."[466]

Reassessed fair value: net asset value approach

494. Having noted from the Historical Stock Data[467] that in the period 27 December 2009 to 9 January 2020 the daily Low was HK $ 3.61, on 2 January 2020, and the daily High was $3.90, on 27 December 2019, Mr. Leung said that the reassessed fair value range of Dickson Concepts shares on a net asset value approach, increased at a rate of 35%, was between HK $4.86 and HK $5.25.[468]

Reassessed value: dividend payout approach

495. Having noted that Dickson Concepts had a three-year average dividend payout ratio of 46%[469], applying that to the disposal gain per share would result in a payout of $1.01 per share. Accordingly, on that approach it was his opinion that the price at which Dickson Concepts shares would have traded had Information B been known to potential investors was in the range of HK $4.62 and HK $4.91.[470]

Issue/question (e)-factors taken into account in reaching that opinion

496. Mr. Leung noted that Information B contained more detailed than Information A as to the payment arrangements, namely that US $130 million would be paid in the first wire upon completion, with US $10 million held in escrow against any further transaction price adjustment. Payment was to be made in January 2020, which was "more impending". In those

[464] Expert report at paragraph 31.
[465] Expert report at paragraph 41.
[466] Expert report at paragraph 32.
[467] Expert Volume 3 pages 1277-1279, extracted as Appendix 3.
[468] Expert report at paragraph 42.
[469] Expert report at paragraph 37.
[470] Expert report at paragraph 43.

circumstances, it was his opinion that potential investors would have viewed the risk of, “the transaction to be completed and proceeds to be received by the Co

CHAPTER 13

Insider Dealing

497. Section 270(1) of the Ordinance provides that insider dealing in relation to a listed corporation takes place-

> "(a) when a person connected with the corporation and having information which he knows is inside information in relation to the corporation-
>
> (i) deals in the listed securities of the corporation…"

Inside information

498. Section 245(2) of the Ordinance provides that inside information**,** in relation to a corporation, means specific information that is about the corporation or the listed securities of the corporation and is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities.

Stipulation of the inside information

(i) The Commission's Notice

(a) Information known to Dickson Poon and Pearson Poon

499. In compliance with the requirements of section 252(2) and paragraph 13 of Schedule 9 of the Ordinance, the Commission's Notice to the Tribunal included a 'Statement of Institution of Proceedings', which amongst other things addressed the requirement to provide, "such brief particulars as are sufficient to disclose reasonable information concerning the nature and essential elements of the market misconduct".[471] Under the heading, '**Information known to Dickson Poon and Pearson Poon**', a brief description was provided in chronological sequence of the contents of a series of 5 emails sent on 21 and 22 November 2019. First, reference was made to the email sent by:

- Pearson Poon to Sir Dickson at 2:48 p.m. on 21 November 2019;
- Sir Dickson to Yinne Yu's 3:45 p.m. on 21 November 2019;
- Sir Dickson to Pearson at 3:47 p.m. on 21 November 2019 (first email); and
- Yinne Yu to Sir Dickson at 9:13 a.m. on 22 November 2019.

[471] Paragraph 13(b) of Schedule 9 of the Ordinance.

(b) Inside Information in relation to Dickson Concepts

500. Under the heading, '**Inside Information in relation to Dickson Concepts**', the Notice ascribed the description "(**Information A**)" to what it asserted was, "The information in the 1st Email, namely that:[472]

> "…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 billion in the following months **(Information A)**".

501. The Notice went on to assert that the information in the 1st Email was, "specific information about Dickson Concepts and its listed securities."[473] Further that:[474]

> "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."

Finally, it was asserted that, "Information A was accordingly "*inside information*" within the meaning of sections 245(2) and 307A(1) of the Ordinance."[475]

Instructions to Expert

502. In its Instructions to its expert witness, Mr. Leung, the Commission repeated that formulaic description of Information A, apart from omitting specific reference to Yinne Yu's email to Sir Dickson and Pearson Poon at 1:58 p.m. on 21 November 2019, but rather referring to the date only, and by describing Honey as HSC and the Investment as HSC shares.

503. Notwithstanding the Commission's use of the formulaic description "Information A" to describe the information which constituted 'inside information', it is abundantly clear that the primary foundational evidence was the email sent at 1:58 p.m. on 21 November 2019 from Yinne Yu to Sir Dickson and Pearson Poon, which made available and led to other pieces of insider information.

---

[472] Commission's Notice at paragraph 19.
[473] Commission's Notice at paragraph 19.
[474] Commission's Notice at paragraph 20.
[475] Commission's Notice at paragraph 21.

Yinne Yu's email to Sir Dickson and Pearson Poon-1:58 p.m. on 21 November 2019

504. The significant information in Yinne Yu's email to Sir Dickson and Pearson Poon - 1:58 p.m. on 21 November 2019 was stated succinctly as being:[476]

> "Honey - the company has an acquisition offer from PayPal. The price of this transaction has been agreed on and was announced today (4B cash offer https://www.paypal.com/stories/us/paypal-to-acquire-honey). That puts our stake at well over 100M and our investment multiple at >25x MoM." The net gain from the above 2 deals is 100M+."

505. Having also referred to Dickson Concepts' investment in Hollar, in particular that, "the company has an acquisition offer from a strategic named Five Below. The price is still in discussion this week but will not be high, likely in the single digit millions", Yinne Yu wrote:

> "Both deals should close 1Q 2020.I'll come back to you with more details on legal docs and price / share of the acquisitions (the exact amount that will return to us)."

PayPal's Announcement: 20 November 2019

506. There is no dispute that Sir Dickson and Pearson Poon accessed the PayPal Announcement, dated 20 November 2019, by use of the Link provided in Yinne Yu's email to them, dated 21 November 2019 and that they each did so soon after having received the email.

507. At the outset of the Announcement made under the heading, 'PayPal to Acquire Honey', it was asserted:

> "SAN JOSE, Calif., Nov. 20, 2019 /PRNewswire/ -- **PayPal Holdings, Inc.** (NASDAQ: PYPL) today announced that it has agreed to acquire **Honey Science Corporation**, a rapidly-growing technology platform for shopping and rewards, for approximately $4 billion."

508. Clearly, that statement by PayPal was confirmation of Yinne Yu's statement in her email that agreement had been reached between Honey and PayPal as to the price of $4 billion for the acquisition Honey by the latter.

509. Moving from a description of a past event to an anticipated future event, the Announcement asserted:

---

[476] Core Bundle page 151.

"Subject to customary closing conditions, including the receipt of regulatory approvals, the transaction is expected to close in the first quarter of 2020."

510. Of such a future event or performance, the Announcement went on to state:

"**Forward-Looking Statements**

This announcement contains "forward-looking" statements within the meaning of applicable securities laws. Forward-looking statements and information relate to future events and future performance and reflect PayPal's expectations…"

511. Having said that, "Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the statements made, and, accordingly, readers should not place undue reliance on forward-looking statements and information", the Announcement went on to identify particular factors as including, but not being limited to:

"…the timing and possible outcome of security holder and regulatory approvals in connection with the transaction, the possibility that the transaction may not close, the reaction to the transaction of Honey's customers and business partners, the reaction of competitors to the transaction, the retention of Honey's employees…"

Webcast/Conference Call discussion

512. In addition, the Announcement informed readers that:

"**Webcast and Conference Call information**

PayPal will host a conference call to discuss the transaction at 2:00 p.m. Pacific Standard Time (PST) today. A live webcast of the conference call, together with a slide presentation, can be accessed through the company's investor relations website at https://investor.paypalcorp.com. In addition, an archive of the webcast will be accessible for 90 days through the same link."

Slide presentation

513. In the slide presentation, under the heading, "Transaction Overview", it was asserted that:

"Transaction Consideration

- $4.0 billion purchase price on a cash-free/debt-free basis, subject to certain adjustments
- Cash consideration to be financed with available cash".

514. As noted earlier, although Sir Dickson acknowledged that, although he had read the information in PayPal's Announcement of the fact of its Conference Call to discuss the transaction and its availability on a webcast and archive thereafter, he had not accessed PayPal's website at any time. He said that he had not done so because he thought that it would contain no more details than the Announcement.[477] Clearly, Sir Dickson was incorrect in making that assumption: the slide presentation provided a statement from PayPal, absent from its Announcement, not only that payment for the acquisition was to be made in "available cash" but also that the purchase price was on, "a cash-free/debt-free basis, subject to certain adjustments." For his part, Pearson Poon merely said that he had not taken part in the webcast.[478]

515. We accept Mr Benjamin Yu's submission that Sir Dickson's evidence that he had not accessed the Website Conference Call Link was not challenged in cross-examination.[479] Furthermore, the available records of those who did access that Link contain no reference to either Sir Dickson or Pearson Poon.[480] Accordingly, we accept Mr. Yu's submission that the alleged inside information actually obtained by Sir Dickson did not include the information made available by clicking on the link to PayPal's Webcast Conference call site, in particular the slide presentation.

Johnny Chan's email to Sir Dickson- 3:08 p.m. on 21 November 2019: valuation of Dickson Concepts/Kinford's holding in Honey

516. In an email to Sir Dickson Poon, sent at 3:08 p.m. on 21 November 2019, Johnny Chan described the initial investment by Dickson Concepts/Kinford in October 2016 in Honey of, " USD5M". Of subsequent developments, he wrote:[481]

> "In May 2019, we were advised that the pre-money valuation was USD700M before Series D issue for USD17M and our fully-diluted shareholding was 3.5374%.
>
> Based on Series D issue price of USD 1.0254 per share, the value of our investment was USD 25,464,178. We discounted about 25.7% and revalued the investment at USD18.9M at the last year end closing at 31/3/19.
>
> If the current valuation is USD1b, the value of our share should be USD35,374,000".

[477] Transcript 23 December 2025 at pages 60-61.
[478] Transcript 26 March 2026 at page 34
[479] Transcript 28 April 2026 at page 74.
[480] Exhibits Bundle 9, pages 4503-4521.
[481] Core Bundle page 152.

517. Sir Dickson forwarded that email of Johnny Chan to Pearson Poon at 3:47 p.m. on 21 November 2019.[482]

518. In an earlier email to Pearson Poon, also sent at 3:47 p.m., Sir Dickson responded to Pearson Poon's earlier message, sent at 2:48 p.m. on 21 November 2019, in which the latter had written, "Wow… good to see a bit of good news 😁😁", by writing:[483]

> "Indeed and it looks like it's real from the announcement! I will forward to you Johnny's calculation on our share of profit which amounts to approximately $120m!"

519. Finally, there was an exchange of emails between Sir Dickson and Yinne Yu, in which in response to her email to him and Pearson Poon on 21 November 2019, Sir Dickson wrote:

> "That's wonderful news. I suppose there shouldn't be any regulatory issues given the size of Honey?"

520. In her response sent on 22 November 2019, Yinne Yu wrote:[484]

> "PayPal is a payment business whereas honey an e-commerce tool. The acquisition would not help PayPal egregiously consolidate market share but deepens the relationship they have with existing merchants and customers. So no I don't think there will be regulatory issues."

Key constituent parts of the alleged inside information

521. Clearly, the key constituent parts of the alleged inside information had their provenance first, in Yinne Yu's email to Sir Dickson and Pearson Poon and secondly, in the PayPal Announcement, access to which was obtained through the Link provided by Yinne Yu in her email.

522. The key constituent parts were that:

(i) Honey and PayPal had agreed the price of the acquisition of Honey by PayPal.

- Yinne Yu's email stated, "The price of this transaction has been agreed on and was announced today (4B cash offer)", and provided a Link to the PayPal Announcement; and
- The PayPal Announcement stated the acquisition to be, "…for approximately $4 billion."

[482] Core Bundle page 152
[483] Core Bundle page 151.
[484] Core Bundle page 149.

(ii) the deal should close 1Q 2020.

- Yinne Yu's email stated of Hollar and PayPal, "Both deals should close 1Q 2020"; and
- the PayPal Announcement stated, "Subject to customary closing conditions, including receipt of regulatory approvals, the transaction is expected to close in the first quarter of 2020."

523. Both the Yinne Yu email and the PayPal Announcement adverted to an element of uncertainty in respect of a future occurrence, namely the closing of the transaction. Yinne Yu said the deal "*should* close 1Q 2020". [Italics added.] The Announcement adverted to "customary closing conditions", in particular "regulatory approvals". Moreover, having stated that "forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the statements made", the Announcement enumerated a series of such factors.

Other constituent parts of the alleged inside information

524. Clearly, the third constituent part of the alleged inside information, known to Sir Dickson and Pearson Poon, was not only that, through its wholly-owned subsidiary Kinford, Dickson Concepts had a holding in Honey but also the calculation of the current valuation, which was set out by Johnny Chan in his email to Sir Dickson on 21 November 2019, namely USD 35,374,000, "If the current valuation of Honey is USD 1b". Sir Dickson had forwarded the email to Pearson Poon at 15:47 p.m. on 21 November 2019.

525. On the other hand, on a valuation of Honey of US$4 billion, the holding in Honey by Dickson Concepts/Kinford was to be valued at US $141,496,000. In his email to Sir Dickson, Johnny Chan had described the discounted revalued investment in Honey as being, "USD 18.9M at the last year end closing at 31/3/19." Accordingly, less that valuation of US$18.9 million, the profit on disposal of its interests in Honey to Dickson Concepts was US $122,596,000. It is to be noted that in his email to Pearson Poon at 15:47 on 21 November 2019, Sir Dickson wrote, "I will forward to you Johnny's calculation on our share of profit which amounts to approx. $120M!"

526. We are satisfied that is the arithmetic calculation that Sir Dickson had performed to enable him to assert to Pearson Poon that, "our share of profits… amounts to approx $120 m!"

Specific information

527. In his written closing submissions on behalf of Dickson Concepts, Mr Ambrose Ho submitted that the information in the PayPal Announcement, dated 20 November 2019, and Yinne Yu's email to Sir Dickson and Pearson Poon sent at 1:58 p.m. on 21 November 2019, was not 'specific information' within the meaning of section 307 A of the Ordinance[485]: "… the information regarding the Proposed Acquisition was not sufficiently certain": "The PayPal Announcement was a unilateral announcement, not a joint announcement of PayPal and Honey"; moreover, neither PayPal nor Honey had ever approach Dickson Concepts/Kinford regarding the proposed acquisition.

528. Also, reliance was placed on Johnny Chan's evidence in cross-examination, which it was contended was to the effect that, "…the PayPal Announcement would not have impacted the fair value of Kinford's stake in Honey or the net value of the company as it was a mere proposal and had not been consummated. So it was not the case that the PayPal Announcement would have any direct impact (material or otherwise) on the Company's financial position."

529. Of the latter submission, is to be noted that Johnny Chan's evidence had been elicited from the question in cross-examination:[486]

> "…if you had become aware of this announcement at page 120 by the time of your audit clearance meeting with KPMG how would it have affected the publication of the interim results for the six months ended 30 September 2019."

530. In response, Johnny Chan said:

> "In my opinion the transaction, the proposed transaction, is not a consummated transaction which I could rely on to revalue the fair value of Honey Science in accordance with the accounting policy of the company. As I've just explained to the Tribunal, the company's accounting policy was to assess the fair value using risk-adjusted recent financing approach, or, transaction price in recent transactions. So I don't think this proposed transaction could be considered as a consummated transaction to be relied on to reassess the fair value, and without a significant revaluation or changes in the fair value of Honey, I don't think there is anything impact or it's unlikely to have

[485] Written Closing submissions at paragraph 6
[486] Transcript 24 March 2026 at page 59.

any impact to the financial statements in accordance with the company's accounting policy."

531. With respect, a consideration of the application of Dickson Concepts' accounting policy in respect of reassessment of a valuation of fair value is in no way determining of the issue of whether the information was specific.

532. In his oral closing submissions, Mr Ambrose Ho acknowledged that the Commission had identified the inside information as being:

> "PayPal announcement, Yinne's email to Sir Dickson, 21 November at 1:58 p.m., and then perhaps also Johnny's calculation and Sir Dickson and Pearson's exchange of emails about good news and profit of $120 million-plus."[487]

Specific information about Dickson Concepts/Kinford

533. Mr. Ho submitted that it was a necessary element of "inside information" that it be "specific information" about Dickson Concepts or Kinford, its subsidiary.[488] In considering the inside information, focus was required on the question: [489]

> "What is going to happen to Kinford's holding in Honey, it's 3.5 something percent of shares in Honey?"

Of that holding, it was noted, "potentially that may be affected by the potential acquisition."[490]

(i) Pay Pal Announcement

534. Notwithstanding his acknowledgement that the PayPal Announcement identified as one of the factors that could cause or contribute to differences between forward-looking statements and actual results as being, "…the timing and possible outcome of security holder and regulatory approvals in connection with the transaction," nevertheless, Mr. Ho submitted that, "…there is nothing mentioned specifically in relation to Honey's shareholders." [491] Subsequently, in respect of the statement in the PayPal Announcement that PayPal "…agreed to acquire Honey for approximately $4 billion", in answer to the Chairman's question of, "what was to be acquired?" Mr. Ho said "Some interest in Honey. Shareholding, perhaps, in Honey."[492]

---

[487] Transcript 18 May 2026 at page 35.
[488] Transcript 18 May 2026 at page 32.
[489] Transcript 18 May 2026 at page 32.
[490] Transcript 18 May 2026 at page 35
[491] Transcript 18 May 2026 at page 38.
[492] Transcript 19 May 2026 at pages 6-7.

(ii) Yinne Yu's email-21 November 2019

535. Of Yinne Yu's email, dated 21 November 2019, having acknowledged Yinne Yu's statement in the email, "That puts our stake at well over 100 M", Mr. Ho made the same point, "…the holding in Honey and the estimated or projected profit, it is not specific information about Honey's acquisition of the Kinford shares. It is not specific information, it's how the Kinford shares will be affected."[493] Mr. Ho added, "…this email again says nothing about PayPal's acquisition of Kinford's holding in Honey."[494]

Emails Yinne Yu/Chris Grogan- 21 to 25 November 2019: price not crystallised/no consideration mechanism

536. Although there was no evidence that emails exchanged between Yinne Yu and Chris Grogan of Honey on and between 21 and 25 November 2019 were disclosed at any relevant time to the directors and staff members of Dickson Concepts, Mr Ho invited the Tribunal to note that in response to Yinne Yu's invitation in an email, sent on 21 November 2019[495], to Chris Grogan to "confirm the acquisition price/share", he had responded in an email, sent on 24 November 2019, "…the final share price won't be determined until we reach closing, but we are expecting that to be above $5 /share. We will be in touch as the process moves forward."

537. Of that exchange, Mr. Ho submitted, "Now, not only is the price not crystallised, nor is the mechanism of how Kinford or DCIL is going to derive that profit crystallised. No. There is nothing in this exchange of emails that talks about that mechanism at all. How much is Kinford expected to have to sell to PayPal, what is the exact mechanism that Kinford should expect to derive to gain that 120 billion profit. Nothing here. The mechanism is simply not here."[496]

(iii) Johnny Chan's email to Sir Dickson- 3:08 p.m. on 21 November 2019

538. Of Johnny Chan's email to Sir Dickson, sent at 3:08 p.m. on 21 November 2019, Mr. Ho invited the Tribunal to note that although Johnny Chan had written, "If the current valuation is USD 1b, the value of our stake should be USD 35,374,000", he had added "but I don't know if there is any change in shareholding since last update."[497] Mr. Ho submitted, "…the shareholding, was it the 3.5 or could it be a change of the shareholding in Honey, one has to ascertain before one can say, "Well, this is the definite amount of shares that Kinford holds in

[493] Transcript 18 May 2026 at page 40.
[494] Transcript 18 May 2026 at page 41.
[495] Core Bundle page 153.
[496] Transcript 18 May 2026 at pages 42-43.
[497] Core Bundle page 152.

Honey." He doesn't know at that point."[498] Mr Ho had made the same point in his Written Closing submissions.[499]

Determination

539. With respect, we have no hesitation whatsoever in rejecting Mr. Ho's first submission that the information in the PayPal Announcement was not sufficiently certain to be specific. The information described there was of an agreement by PayPal to acquire Honey for a price of "approximately US $4 billion". Further, as noted in Yinne Yu's email, payment of the consideration was to be in cash. Clearly, that was the most simple method of payment of consideration. Nevertheless, the agreement was subject to customary closing conditions, including regulatory approvals. The attendant "risks and uncertainties", of which the reader of the Announcement was warned, included that the "transaction may not close". On the other hand, the statement that the "transaction is expected to close in the first quarter of 2020" meant that the expecting closing was in a period of between about six weeks and 4 ½ months from the date of the Announcement. Whilst the Announcement was not a Joint Announcement of PayPal and Honey, the contents of the Announcement spoke eloquently not only as to the agreement of Honey but also as to future cooperation with PayPal, from the photograph of the beaming co-founders of Honey to the text of their intended role in the business after its acquisition by PayPal and the stated intention that Honey would retain its headquarters and brand in Los Angeles, California. We are satisfied that the there was a substantial commercial reality to the agreement.

540. Having regard to the fact that the PayPal Announcement stated not only that PayPal had agreed to acquire Honey but also identified, "…the timing and outcome of stockholder approval … of the transaction", we are satisfied that Mr. Ho was correct to acknowledge that first, that what was to be acquired was, "shareholding, perhaps in Honey" [500] and secondly, that the approval of the shareholders was required : " Yes, it is obvious that it is envisaged that PayPal or Honey will have to go to the shareholders and ask for their approval what was to be acquired.:[501] As a corporation incorporated in the State of Delaware in the United States of America, Honey was owned by its shareholders. It followed that in implementing the Announcement of PayPal's agreement "to acquire Honey", clearly the element of consideration

[498] Transcript 18 May 2026 at page 50.
[499] Written Closing submissions at paragraph 31.1.
[500] Transcript 19 May 2026 at page 7.
[501] Transcript 18 May 2026 at pages 64-65.

in the agreement was to be paid to shareholders of Honey to acquire or extinguish their rights. The overall consideration was stated to be "approximately $4 billion". Johnny Chan's email to Sir Dickson, sent at 3:08 p.m. on 21 November 2019, in which he calculated, "…the value of our stake should be USD 35,374,000" on a valuation of Honey of, "USD 1b", was stated to be based on the advice in May 2019 that Kinford's "fully-diluted shareholding" in Honey of 24,834,600 shares was 3.5374%. It was to be implied from that valuation, that one share in Honey was valued at US $5.697 per share. However, given that the agreement to acquire Honey was stated to be for "approximately $4 billion" clearly it was not appropriate or proper to attempt to identify the precise payment that would be made per share in consideration for the shareholders rights being extinguished. Nevertheless, whilst not precise we are satisfied that, the information was specific.

541. Of the *caveat* that Johnny Chan had expressed in the last sentence of his email to Sir Dickson, namely "I don't know if there is any change in the shareholding since last update", it is to be acknowledged that was a further reason making it inappropriate to seek to identify the precise payment that would be made per share in consideration for the shareholders rights being extinguished. In that context, it is to be noted that, in an exchange of emails with Yinne Yu on 29 and 30 October 2019,[502] Johnny Chan had sought information as to the latest valuation of the unlisted investments held by Dickson Concepts, including Honey, in respect of which he stated that it held 24,834,600 shares in Honey. Further, he asked for information of the "total number of shares issued and to be issued." In her reply, Yinne Yu said, "We should hold price/share of all the above at the same level as last reporting. I shall ask the companies for latest share count." No further information was forthcoming from Yinne Yu on that subject until after her email to Sir Dickson, sent on 25 December 2019. On the other hand, it is to be noted that Dickson Concepts Interim Report, published on 27 November 2019, described 'Unlisted equity securities designated at fair value through profit or loss', as at 30/9/2019, as being HK $224,452,000 compared with $224,710,000, as at 31/3/2019.[503]

542. The fact that the information contained in the documents considered above did not identify the mechanism by which the shares of those holding shares in Honey were to be acquired or extinguished is nothing to the point. Whatever method was used, clearly consideration was to be paid by PayPal to those holders of Honey shares.

[502] SP3 at page 1017.
[503] Exhibits Bundle Volume 1 at page 397.

Conclusion

543. We are satisfied that the information that we have identified above was specific information about Dickson Concepts/Kinford.

Not generally known to the persons who are accustomed or would be likely to deal in the shares of Dickson Concepts

544. We have no hesitation at all in being satisfied that the inside information that is described above was not known to those who were accustomed to or were likely to deal in the shares of Dickson Concepts, both institutional and retail investors. First and foremost, Dickson Concepts holding in Honey was not disclosed to shareholders or the public. In the 2019 Annual Report it was entirely unparticularised and unidentifiable, being listed merely as investments in 'Unlisted Equity Securities designated at fair value through profit and loss'.[504] Although information about PayPal's acquisition of Honey was made public in PayPal's Announcement, dated 20 November 2019, shareholders of Dickson Concepts and potential investors had no basis to connect that information with the potential benefit to shareholders of Dickson Concepts.

If the alleged inside information, had been generally known to those who were accustomed to or would be likely to deal in Dickson Concepts shares on and between 21 November 2019 and 9 January 2020, would it have been likely to materially affect the price of Dickson Concepts shares?

545. The next issue that arises for the Tribunal to address is: if the alleged inside information described above had been generally known to those who were accustomed to or would be likely to deal in Dickson Concepts Shares at any time on and between 21 November 2019 to 9 January 2020, would it have been likely to materially affect the price of Dickson Concepts shares?

Objective assessment

546. The resolution of that issue requires an objective assessment. In making that assessment, the Tribunal has had regard to all of the relevant evidence including, in particular, the factors adverted to in the evidence of the Specified Persons. The objective nature of that assessment is to be contrasted, if the Tribunal answered the question posed above in the affirmative, with the subjective assessment then required of the Tribunal of whether Sir Dickson knew the information to have that quality.

[504] Exhibits Volume 1 at page 203.

547. We are satisfied that is the appropriate approach to identifying whether or not this ingredient of the misconduct of insider dealing is satisfied. In so determining, we are conscious that the Commission addressed the issue in what we have described as a formulaic style, namely that information was known to a particular group of persons, but not potential investors in Dickson Concepts generally, in the assertion that:

> "On 21 November 2019, PayPal *would acquire* the entire HSC for approximately US $4 billion and, as a result, Dickson Concepts *would receive*, as proceeds from its disposal of the HSC shares, approximately US $120 million in the following months (Information A)". [Italics added.]

Information A: Commission's inaccurate formulation of relevant alleged inside information

548. We are satisfied that there is force in Mr. Benjamin Yu's written closing submissions that, in its articulation of Information A, the Commission introduced "a gloss of certainty" on the information received by Sir Dickson in November 2019. In his closing written submissions, Mr. Ambrose Ho made similar submissions.[505] Neither the phrase "**would acquire**", Honey, nor the phrase "**would receive**", approximately US $120 million, appeared in the PayPal Announcement nor, for that matter, in Yinne Yu's email. Rather, the PayPal Announcement stated that PayPal "has agreed to acquire "Honey, whereas Yinne Yu's email stated that Honey, "has an acquisition offer from PayPal. The price of this transaction has been agreed and was announced today (4B cash offer..)" Nevertheless, although there was no reference to "$120 million" in either the PayPal announcement or in a Yinne Yu's email, there was reference to that amount of money in Sir Dickson's email to Pearson Poon at 15:47 p.m. on 21 November 2019 in which he wrote, "I will forward to you Johnny's calculation on our share of profits which amounts to approx $120 m!" So, the inaccuracy related only to the, "gloss of certainty" as to the acquisition of Honey by PayPal i.e., 'would acquire', and as to the receipt by Dickson Concepts of US $120 million i.e., 'would receive'.

549. There is some force in Mr. Yu's criticism that the Commission's formulation of Information A ignored the element of uncertainty of completion of the acquisition adverted to in the forward-looking statements set out in the PayPal Announcement. That the completion of the deal was a conditional, future event was made readily apparent by the reference in Yinne Yu's email that the deal "*should* close 1Q 2020" [italics added] and the statement in the PayPal

[505] Closing submissions at paragraphs 3-5.

Announcement that, "Subject to customary closing conditions, including receipt of regulatory approvals, the transaction is *expected* to close in the first quarter of 2020." [Italics added.]

550. Given that the information that constituted the alleged inside information was encompassed entirely in documentary form of relatively narrow compass, in emails and the PayPal Announcement, it is not clear why the Commission felt it necessary to seek to reduce the alleged inside information to the formula set out in Information A. However, having done so it was necessary to describe the alleged inside information accurately. To the extent identified earlier, the statement made in Information A, did not do so.

551. As we have stated, we are satisfied that the issue is to be resolved by an examination by the Tribunal of the primary documents that we have identified earlier as constituting the alleged insider information.

Criticism of Mr. Leung's evidence

552. In his written submissions, Mr. Yu submitted that: [506]

> "Leung (or the SFC's) subjective interpretation of the PayPal Announcement is demonstrably flawed. More importantly it is irrelevant. It would be wrong in law for the Tribunal to adopt Leung's opinion as the correct objective meaning of the PayPal Announcement."

In those circumstances, it was contended that the Tribunal cannot rely on Mr. Leung's evidence to be satisfied that the alleged inside information was price sensitive. Of the issue of the certainty/uncertainty of the transaction completing, in his oral closing submissions Mr. Yu submitted: [507]

> "…this is not something that the Tribunal should be receiving evidence, because the evidence from a witness can only be his subjective understanding."

553. In response to enquiries from the Chairman, Mr. Yu acknowledged that no objection had been taken to the admissibility of such evidence from Mr Leung, "Not specifically."[508] Nevertheless, Mr. Yu confirmed that it was his submission that such evidence was, "outside his expertise".[509]

---

[506] SP1 and SP2's Written Closing at paragraph 96.
[507] Transcript 29 April 2026 at page 151.
[508] Transcript 29 April 2026 at pages 151-152.
[509] Transcript 29 April 2026 at page 157.

554. Further, as had been advanced in cross-examination repeatedly, Mr. Yu contended that Mr. Leung simply adopted the formula articulated in Information A, in what was asserted to be his assumption. His claim that he arrived at the same opinion was manifestly flawed.

Lack of expertise

555. Mr. Yu contended that Mr. Leung lacked the expertise to assess the "certainty of the Proposed Acquisition". He had acknowledged that he was not a "US law (yer) or an M & A expert" and that he had no expertise in investment exits from "US start-ups" or exits or mergers of a technology company like Honey.[510]

556. Similarly, given his lack of expertise, Mr. Leung was not in a position to give the opinion that [511], "…in particular for investors only familiar with Hong Kong, I think they would have anticipated if there is any important and specific conditions to be fulfilled they would have been included in the announcement."[512] Mr. Yu contended that, "Typically specifics of the deal would be subject to confidentiality."

Forward-looking statements: risks and uncertainties

557. Mr. Yu reminded the Tribunal that, although Mr. Leung had referred to the two paragraphs of text beneath the heading Forward-looking statements in the PayPal's Announcement and testified that similarly worded statements appeared in "acquisition announcements in the US", he did not provide the Tribunal with any examples. He had been invited to do so by the Chairman. In those circumstances, it was submitted that Mr. Leung's opinion in his oral evidence-in-chief that, "potential investor would likely to believe that these statements or similar statements would appear in most of the other announcements, and not specific to this PayPal acquisition of Honey Science"[513] was, "of little value."

The need for more information

558. Mr. Yu submitted that Mr Leung had conceded that, if he had been asked to make an assessment in November 2019 of whether the deal would close, he would have wished to have more information, including the Merger Agreement and to have advice as to the regulatory requirements in the United States of America. In consequence, it was contended that his, "opinion that the proposed acquisition is certain from the PayPal announcement (is)

[510] Written Closing submissions at paragraph 110.1-110.3.
[511] Transcript 18 December 2025 at pages 32-33.
[512] Written Closing submissions at paragraph 115.
[513] Transcript 18 December 2025 at page 37.

incorrect."[514] Needless to say, notwithstanding his acceptance in cross-examination of a suggested "wish list" of information, in re-examination Mr. Leung stated the obvious, namely that a potential investor in Dickson Concepts would not be able to access the Honey/PayPal Merger Agreement nor would such an investor engage a US attorney for advice.[515]

559. In his concluding oral submissions, Mr. Yu confirmed that he invited the Tribunal to reject all of Mr. Leung's evidence, save for his opinion as to, "who are the likely people to deal in the shares". That was a matter within his expertise.[516]

A consideration of submissions

Assumptions not factually based opinions

560. Central to Mr. Yu's submission was the allegation that Mr Leung's statements in his Expert report were not his opinion, rather they were based on his 'assumptions', derived from the incorrect formulation of the alleged insider information stipulated in Information A.

561. As noted earlier, in his report Mr. Leung had identified the material provided to him by the Commission in the Instructions to him to provide his opinions. That material included the documents identified earlier in this report as constituting the alleged insider dealing information. In his oral evidence-in-chief, Mr. Leung said that he had regard to those primary documents when he expressed his opinions about Information A. In cross-examination, in response to the repeated allegation, that his statements were not his opinion but rather they were based on his 'assumptions', Mr. Leung repeatedly denied that to be the case:

- "I've also referred to the material that's provided to me, including the PayPal announcement regarding it's agreed to acquire Honey Science, the proceeds, which is US $4 billion and the emails;"[517]
- "But, at the same time, as I mentioned, I also refer to the material I've been given, including the PayPal announcement";[518]
- "…but again, I also refer to the other material that's provided to me… The other material provided to me, including the PayPal announcement and the emails."[519]

[514] Written Closing submissions at paragraph 123.
[515] Transcript 19 December 2025 at page 66.
[516] Transcript 29 April 2026 at page 166.
[517] Transcript 18 December 2025 at page 124.
[518] Transcript 18 December 2025 at page 127.
[519] Transcript 18 December 2025 at page 129.

- "Again this is only--not took it as assumption. I also double-checked those descriptions with the facts put in front of me, including the PayPal announcement and the emails, to arrive my opinion to provide my opinion on that."

562. As an illustration of his regard to the primary documents, in cross-examination Mr Leung referred to paragraph 38 of his written report in which he stated, "…the risks in relation to the completion of the proposed acquisition and its execution timeframe had been examined." He agreed that by that statement he meant that he had examined the issue of that risk on the basis of the PayPal Announcement.[520] Of that examination, he had stated in his report:

> "…the outstanding conditions of the terms of settlement remain to be satisfied with only customary ones and the target completion date was about four months at the time"

563. In the result, Mr. Leung went on to express his opinion of the assessment that would have been made of the information by the reasonable potential investor in Dickson Concepts:[521]

> "…if we put ourselves in the position of a reasonable potential investor and we look at the PayPal announcement since it did not specify any important or key conditions required for the transaction to be completed. Instead, it specifically mentioned that the transaction subject to customary closing conditions with an expected closing timeline of first quarter 2020. It also spares a paragraph, that is paragraph 5 of page 120 to provide the arrangement of Honey and its co-founders subsequent to the acquisition. Therefore, the risks, the various risks mentioned in the forward-looking statements would have been likely to be general in nature and I believe reasonable potential investors would think that the outstanding risk was low.

564. With respect, we do not accept Mr. Yu's implicit overarching invitation to simply reject Mr. Leung's evidence as being based on 'assumptions' derived from the incorrect formulation of the relevant inside information as stipulated by the Commission in Information A. In having regard to Mr Leung's evidence, we have taken into account the other criticisms made of that evidence by Mr. Yu. and Mr. Ho. Obviously, the evidence relevant to the Tribunal's considerations was Mr Leung's opinion as to the assessment of the information by the shareholders and potential investors in Dickson Concepts, not the statements he made of what he said was his opinion.

---

[520] Transcript 19 December 2025 at pages 15-16.
[521] Transcript 19 December 2025 at pages 24-25.

PayPal: a substantial global business

565. In determining whether the information in the alleged insider information was such that, if it was known to those who were accustomed to or would be likely to deal in Dickson Concepts' shares, it would materially affect the price of those shares, the starting point is the fact that the Announcement was made by PayPal. In cross-examination, Sir Dickson acknowledged that he knew PayPal to be a payment platform and a successful company: "I think it's a big company because, again, because of its reputation and that it was listed."

566. The Announcement itself provided some information about the status of PayPal. First, that PayPal Inc. was listed on NASDAQ as PYPL. Then, it provided a thumbnail sketch description of PayPal and a link to its website:[522]

> "**About PayPal**
>
> PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering 300 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information visit paypal.com."

567. As Mr. Leung wrote in the summary he provided, at the request of the Tribunal, of information about PayPal available from its website and that of Yahoo! Finance during the Relevant Period, PayPal's market capitalisation was huge, namely in the range of US $119.6 billion and US $133.7 billion. In the Full Year 2019, its Revenue was US $17.77 billion.

568. The Link to PayPal's website having been provided in the Announcement itself, clearly that kind of information was readily available to potential investors in Dickson Concepts shares. Obviously, PayPal, the provenance of the Announcement, was a very substantial global business. We are satisfied that was one of the important factors relevant to an objective assessment of the alleged inside information.

569. Amongst the factors repeatedly identified by Sir Dickson as relevant to an objective assessment of the issue was the fact of the multiple *caveats* to the deal closing described in the Forward-looking statements in the PayPal Announcement, dated 20 November 2019.

[522] Core Bundle page 121.

Forward-looking statements

570. Of the text in the PayPal Announcement under the heading, Forward-Looking Statements, in his evidence-in-chief Mr. Leung said that, "these statements or similar statements would appear in most other announcements". He explained by that response, he meant in "similar acquisition announcement in the US". That evidence was not challenged in lengthy cross-examination.[523]

571. In his assessment of the reaction of shareholders and potential investors in Dickson Concepts to the information, Mr. Leung distinguished clearly between those who were, "active in the US market and familiar with those listed company announcements" and those investors who were, "not familiar with the US announcements."[524] In his opinion, the former would believe that similar statements were in most other US acquisition announcements, whereas the latter would regard the statements as general, not specific, in nature.

Announcements: Ant Financial and MoneyGram

572. Notwithstanding the Tribunal's invitation to do so, Mr. Leung did not provide the Tribunal with any such Announcement. Nevertheless, during the evidence of Pearson Poon the Tribunal was provided with another Announcement in respect of another proposed acquisition, namely an Announcement made by Ant Financial, dated 26 January 2017, in which it announced that Ant Financial and MoneyGram had, "entered into a definitive agreement under which MoneyGram will merge with Ant Financial…". The Announcement added, "The acquisition is expected to close in the second half of 2017." [525]

573. Having asserted, under the heading, Forward-Looking Statements, that, "This communication contains forward-looking statements which are protected as forward-looking statements under the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect MoneyGram's current beliefs, expectations or intentions regarding future events", it was stated that, "The statements are subject to numerous risks and uncertainties… which could cause actual results to differ materially from those results expressed or implied by the statements." Then, after having stated "these risks and uncertainties include, but are not limited to", the following 11 lines of text set out no fewer than 22 such specific circumstances, including: [526]

[523] Transcript 18 December 2025 at page 37.
[524] Transcript 18 December 2025 at page 37.
[525] SP1 pages 431-435.
[526] SP1 page 434.

"…the risk that a regulatory approval *(including CFIUS approval)* that may be required to consummate the proposed transaction is not obtained or is obtained subject to conditions that are not anticipated." [Italics added.]

574. It was on the basis of an inability to obtain CFIUS approval that in an Announcement, dated 2 January 2018, MoneyGram stated that the two companies had mutually agreed to terminate their Amended Merger Agreement, "…following the inability of the companies to obtain the required approval of the Committee on Foreign Investment in the United States ("CFIUS") ".[527] Clearly, the basis on which the proposed Merger Agreement had failed was the very risk articulated specifically in the original Announcement.

575. Given that the Merger Agreement concerned the proposed acquisition of a US company by a Mainland Chinese company, we are satisfied that Pearson Poon was correct in acknowledging at least that, "…there was a risk that CFIUS could block the transaction."[528] Similarly, given that the acquisition of Honey by PayPal involved two US companies, we are satisfied that he was also correct in acknowledging that the same complication did not apply to the issue of regulatory approval in that transaction.

PayPal's Announcement: 6 January 2020

576. PayPal's Announcement, dated 6 January 2020, stating that PayPal had completed its acquisition of Honey, also contained two paragraphs under the heading, **'Forward-Looking Statements'**. [529] The first paragraph was identical to the first paragraph under the same heading in the Announcement dated 20 November 2019. Similarly, the second paragraph in each of the two Announcements was identical, save for the omission in the Announcement dated 6 January 2020 of the reference to, "…the timing and possible outcome of security holder regulatory approvals in connection with the transaction, the possibility that the transaction may not close". Given that the transaction had completed, the omission of that text was readily understandable.

Securities Litigation Reform Act, 1995

577. At the request of the Tribunal, in advance of the Tribunal's receipt of oral closing submissions by the parties on 27 April 2026, the Tribunal was provided by the parties with copies of the Securities Litigation Reform Act, 1995 and related material. That Act amends the Securities Act of 1933 and the Securities Exchange Act of 1934 and makes provision for a safe

[527] SP1 page 436.
[528] Transcript 26 March 2026 at page 84.
[529] Core Bundle pages 130-131.

harbour, namely an exemption from liability, in respect of forward-looking statements which is identified as such, "and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the forward-looking statements".

Mr. Leung's expertise

578. Although Mr. Leung acknowledged that he was not a US lawyer or an M&A expert, that he had no expertise in exits of start-ups or exits or mergers of a Technology company like Honey and, more particularly, of the statements in the PayPal Announcement, that he was not able to assist the Tribunal as to what the regulatory requirements would be in the United States of America, nevertheless he asserted in cross-examination that he was able to express an opinion of what would be the, "…perspective and view of potential investors of Dickson Concepts shares here." [530] By, "here" clearly Mr. Leung referred to Hong Kong. Of that, he said, "it is reasonable for potential investors to understand, the regulatory approvals mentioned here were involved in this acquisition was not specific".[531]

579. Of course, Sir Dickson was himself a shareholder and potential future investor in Dickson Concepts. It is to be noted that in responding to Yinne Yu's email, sent on 21 November 2019, Sir Dickson raised only one query in respect of the information in relation to Honey/PayPal that had been provided to him, namely:[532]

> "I suppose it shouldn't be any regulatory issues given the size of Honey?"

Clearly, given the way in which the question was posed, suggested Sir Dickson anticipated a negative answer.

580. Mr. Leung said in his evidence-in-chief, "…for investors only familiar with Hong Kong, I think they would have anticipated if there is any important and specific conditions to be fulfilled, would have been also included in this Announcement."[533] Of such investors, he said, "…if those investors are not familiar with the US announcement, the characterisation of the wordings and expressions of the statements look though they are general in nature."

[530] Transcript 19 December 2025 at page 18.
[531] Transcript 19 December 2025 at page 17.
[532] Core Bundle page 149.
[533] Transcript 18 December 2025 at pages 32-33.

Conclusion

581. We are satisfied that Mr. Leung was entitled to express his opinion as to the assessment of this information which would have been made by such potential investors in Dickson Concepts in Hong Kong. Moreover, we accept that opinion. We do so because it accords with the assessment of the Tribunal of the meaning to be attributed to the information and the reaction of potential investors. In reaching that determination, we have had regard to all the evidence. We are satisfied that, if the alleged inside information described above had been generally known to those who were accustomed to or would be likely to deal in Dickson Concepts Shares at any time on and between 21 November 2019 to 9 January 2020, it would have been likely to materially affect the price of Dickson Concepts shares. Whilst we make the determination on the basis that there was a "real prospect" of that consequence, we are satisfied that it was also more likely than not.

Did Sir Dickson know that the inside information that he possessed was information that, if known to those accustomed to or likely to deal in Dickson Concepts shares, would materially affect the price of Dickson Concepts shares ("price sensitive information") and did he use that knowledge in dealing in Dickson Concepts shares?

Subjective test

582. As noted earlier, the test of whether or not we are satisfied that it has been proved that Sir Dickson knew that the inside information that he possessed was price sensitive information is a subjective test, not an objective test. Although we have found it proved objectively that the inside information possessed by Sir Dickson was price sensitive information, nevertheless the question remains of whether we are satisfied that it has been proved that Sir Dickson knew that to be the case.

Sir Dickson's evidence

583. In a consideration of whether Sir Dickson knew that he was in possession of price sensitive information and that, with that knowledge, he used it to deal in Dickson Concepts shares it is to be noted that from the very outset, Sir Dickson has consistently and repeatedly denied not only that the inside information that he possessed was price sensitive information but also that he knew that to be so and that he used that knowledge in dealing in Dickson Concepts shares.

(i) Good character

584. In considering the reliability and weight to be attached to Sir Dickson's evidence in the

Tribunal and his statements made outside the Tribunal but adduced into evidence in the hearing, we are mindful that he is a person of good character who has led a long and successful public business life. At the time that he filed his witness statement with the Tribunal, dated 17 June 2025, he was the Chairman and an executive director of Dickson Concepts, which had been listed on the SEHK in 1991. In his oral evidence, Sir Dickson explained that he had since retired from the board of directors and the management of the company's activities and held no executive position in Dickson Concepts.[534]

(ii) Philanthropy

585. Of his philanthropy, in his oral evidence Sir Dickson testified that he had made a donation of approximately HK $250 million to King's College London, whose law school had been named the Dickson Poon School of Law. Further, he had made a donation of approximately HK $120 million to Oxford University, in recognition of which the Dickson Poon University China Centre had been named. Also, he had made a donation of US $10 million to the Mayo Clinic in the United States of America to fund research. Annually, he made donations of around HK $1million to each of St James Settlement, Po Leung Kuk and Queen Mary Hospital to fund the provision of medicines to the elderly or those in need of such medicines.[535] That is evidence to which we have had regard in his favour in considering the credibility of Sir Dickson's evidence.

(iii) Inferences adverse to Sir Dickson- allegedly misleading reply by Dickson Concepts to the Commission, dated 17 January 2020.

Commission's Closing Submissions

586. In its letter to Dickson Concepts, dated 10 January 2020, the Commission referred specifically to the Announcement, dated 9 January 2020, by Dickson Concepts and, in particular, to the statement of the, "…cancellation of securities in the Subject Company, as a result of the merger in respect of the Subject Company becoming effective on 3 January 2020." Having stated that, "Defined terms used in letter have the same meaning as those defined in the Announcement unless otherwise stated", the Commission requested to be informed of various stipulated pieces of information, including:

> "(a) the date on which the Company was aware of the merger of the Subject Company;"

[534] Transcript 19 December 2025 at pages 73-74.
[535] Transcript 19 December 2025 at pages 76-83.

587. In its Written Closing submissions, the Commission invited the Tribunal to note that the reply by Dickson Concepts to the Commission, dated 17 January 2020, was that:

> "a). The Company's directors first became aware of the merger of the Subject Company on 24th December 2019 when Ms Yinne Yu (a US representative for the Company) informed Sir Dickson Poon (the Company's Chairman) by phone while he was travelling in Japan about the possible merger."

Dickson Concepts' reply to Commission: plainly untrue

588. It was submitted that the answer was "plainly untrue. Sir Dickson was clearly aware of a "a possible merger" of Honey as early as 21 November 2019."[536]

589. Having reminded the Tribunal of the evidence that Norton Rose had played a role in the preparation of a draft of the reply, dated 17 January 2020, and that the letter, dated 5 May 2020, on behalf of Dickson Concepts' reply to the Commission's Notice dated 3 March 2020 was on Norton Rose letterhead, the Tribunal was invited to note that reference was now made for the first time to the fact that, "the Company notes that two of its directors first became aware of the potential acquisition of HSC on 21 November 2019" .

590. Further, it was pointed out that the attached Chronology now made reference to the fact that at 1:58 p.m. on 21/11/19, "YY emailed DP and PP to inform them that HSC had an acquisition offer from PayPal, providing a link to the PayPal announcement".

Inferences adverse to Sir Dickson

591. Of that evidence the Commission submitted,[537]

> "…it can be inferred that Sir Dickson did not tell NRF about his email exchanges with Yinne relating to the PayPal acquisition on 21 and 22 November 2019. It is submitted that the omission must have been deliberate."

592. In those circumstances, the effect of Mr. Derek Chan's submissions was that the reason why there was no reference in the reply, dated 17 January 2020, to the information in the email of Yinne Yu, dated 21 November 2019 and the PayPal Announcement, dated 20 November 2019, was that, "Sir Dickson *knew* that he had carried out the impugned trades", after receiving that information and he knew that if he disclosed receipt of that information, " to NRF for

[536] Written Closing paragraph 79.
[537] Written Closing paragraph 85.

inclusion in the Jan. 2020 Chronology, he personally would be implicated in the SFC's investigation." [538]

593. In his closing oral submissions, Mr. Derek Chan reminded the Tribunal that in cross-examination it was suggested to Sir Dickson that the fact that the reply of Dickson Concepts, dated 17 January 2020, did not refer to a possible merger of PayPal and Honey as described in the information he received on 21 November 2019 was because he was trying to hide the fact that he had purchased Dickson Concepts shares whilst in possession of that information.[539]

Closing Submissions: Sir Dickson

594. In his written closing submissions, Mr. Benjamin Yu invited the Tribunal to note that the relevant question asked of Dickson Concepts in the Commission's letter, dated 10 January 2020, was, "the date on which the Company was first aware of the merger of the Subject Company." In his evidence, Sir Dickson had said that, "I took question as referred to the 25 December email, which was to be the first time the deal was confirmed."[540] Sir Dickson added, "…to me the 21 November email was not a time of reference to the 25 December date, which was to me what the SFC was asking for. Because to me, that was the first time or the date that the Honey merger with PayPal was confirmed as a done deal. That's why we used it."

595. Further, the Tribunal was invited to note that the term "merger" was not used in the 20 November 2019 PayPal Announcement. Rather, PayPal was described as "acquiring" Honey. The term "merger" was used in the documents provided to Dickson Concepts by Yinne Yu on 26 December 2019.

596. Next, it was pointed out that the question posed in the Commission's Notice, dated 3 March 2020 was different. It sought a Chronology of, "all discussion meetings or events in relation to the transaction."

597. It was submitted that, "It cannot be inferred that any omission or inconsistencies were deliberate to mislead the SFC." In any event, "Dickson clearly explained the inconsistencies". In the result it was contended that, "There is no basis for the SFC to suggest an inference that Dickson deliberately misled the SFC." In any event, the fact that a defendant in a criminal case, "has lied or fled is not probative of guilt. There can be all sorts of reasons why defendant may lie or abscond: *HKSAR v Mo Shiu Shing* [1999] 2 HKLRD 155, at pages 172A-174B."

---

[538] Written Closing paragraph 87.
[539] Transcript 22 December 2025 at page 93.
[540] Transcript 22 December 2025 at page 93.

A consideration of the submissions

Sir Dickson's evidence: Commission's letter (10 January 2020)-Dickson Concepts reply (17 January 2020)

598. At the outset, it is to be acknowledged that Sir Dickson's evidence of his consideration of the letter of the Commission to Dickson Concepts, dated 10 January 2020 and his participation in the discussions and steps taken that led to the reply of Dickson Concepts, dated 17 January 2020, was uncertain and vague.

599. In cross-examination, Sir Dickson confirmed that the Commission's letter had been brought to his attention around 10 January 2020, by "I would think either Ms. Or, or Mr. Johnny Chan." Having said first that he did not remember if the letter was given to him or if he had been told of its existence, Sir Dickson then said that he believed that he had read it.[541] Of whether he had been asked to provide input into the answers to be given, Sir Dickson said:[542]

> "I don't really remember. I think the only-I think what *we* could have discussed was the date on which the company was first aware of the merger and which we took to be 25 December, as that was when the merger was-became a done deal." [Italics added.]

Of with whom he "could have discussed" the matter, Sir Dickson said, "'We' would be either Stella, Johnny and myself."

600. It is to be noted that, having received Yinne Yu's email, sent at 5:37 p.m. on 25 December 2019 (Japan time), in which she advised him that, "Honey would like us to sign a few documents" and that "Closing and payment are expected in January"[543], Yinne Yu responded to Sir Dickson's request that she, "send over the detail of the deal"[544], in an email sent at 6:11 p.m. on 25 December 2019 (Japan time) in which Sir Dickson was informed that Honey: [545]

> "…is circulating a few documents including the *acquisition/merger agreement*, wiring instructions (for the receipt of our profit) and a shareholder consent form. Two of them need our information and signatures." [Italics added.].

601. Of whether he had seen a draft of the letter in reply, dated 17 January 2020, "…before it was sent to the SFC", Sir Dickson said, "I would have, but I don't think I paid too much

[541] Transcript 22 December 2025 at page 88.
[542] Transcript 22 December 2025 at page 89.
[543] Core Bundle pages 229-230.
[544] Core Bundle page 232.
[545] Core Bundle page 231.

attention to it." Of whom it was who had drawn his attention to the draft letter, he said, " I think it would be either Ms. Or, or Mr. Chan." Of whether he had been asked to confirm that the reply was correct before it was sent to the Commission, Sir Dickson said, "I can't remember. I don't believe so." [546]

602. Notwithstanding the vagueness and uncertainty of those answers, Sir Dickson was noticeably more assertive about the position that he took on the contents of the reply. For example, of the suggestion that the Timetable, attached to the reply dated 17 January 2020, was misleading in stipulating the first date as 14 December 2019, "at a Christmas party of Honey…YY was told of the possible merger of (Honey), and the possible merger could become effective sometime over or after Christmas", and not stipulating 21 November 2019, as the first date on which Dickson Concepts was aware of the merger, Sir Dickson replied:[547]

> "Well, to begin with I was unaware of the Christmas party which Yinne attended on 14 December. So I have no comment on that. But the 21 November email was not included, for reasons I explained earlier and *I thought* that the date in question was 25 December, because that was when the deal was confirmed as a done deal to me, with Yinne advising that Honey for the first time advised us and wanted some documents signed." [Italics added.]

603. In a subsequent answer he reiterated the position that he took:[548]

> "…*to me* the 21 November email was not a time of reference to the 25 December date, which was t*o me* what the SFC was asking for. Because *to me*, that was the first time or the date that the Honey merger with PayPal was confirmed as a done deal." [Italics added.]

Johnny Chan's evidence

604. In his evidence, Sir Dickson made no mention of any role performed by Norton Rose in consideration of or participation in steps taken in preparation of a reply by Dickson Concepts. However, in his oral evidence subsequently Johnny Chan said that, Stella Or having brought the letter from the Commission, dated 10 January 2020, to his office he read it, copied it for Sir

[546] Transcript 22 December 2025 at page 91.
[547] Transcript 22 December 2025 at page 94.
[548] Transcript 22 December 2025 at page 95.

Dickson and forwarded a copy to Norton Rose. He added, "given such important letter, should have happened on the same day that I received a letter… 10 January 2020." [549]

The role of Norton Rose

605. Of subsequent steps, Johnny Chan said, "Basically I was responsible for drafting the reply together with the assistance of Norton Rose".[550] Having at first said that he did not remember any discussion about the letter, Johnny Chan then said:[551]

> "I did discuss it with Norton Rose. Basically, I worked together with Norton Rose to draft the reply, and I understand that Norton Rose spoke to Sir Dickson to get his input… because some of the entries concerned Sir Dickson which I don't know, and it was my understanding that Norton Rose had a meeting with Sir Dickson to find out the facts."

Draft reply

606. Of his collaboration with Norton Rose, Johnny Chan went on to explain:[552]

> "Sometime after sending the letter to Norton Rose, Norton Rose sent back a draft reply to me with the chronologies and some other entries and they told me they had a meeting with Sir Dickson."

It was sent by email and contained, "The draft reply to this letter, together with a chronology."[553]

PayPal's acquisition of Honey: Agreement and Plan of Merger

607. To give context to the discussions between Norton Rose and Johnny Chan, it is to be remembered that on 27 December 2019 Johnny Chan had been informed by Honey of details of PayPal's acquisition of Honey, pursuant to an 'Agreement and Plan of Merger.' In an email from DocuSign (on behalf of Yinne Yu via DocuSign), sent at 5:46 a.m. (HK time) on 27 December 2019, under the Subject: 'Please DocuSign: Honey Science-Transaction Agreement for Kinford International Limited', Johnny Chan received a request from Matt Sargeant of Honey that he review and sign documents.[554] He was informed that attached were:

---

[549] Transcript 25 March 2026 at pages 25-26.
[550] Transcript 25 March 2026 at page 26.
[551] Transcript 25 March 2026 at page 27.
[552] Transcript 25 March 2026 at page 28.
[553] Transcript 25 March 2026 at page 28.
[554] Core Bundle pages 252-253.

> "…a Letter of Transmittal, Support Agreement and the Stockholder Consent for the transaction, which are the main document that we will need you to review and sign. It also contains a Form W-9 that stockholders are asked to complete, along with a courtesy copy of the merger agreement."

608. In a message addressed, "Dear Stockholder of Honey Science Corporation" it was stated:

> "As you might be aware, PayPal will be acquiring Honey pursuant to an Agreement and Plan of Merger. Honey has distributed an information statement in the mail describing the background and terms of the transaction, as well as the steps you need to take to receive payment."

Sir Dickson's review and approval for submission

609. For his part, in response to being asked if, " he had any discussions with Sir Dickson to find out the facts asked for by the SFC", Johnny Chan said:[555]

> "After receiving the draft reply from Norton Rose, I passed it on to Sir Dickson for his review, and then I got his approval to finalise it for submission."

He explained that, "I passed him a hard copy internally… Through internal mail. I put it in an internal envelope and sent it to him. We were working in the same office, so I just put it in the internal mail."

610. Of Sir Dickson's response, Johnny Chan said, "I can't recall. Probably he rang me up and said, 'It's fine, let's go.' 'It's fine, there's no comment'. "[556] In answer to the Chairman's enquiry of whether the letter of Dickson Concepts, dated 17 January 2020, signed by Stella Or as company secretary was the same as the draft version provided by Norton Rose, Johnny Chan said, "I can't remember. I have to check."[557]

Legal privilege

611. Subsequently, as noted earlier, the Tribunal was informed by Mr. Ambrose Ho that several drafts of the reply had been located but, given that legal privilege was claimed in those documents by Dickson Concepts, none were provided to the Tribunal.

---

[555] Transcript 25 March 2026 at pages 29-30.
[556] Transcript 25 March 2026 at page 30.
[557] Transcript 25 March 2026 at pages 39-40.

Stella Or

612. In cross-examination, Stella Or said that having received the letter from the Commission, dated 10 January 2020, she had read it and taken it over, "to discuss with Johnny… and then proceed on preparing an answer, with the help of Norton Rose, Johnny and Norton Rose."[558] Of her role in the preparation of answers to the questions raised by the Commission, Stella Or said, that, "For those parts that I have participated or to my knowledge, I will contribute or prepare drafts of the answers." For example, of the provision of the names and addresses of directors she drafted her answers. She passed those drafts to Johnny Chan. She did so, "For Johnny to add in his input."[559] She had no involvement in preparing the other answers.[560]

613. Stella Or identified her signature on the letter in reply of Dickson Concepts dated 17 January 2020. Of that, she said:[561]

> "Johnny passed to me the final drafts of the answers and with appendix and so on. So I reviewed the parts that I know, then I arranged for this to be printed on the letterhead and I signed."

614. She had no personal knowledge of how it came about that Dickson Concepts' reply stated that:

> "The Company's directors first became aware of the merger of the Subject Company on when Ms Yinne Yu… informed Sir Dickson Poon… by phone while he was travelling in Japan about the possible merger. The Company has been informed that Ms Yinne Yu became aware of the possible merger in the US on or around 14 December 2019, but she did not communicate this to any of the Company's directors or any other employees of the Group until 24th December 2019."

615. Of her review of the Timetable, attached to the reply, dated 17 January 2020, Stella Or said:[562]

> "I will start looking at 27 December. Because this is the date that I first know about the event or the issue."

---

[558] Transcript 26 March 2026 at page 7.
[559] Transcript 26 March 2026 at pages 7-10.
[560] Transcript 26 March 2026 at page 8.
[561] Transcript 26 March 2026 at page 11.
[562] Transcript 26 March 2026 at page 13.

616. Of the statements in the Timetable of events on earlier dates, she said, "I looked at them but I can't verify anything." [563]Of whether she had taken, "any steps to have confirmation, reassurance about the accuracy" of the statements in respect of the earlier events, she said:[564]

> "No, because I rely on Johnny Chan, because I believe that he had taken steps to discuss- or to find out the facts and discuss with lawyers."

She added that she did not raise the issue with Johnny Chan, "because I trust him."

Pearson Poon

617. In cross-examination, Pearson Poon said that he believed that his father had showed him the Commission's letter to Dickson Concepts, marked for the attention of Stella Or, dated 10 January 2020, on that date:[565]

> "I think he told me that he would deal with it with Johnny and Norton Rose, to reply back to the SFC."

He read the letter.

618. Pearson Poon said that he had not been approached to provide factual information to assist in responding to the Commission's enquiries, in particular Norton Rose had not approached him directly or indirectly to provide such information.[566]

Determination

619. In contrast to Sir Dickson's evidence of his consideration of the letter of the Commission to Dickson Concepts, dated 10 January 2020 and his participation in the discussions and steps taken that led to the reply of Dickson Concepts, dated 17 January 2020, which we found to be uncertain and vague, we are satisfied that Johnny Chan's evidence in that regard is reliable. Clearly, and not unsurprisingly, Norton Rose was involved in the steps taken that led to the reply of Dickson Concepts. We readily accept Johnny Chan's evidence that he discussed the matter with Norton Rose and worked together with them in drafting a reply. Similarly, we accept as overwhelmingly probable the statement of Norton Rose to Johnny Chan that they had a meeting with Sir Dickson and we accept that it was Johnny Chan's understanding, that had been to find out the facts, was true.

---

[563] Transcript 26 March 2026 at page 14.
[564] Transcript 26 March 2026 at page 15.
[565] Transcript 26 March 2026 at pages 106-107.
[566] Transcript 26 March 2026 at page 110.

620. Further, we accept Johnny Chan's evidence that, having received a draft reply to the letter from Norton Rose, not only had he passed it to Sir Dickson for his review but also, "and then I got his approval to finalise it for submission."

621. However, the Tribunal has received no evidence whatsoever of what matters were canvassed at that meeting between Sir Dickson and Norton Rose, what information was provided or not provided. Similarly, the Tribunal has no evidence of how it came to be asserted in the reply of Dickson Concepts, dated 17 January 2020, that the Company became aware of the merger of the Subject Company on 24th December 2019, "when Yinne Yu… informed Sir Dickson… by phone while he was travelling in Japan about the possible merger."

622. As noted earlier, Sir Dickson was adamant that he understood that the information sought by the Commission in their letter, dated 10 January 2020, was the date on which Dickson Concepts first became aware of the "merger" of Honey with PayPal, the answer to which was 25 December 2019. In particular, he said:[567]

> "…to me the 21 November email was not a time of reference to the 25 December date, which was to me what the SFC was asking for. Because to me that was the first time or the date that the Honey merger with PayPal was confirmed as a done deal. That's why we used it."

623. Again, as noted earlier the Commission's letter, dated 10 January 2020, stated that the "Defined terms" in the Commission's letter had, "the same meaning as those defined in the announcement unless otherwise stated." Whilst the word "merger" did not appear under the heading in the Announcement, '**DEFINITIONS',** there were multiple references to "merger" in that Announcement, so that its meaning was closely delineated:[568]

> "…a *merger* in respect of the Subject Company became effective on 3 January 2020, and was publicly announced on 6 January 2020 (US Pacific time). As the *merge*r has been consummated, the Subject Company has become a wholly-owned subsidiary of the Purchaser and all of the Subject Company's existing security holders will receive cash in exchange for the cancellation of their securities in the Subject Company.
>
> The Group did not enter into any agreement in connection with the *merger* nor exercise any of its voting rights in the Subject Company to support the *merger.* Notwithstanding this, the *merger* has been consummated in the Group's entire equity interest in the

[567] Transcript 22 December 2025 at page 95.
[568] Core Bundle at page 2.

Subject Company has been compulsorily cancelled in exchange for cash consideration. The compulsory cancellation of the Group's entire equity interest in the Subject Company occurred by operation of US law, pursuant to which all of the rights of the Group as a security holder were automatically extinguished". [Italics added.]

Conclusion

624. The Commission having chosen in its letter, dated 10 January 2020, to give focus to the term "merger" of PayPal and Honey, rather than perhaps, "the possible acquisition of Honey by PayPal", it is understandable that whoever was the author of Dickson Concepts reply, dated 17 January 2020, felt able to respond as was stated in the text.

625. Accordingly, we reject the Commission's submission that the reply of Dickson Concepts to the Commission, dated 17 January 2020, that the company first became aware of the "merger of the Subject Company on 24 December 2019" was "plainly untrue". Similarly, we reject the submission that it is to be inferred that Sir Dickson had deliberately misled the Commission. Finally, we reject the submission that it is to be inferred that, prior to Dickson Concepts' reply, dated 17 January 2020, Sir Dickson did not inform Norton Rose about the email received from Yinne Yu, dated 21 November 2019. As noted earlier, we have no evidence whatsoever of what was discussed at that meeting or what information was provided or not provided.

Sir Dickson's assessment of the information

626. Of his assessment of the information provided to him in Yinne Yu's email, sent on 21 November 2019, and the PayPal Announcement of 20 November 2019, in his record of interview with the Commission, in response to being asked if he had verified Yinne Yu's assertion in her email sent on 20 November 2019, "That puts our stake at well over 100 M" Sir Dickson said: [569]

> "…what I did was read the link of the PayPal announcement. I was naturally happy to see that a potential acquisition have been made on Honey. But after I read the whole announcement, I did not think much of that announcement. I felt that it was at a very preliminary and uncertain stage because there were a lot of qualifications and forward-looking statement including specifically the transaction may not close. And that is subject to regulatory approval. I also felt that statements like the ability to retain the

[569] Witness volume 1, pages 28-29, counter #160.

staff for employees of Honey, the reaction of the partners of Honey, the reaction of its competitors were all statements to either ensure the deal can or can be cancelled or at least set up such that it can go into negotiation for a potentially significant reduction in the value of the company. So I did not think too much of it"

627. In his witness statement, Sir Dickson noted of Yinne Yu's email that:[570]

"Yinne said that PayPal had made an offer to Honey to acquire the shares in it. Yinne then gave some figures on how profitable our investment in Honey could turn out to be. But obviously she was uncertain that the transaction would happen or would happen at what price. She said in the email that she would come back to us with more information on "legal docs and price/share of the acquisitions"."

628. Then, Sir Dickson detailed at length the various factors that he had taken into account in his assessment of the information, including:[571]

"(3) I understood the situation to be that PayPal and Honey had had negotiations. PayPal had made an offer. But there were conditions and qualifiers such that, in effect, the transaction might not transpire.

(4) As a business person and based on my own business experience, I understood the PayPal as the intended buyer would have to conduct due diligence. That could uncover deal-breakers or, moreover, serve up excuses for PayPal to back out of the deal. It could also lead to substantial changes to the terms of the offer or transaction.

(5) Although the announcement referred to the price of *"approximately $4 billion*", my experience told me that this could be further negotiated.

(6) Indeed, Yinne herself expressed uncertainty about what the final price might be."

629. Of the fact that Honey was a start-up, and of his personal experience Sir Dickson said in his witness statement:[572]

"The uncertainty was all the more so when one takes into account that Honey was a start-up. I have been involved in venture capital investing for some time. In my

[570] Witness statement at paragraph 98.
[571] Witness statement at paragraph 100.
[572] Witness statement at paragraph 102.

experience, start-up ventures are high risk, and exit from them is an uncertain exercise at all stages. Deals can fall through for any number of reasons."

630. Having regard to those matters and to other considerations had led him to conclude:[573]

"I did not take the proposed acquisition particularly seriously.

Had it even remotely crossed my mind that there was any inside information, I would have ensured that an announcement was made or at least consulted with people within the Group and external advisers about whether an announcement was necessary."

631. In his oral evidence-in-chief, Sir Dickson reiterated his assertion as to that reaction:[574]

"…after I read PayPal's announcement, I did not take it really seriously because other than a figure of $4 billion, there was absolutely no financial information about Honey or about how that valuation came about. On the other hand, there were a lot of statements, such as subject to due diligence and regulatory approval, statements like one should not pay undue reliance on it, or the transaction may not close. And there were so many forward-looking statements like I haven't seen before, such as reaction of partners, of competitors, of whether one can retain the staffs, many, all of which to me were designed for PayPal to negotiate down the price substantially or simply to exit the deal."

632. Of his assessment of the information, in cross-examination Sir Dickson again adverted to his experience in business:[575]

"…from the experience that I gathered from other deals I have done, there are many aspects throughout the process of the deal, from agreeing something or at an advanced stage of discussion till completion, that the deal can go wrong. So again, all the uncertainties and issues I have raised and which I genuinely believe them to be issues or points set up for PayPal to negotiate down the price, or to exit as they wish, I certainly did not believe that it was anywhere near a done deal, let alone a done deal."

633. Of his consideration of whether to disclose the information he possessed to shareholders and potential investors in Dickson Concepts, Sir Dickson said:[576]

[573] Witness statement at paragraphs 108-109.
[574] Transcript 19 December 2025 at pages 99-100.
[575] Transcript 22 December 2025 at page 75.
[576] Transcript 22 December 2025 at page 46.

> "I think it's also a matter of whether there was sufficient information for potential investors or Dickson shareholders to gauge whether that transaction could happen, and I didn't feel there was any such information as contained in the announcement. That's why I kept emphasising why I felt it was so full of uncertainty, and that this was again reiterated by the fact that I expect Honey would have advised shareholders that they were seriously in a position for the company to be sold. But there was absolutely nothing that we received from Honey at-at all.
>
> So I just didn't feel that it was at this stage with anything other than it being very preliminary at best. So, rightly or wrongly that is how I felt."

634. Having conceded in cross-examination that, in hindsight, the information he possessed could "possibly" have been "potentially price sensitive", nevertheless Sir Dickson was adamant as to his assessment at the time:[577]

> "I definitely didn't think that at the time, otherwise I would have given it to Johnny and asked him to look at it, as I have always done."

Sir Dickson added:[578]

> "I used my best endeavour to analyse and look at that announcement and I came to the conclusion that I did. So even with hindsight, rightly or wrongly, I did try my best"

Sir Dickson's behaviour following receipt of the information in Yinne Yu's email and the PayPal Announcement

635. In his written closing submissions Mr. Derek Chan invited the Tribunal to consider the evidence of what Sir Dickson did, said and wrote following his receipt of Yinne Yu's email sent at 1:58 p.m. on 21 November 2019, namely:

- made a telephone call between 2:00 p.m. and 3:00 p.m. to Johnny Chan, asking him to identify the company which had been used to invest in Honey and to calculate the profit of that shareholding on the basis of a value of Honey of $1 billion;
- in an email to Sir Dickson sent at 3:08 p.m., Johnny Chan provided a valuation, "If the current valuation is USD 1b, the value of our stake should be USD 35,374,000";

[577] Transcript 22 December 2025 at page 50.
[578] Transcript 22 December 2025 at page 50.

- in an email to Yinne Yu sent at 3:45 p.m. Sir Dickson wrote, "That is wonderful news. I suppose there shouldn't be any regulatory issues given the size of Honey? Is there more information about the approx valuation for Hollar you can share with us?
- in an email to Pearson Poon sent at 15:47 p.m., Sir Dickson responded to the email he had received from Pearson Poon at 2:48 p.m., which stated "Wow… Good to see a bit of good news 😁😁", by writing: "Indeed and looks like it's real from the announcement! I will forward to you Johnny's calculation on our share of profit which amounts to approx $120m!";
- in a second email to Pearson Poon sent at 15:47 p.m. Sir Dickson forwarded the email he had received from Johnny Chan sent at 3:08 p.m. and wrote, "Fyi".

636. Of that conduct, Mr. Derek Chan submitted, "The rapid sequence of activities, together with the positive remarks and expressions used, all indicate that's Sir Dickson's own assessment at the time was that transaction was clearly positive." [579] He contended that it contradicted Sir Dickson's attempts to downplay the positivity of the PayPal Announcement. He invited the Tribunal to conclude that Sir Dickson's contemporaneous behaviour was, "…only consistent with the fact that he clearly considered PayPal's agreement to acquire Honey at US $4 billion to be good news and that the impact on DCIL's books would be highly positive", so that he knew that he was possessed of price sensitive information.[580]

637. For his part, in his oral closing submissions, Mr. Benjamin Yu submitted that a consideration of the emails did not provide the answer to the question of whether or not it was proved that Sir Dickson knew that he had possession of price sensitive information. Regard had to be given to all the evidence. He invited the Tribunal to note that the emails were written in a short span of time, from 1:58 p.m. to 3:47 p.m. on 21 November 2019. Experience suggested in those circumstances writing a few lines was more of an, "off-the-cuff kind of reaction".[581]

638. Mr. Benjamin Yu submitted that, "conduct speaks louder than words" and invited the Tribunal to take into account the following, namely that:[582]

[579] Written Closing submissions at paragraph 64.
[580] Written closing submissions at paragraph 76.
[581] Transcript 29 April 2026 at pages 40-41.
[582] Transcript 29 April 2026 at pages 41-44.

- on and between 21 November and 28 November 2019 Johnny Chan was not informed of the PayPal Announcement-that was because Sir Dickson did not think the information to be price sensitive;
- there was no follow-up by Sir Dickson between 21 November 2019 and 24/25 December 2019 of what was happening with the deal-that silence was important;
- Sir Dickson told Pearson Poon about Johnny Chan's valuation of the holding in Honey and knew that Pearson Poon was copied in the emails that were circulated detailing Sir Dickson's purchase of Dickson Concepts shares, beginning on 28 November 2019 and continuing until 19 December 2019; and
- at the Dickson Concepts Board meeting on 27 November 2019, Sir Dickson did not inform the Board of the information that he possessed-given that the PayPal Announcement was public there was a risk that someone, a board member, KPMG or Johnny Chan, who knew of Dickson Concepts investment in Honey would have found out about the Announcement.

639. The context in which it is appropriate for the Tribunal to approach Sir Dickson's evidence of his assessment of and reaction to the information contained in Yinne Yu's email, dated 21 November 2019, and the PayPal announcement, dated 20 November 2019, is that he had been forewarned in an email exchange with Yinne Yu five weeks earlier of the possibility of an exit from one of the investments in which Yinne Yu was involved.

640. In an email to Sir Dickson sent at 4:16 p.m. on 15 October 2019, Yinne Yu sought Sir Dickson's assistance in arranging a telephone conversation with Johnny Chan, writing:[583]

> "I wanted to speak with him about a potential structural change we might have to make with our investment vehicles but I don't think he wants to speak with me on the phone and I don't think we can sort this out over email.
> *It's quite important… We may have a big exit coming up* and there are some reporting and tax issues related to it because I am a US citizen and need to report the gains I make for anyone I invest for." [Italics added.]

641. Clearly, Sir Dickson had contacted Johnny Chan on the matter because in his response in an email of the same date he wrote, "Johnny is happy to talk to you. Please liaise with him for a mutually convenient time."

[583] SP3 page 1025.

642. An exchange of emails between Yinne Yu and Johnny Chan, initiated by the former, ensued between them under the Subject: 'Re: regarding our US investments' on and between 8 October 2019 and 11 November 2019. At the outset, Yinne Yu wrote, "I am writing to discuss a few legal/administrative items for our US investments because I'm going to try to exit us from them. In particular there are some forms we need to fill out for the US authorities and one structural change we should make." In an email sent to Johnny Chan on 13 October 2019, Yinne Yu wrote, "We may have an exit or two coming up before the end of the year and I want to make sure we give ourselves enough time to process all this." In an email sent to Yinne Yu on 15 October 2019 Johnny Chan wrote, "…our auditors have checked with their US tax team internally and confirm that, since Linford (sic) or EAL are non-US persons, there is no need for these companies to pay tax in US."[584]

643. For his part, in his witness statement Johnny Chan said, "I did not enquire with Ms. Yu about the "exits" she mentioned in her email, as I believe the "exits" (which Ms. Yu never explained in any detail) were only brought up by her as excuses to put pressure on me to accept the suggestion as soon as possible, and I considered that KPMG's advice confirmed my view."[585]

Sir Dickson's enthusiastic, positive response to the information

644. We are satisfied that Sir Dickson's email in response to Yinne Yu's email sent at 3:45 p.m. on 21 November 2010 and his communication with Pearson Poon at 3:47 p.m. reflected an enthusiastic, positive response to the information in her email and the PayPal Announcement. His statement to Yinne Yu, "That is wonderful news" clearly referred to the very significant potential profit that would accrue to Dickson Concepts if the transaction completed. His initial statement in response to Pearson Poon's email, "Indeed" was clearly an acceptance and endorsement of Pearson Poon's enthusiastic message, "Wow… Good to see a bit of good news 😁😁". No doubt, the reference to "a bit of good news" was in the context of the then widespread unrest in Hong Kong and its economic effects. The phrase that followed, "and looks like it's real from the announcement!" spoke to the fact of the twin provenance of the information, namely Yinne Yu's email and the PayPal Announcement. We are satisfied that the view expressed by Sir Dickson was that the PayPal Announcement grounded the information in the Yinne Yu's email in reality. As Sir Dickson noted in his witness statement, on earlier occasions Yinne Yu, "had twice relayed to me information about potential

[584] SP 3 page 1021.
[585] Witness statement (Johnny Chan) at paragraph 20.

acquisitions of Honey. Neither transpired."[586] In contrast, on this occasion Yinne Yu's statement in her email that the price of the acquisition of Honey by PayPal, "has been agreed on and was announced today (4B cash…", was supported by the statement in PayPal's Announcement that PayPal had agreed to acquire Honey, "for approximately $4 billion." Yinne Yu's bare assertion in those earlier emails to Sir Dickson, "They are likely to get an acquisition offer next few months at an even higher price"[587] and "Capital One has indicated they will make an offer next few months, valuation TBD will be higher than this round"[588] were not supported by any Announcement and did not materialise. We do not accept Sir Dickson's denial in cross-examination that what he meant to convey as being "real" was that PayPal had agreed to acquire Honey for approximately $4 billion.[589]

645. Sir Dickson's statement to Pearson Poon, "I will forward to you Johnny's calculation on our share of profit which amounts to approx $120m!" evidenced the fact that Sir Dickson had determined that, not only was it worthwhile to have the profit that would ensue to Dickson Concepts on completion calculated immediately by Johnny Chan but also, in providing to Pearson Poon the figure of "approx $120m!" as that profit, had calculated that profit on the basis of the valuation of Honey at $4 billion. Although Sir Dickson denied that he had done so, that was an acceptance of the validity of the agreed price for the acquisition of Honey stated in the PayPal Announcement of "approximately $4 billion". [590]

646. With respect, we do not accept Mr. Benjamin Yu's submission that there was no "follow-up" to the receipt of the email from Yinne Yu and the Link to the PayPal Announcement by Sir Dickson. However, that follow-up was in respect of one matter only. The singular issue raised by Sir Dickson in respect of Honey in the email exchange with Yinne Yu was in respect of a regulatory issue, of which, Sir Dickson wrote, "I suppose there shouldn't be any regulatory issues given the size of Honey? Clearly, the way in which the question was posed suggested the answer that, in due course, Yinne Yu gave, namely "…no I don't think there will be regulatory issues."

647. Having chosen to raise that singular issue and no other issue with Yinne Yu, it is surprising, to say the least, if, as Sir Dickson has testified, that his assessment at the time was that, "…there was huge uncertainty about whether the deal will transpire, conclude or what

[586] Witness statement at paragraph 20.
[587] SP1 page 278: 23 February 2017.
[588] SP1 page 280: 10 March 2017.
[589] Transcript 22 December 2025 at page 57.
[590] Transcript 22 December 2025 at page 57.

valuation, how much less"[591] that Sir Dickson did not raise any such matter with Yinne Yu. After all, she was a long-standing member of his staff. In 2016, she had introduced the investment in Honey and thereafter was the contact point with Honey's management. If, as Sir Dickson testified, he was concerned at the time that, "…there were so many forward-looking statements like I haven't seen before, such as reaction of partners, of competitors, of whether one can retain the staffs",[592] obviously those were matters that he could have raised with Yinne Yu. He did not raise any such issue.

648. The first step that Sir Dickson took in response to the information in Yinne Yu's email and the PayPal Announcement was to instruct Johnny Chan in a telephone conversation between 2:00 p.m. and 3:00 p.m. to identify the company which held the interest in Honey and to provide the value of that holding, on a valuation of Honey at $1 billion. Sir Dickson did not inform Johnny Chan of his receipt of Yinne Yu's email, its contents or the Link that it provided to the PayPal Announcement or its contents.[593] In consequence, Johnny Chan knew nothing of the agreement between PayPal and Honey for the acquisition of the latter for approximately $4 billion.

649. In the record of interview conducted of him by the Commission, in response to the question of whether he had told Johnny Chan, "…about the announcement and the potential acquisition of PayPal", Sir Dickson said:[594]

> "No, I did not tell Johnny about the announcement. *I didn't think about it*. I basically just picked up the phone and asked him. Please understand that Johnny has worked for us for many years and throughout I typically-if I have a question for him, I typically would just pick up the phone and ask." [Italics added.]

650. However, in cross-examination as to why he had not told Johnny Chan that information, Sir Dickson now asserted that he did not find, "it's something that was necessary." Notwithstanding the fact that he sent an email to Yinne Yu at 3:45 p.m. that afternoon describing the information as, "wonderful news", nevertheless Sir Dickson asserted, "Given how uncertain it was, I didn't think it was necessary."[595]

---

[591] Transcript 19 December 2025 at page 100.
[592] Transcript 19 December 2025 at page 100.
[593] Transcript 22 December 2025 at page 54.
[594] Witness Volume 1 at page 34, counter #s 173-174.
[595] Transcript 22 December 2025 at page 55.

651. By contrast, on receipt of Yinne Yu's email sent on 25 December 2019, in which Sir Dickson was informed that, "Honey would like us to sign a few documents", asked who would sign for Kinford and advised that, "Closing and payment are expected in January" and that," the most recent estimate puts our stake at, "> $140m", Sir Dickson forwarded the email and his response to Yinne Yu to Johnny Chan, stating simply "FYI. I will keep you posted." [596]

652. It is to be noted that Sir Dickson's response to Yinne Yu's email dated 25 December 2019 was very matter-of-fact, "Can you pls send over the detail of the deal so I can get someone appropriate to follow-up?"[597] He expressed no surprise that the deal, which he testified he had assessed as being at a very preliminary and uncertain stage, was not only close to completion but also that it was doing so at an implied increased profit to Dickson Concepts.

653. Of why he had not taken a similar step and forwarded Yinne Yu's email, sent at 1:58 p.m. on 21 November 2019, to Johnny Chan, Sir Dickson said, "…it did not cross my mind at all as necessary, for reasons I mentioned earlier about my view on the transaction."[598]

Conclusion

654. We do not accept Sir Dickson's evidence that his assessment on and after 21 November 2019, following receipt of the information, was that that the agreement in respect of the transaction was at, "a very preliminary and uncertain stage", such that, "I did not think too much of it",[599] with the result that he concluded in his witness statement, " I did not take the Proposed Acquisition particularly seriously"[600] and in his oral evidence, "I did not take it really seriously".[601] That reaction found no place whatsoever in the contemporaneous expressions by Sir Dickson in the emails we have considered on 21 November 2019. It has all the appearances of being an ex post facto rationalisation of events and circumstances.

655. We are satisfied that not only was Sir Dickson in possession of price sensitive information on and after 21 November 2019 but also he knew that to be the case when he dealt in Dickson Concepts shares on and between 28 November 2019 and 19 December 2019.

656. Obviously, Sir Dickson did not know what or when other steps might be taken by PayPal or Honey in completing the transaction, in particular by Honey in respect of security

[596] Core Bundle at page 229.
[597] Core Bundle at page 229.
[598] Transcript 22 December 2025 at page 55.
[599] Witness Volume 1 at pages 28-29 counter #160.
[600] Witness statement at paragraph 108.
[601] Transcript 19 December 2025 at page 99.

holder approval, such as were set in motion by Yinne Yu's email, dated 25 December 2019. Further, although Sir Dickson clearly deliberately chose not to inform Johnny Chan on 21 November 2019 of the information contained in Yinne Yu's email and the PayPal Announcement of the agreement for the acquisition of Honey by PayPal for approximately $4 billion, Sir Dickson knew that the prohibition on his dealing in Dickson Concepts shares would remain in place until after publication of the Interim Results of Dickson Concepts after the close of business on 27 November 2019.

S.271(3): Innocent purpose defence

657. In his written closing submissions, Mr. Benjamin Yu submitted that the "innocent purpose defence" provided by s.271(3) was available to Sir Dickson on proof on the balance of probability that, "the purpose for which he dealt in the DCIL shares, and if there is more than one purpose, that the purpose does not include making a profit or securing or increasing a profit or avoiding a loss, either for himself or another: SFC v Charles Yiu, § 45."[602]

658. Mr. Yu submitted that, "…Dickson's purpose for purchasing DCIL shares was for long-term investment. Dickson was not trying to make a profit."[603] The following factors were said to be consistent with the purpose:[604]

- Dickson had not sold DCIL shares for himself/his trust since 2004 and did not sell any shares purchased between 28 .11. 2019 and 19. 12. 2019.
- The quality and manner of Dickson's purchases were moderate, not aggressive and in line with his past practice… Dickson was not chasing to buy more shares at a lower price an attempt to secure a profit.
- Dickson did not intend to make any profit from his purchases.

The Commission's submissions

659. As noted earlier, in his oral closing submissions Mr. Derek Chan submitted that it was a common position between Sir Dickson and the Commission that in his dealings in Dickson Concepts shares on and between 28 November 2019 and 19 December 2019, "Sir Dickson wasn't chasing the price up" and that those purchases, were, "for long-term accumulation, not

[602] Written Closing submissions at paragraph 125.
[603] Written Closing submissions at paragraph 126.
[604] Written Closing submissions at paragraph 127-128.

for selling for a profit in the short term."[605] On the other hand, issue was taken on the price at which Sir Dickson sought to buy those shares, "…price matters to Sir Dickson".[606]

660. Mr. Derek Chan submitted that the defence provided by s.271(3) of the Ordinance was not available to the Dickson because, "he was using price-sensitive information by buying shares at a cheaper price than would otherwise have been the case if the price sensitive information was known to the public."[607]

661. As was stated in the joint judgement in *SFC v Charles Yiu*:[608]

> "A s.271(3) defence is not easy to establish it only arises after *prima facie* culpability is established. It requires a specified person to prove on the balance of probabilities that dealings which *prima facie* constitute insider dealing were done without in any way involving the prohibited purpose."

662. We have found that *prima facie* culpability has been established. Knowing that the price sensitive information he possessed was not known to the public Sir Dickson used that knowledge to buy Dickson Concepts shares at a lower price than they would have been sold if the information had been public. His purpose included buying the shares at that lower price. We are satisfied that the purpose of Sir Dickson's careful, measured and incremental increase in the purchase orders was to purchase Dickson Concepts shares at the lowest or best price available. The fact that he did not sell the shares and did not intend to sell them did not prevent him from having the purpose of gaining a profit or of having gained a profit. The notional profit gained, "is to be measured by reference to the market value of the shares" at the date "when the information was made public and the market had a reasonable opportunity to digest the information", less the actual cost of purchase.[609]

663. The fact that he was disadvantaged compared to others and prevented from following, what on his evidence was his practice of accumulating Dickson Concepts shares "shortly after"[610] the publication of Annual or Interim results of Dickson Concepts, was, as was observed in the joint judgment, "the consequence of being a connected person who comes into possession of price sensitive information".

---

[605] Transcript 27 April 2026 at pages 65-66.
[606] Transcript 27 April 2026 at page 66.
[607] Transcript 27 April 2026 at page 66.
[608] *SFC v Charles Yiu* at paragraph 89.
[609] *Insider Dealing Tribunal v Shek Mei Ling* (1990) 2 HKCFAR 205, at pages 211 C-D and 212 E-F.
[610] Witness statement at paragraph 65.

664. In any event, we are not satisfied that the evidence established any particular pattern of buying of Dickson Concepts shares by Sir Dickson "shortly after" or for that generally after the publication of Annual or Interim results of Dickson Concepts.

665. We are satisfied that Sir Dickson is not able to avail himself of the provisions of s.271(3) of the Ordinance.

Conclusion

666. For the reasons that we have given, there being no dispute that, being the Group Executive Chairman and Executive Director of Dickson Concepts Sir Dickson was "connected with"[611] Dickson Concepts, we are satisfied that, in dealing in Dickson Concepts shares on and between 28 November 2019 and 19 December 2019, Sir Dickson was culpable of insider dealing, contrary to s.270(1)(a)(i) of the Ordinance and in counselling or procuring Equity to deal in those shares on those occasions, knowing or having reasonable cause to believe that Equity would deal in those shares, Sir Dickson was culpable of insider dealing, contrary to s.270(1)(a)(ii) of the Ordinance.

Equity

667. Equity, of which Lam Man Tung and Hui Hon Wun were directors in the relevant period, was incorporated in the British Virgin Islands and was an investment holding company formed under a discretionary trust established by Sir Dickson. As the Group Financial Controller and Financial Controller-China respectively, Lam Man Tung and Hui Hon Wun were employees of Dickson Concepts.[612]Accordingly, Equity was regarded as a person connected with Dickson Concepts.[613] Sir Dickson was a person authorised to operate Equity's account with UBS.[614] In the relevant period, Sir Dickson, personally or through Johnny Chan, placed orders with UBS and dealt with Dickson Concepts shares. Sir Dickson's knowledge of the information in and arising from Yinne Yu's email, sent to Sir Dickson on 21 November 2019, and the PayPal Announcement, dated 20 November 2019, is attributable to Equity at the time of Equity's dealings in Dickson Concepts shares. [615]

---

[611] S.247(1)(a) of the Ordinance.
[612] Exhibits Bundle 7 pages 3055-3058.
[613] S.247(I) and s.247(2) of the Ordinance.
[614] Exhibits Bundle 7, at page 3266.
[615] *Bilta (UK) Limited v Nazir (No. 2)* [2016] AC 1 at paragraph 181.

Conclusion

668. Accordingly, we are satisfied that in dealing in Dickson Concepts shares, Equity knew that it had inside information in relation to Dickson Concepts and was culpable of insider dealing, contrary to s.270(1)(a)(i) of the Ordinance.

CHAPTER 14

Dickson Concepts' disclosure of inside information

Requirements for listed corporations to disclose inside information.

669. Section 307B provides that:

> "(1) A listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public.
>
> (2) For the purposes of subsection (1), inside information has come to the knowledge of a listed corporation if-
>
> (c) information has, or ought reasonably to have, come to the knowledge of an officer of the corporation in the course of performing functions as an officer of the corporation;"

Officer

670. As a director of Dickson Concepts, a company incorporated in Bermuda and listed on the SEHK, Sir Dickson and Pearson Poon were both officers of Dickson Concepts.[616]

Attribution of knowledge

671. Earlier, we found that Sir Dickson knew that he was in possession of inside information on and after 21 November 2019. Clearly, that information came to his knowledge in the course of Sir Dickson performing his functions as an officer of Dickson Concepts, in particular as a member of the Investment Team. Accordingly, we are satisfied that the knowledge of which he was possessed came to the knowledge of Dickson Concepts.

Disclosure

672. There is no dispute that Dickson Concepts made no disclosure of that inside information or the subsequent iterations of the inside information until an Announcement by Dickson Concepts on 9 January 2020.

Dickson Concepts Announcement: 9 January 2020

673. Dickson Concepts' Announcement, dated 9 January 2020, stated that:[617]

> "This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and

[616] Schedule 1 of the Ordinance.
[617] Core Bundle, pages 2-5.

the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

(1) The Board announces that the Group has been notified by one of his its investee companies, the Subject Company [Honey Science Corporation[618]], that a merger in respect of the Subject Company became effective on 3 January 2020, and was publicly announced on 6 January 2020 (US Pacific time). As the merger has been consummated, the Subject Company has become a wholly-owned subsidiary of the Purchaser [PayPal, Inc., a wholly-owned subsidiary of PayPal Holdings, Inc (NASDAQ: PYPL)[619]] and all of the Subject Company's existing security holders will receive cash in exchange for the cancellation of the securities in the Subject Company.

The Group did not enter into any agreement in connection with the merger nor exercise any of its voting rights in the Subject Company to support the merger. Notwithstanding this, the merger has been consummated and the Group's entire equity interest in the Subject Company has been compulsorily cancelled in exchange for cash consideration. The compulsory cancellation of the Group's entire equity interest in the Subject Company occurred by operation of US law, pursuant to which all of the rights of the Group as a security holder were automatically extinguished.

The Company [Dickson Concepts (International) Limited…a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange[620]], through the Relevant Subsidiary [Kinford International Ltd, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary company of the Company, the principal activity of which is investment holding[621]] (a wholly-owned subsidiary), owned 24,834,600 shares of the Series B Preferred Stock of the Subject Company, being approximately 3.73 per cent of the issued share capital of the Subject Company. The Group will, based on the per-share price for the merger, receive US $147,585,708 (approximately HK $1,149 545,080) in cash (subject to potential escrow adjustments described below). This will be a gain (after the

[618] Text added by reference to the Definitions section of the Announcement.
[619] Text added by reference to the Definitions section of the Announcement.
[620] Text added by reference to the Definitions section of the Announcement.
[621] Text added by reference to the Definitions section of the Announcement.

Group's expenses) of approximately HK $928,744,921 over the Company's net book value of its investment in the Subject Company as at 30 September 2019.

Breach of disclosure requirement

674. Section 307A(2) provides that:

"(a) a breach of disclosure requirement takes place if any of the requirements in section 307B or 307C is contravened in relation to a listed corporation; and

(b) in those circumstances, the listed corporation is in breach of the disclosure requirement."

Exceptions to disclosure requirement

675. Section 307D(2) provides that:

"A listed corporation is not required to disclose any inside information under section 307B if and so long as-

(a) the corporation takes reasonable precautions for preserving the confidentiality of the information;

(b) the confidentiality of the information is preserved; and

(c) one or more of the following applies -

(i) the information concerns an incomplete proposal or negotiation…"

Duty of officers of listed corporations

676. Section 307G provides that:

"(1) every officer of a listed corporation must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the corporation.

(2) if a listed corporation is in breach of a disclosure requirement, an officer of the corporation-

(a) whose intentional, reckless or negligent conduct has resulted in the breach; or

(b) who has not taken all reasonable measures from time to time to ensure that proper safeguards exist to prevent the breach,

is also in breach of the disclosure requirement."

1. Dickson Concepts: duty of disclosure

Incomplete proposal or negotiation

677. In his Written Closing submissions, Mr. Ambrose Ho submitted that:[622]

> "15. …at all material times prior to the Compulsory Cancellation, the Proposed Acquisition[623] was an "*incomplete proposal or negotiation"* as far as the Company was concerned."
>
> 16. When PayPal first announced the Proposed Acquisition by way of the PayPal Announcement, there was only an agreement *between PayPal and Honey*. Neither the Company nor Kinford had been approached at all regarding the sale of its shares in Honey (whether by PayPal or Honey)… At that stage, therefore, and as fully evidenced by subsequent events, the Proposed Acquisition was merely a *proposal* to acquire Kinford's shares in Honey which had not been completed.
>
> 17. The first approach took place on 27.12.2019 when Honey transmitted the Transaction Documents to Kinford through DocuSign for its consideration."

678. Earlier, in those Written Closing submissions, Mr. Ambrose Ho had contended of the PayPal Announcement and Yinne Yu's email, sent on 21 November 2019, that:[624]

> "…neither PayPal nor Honey had ever approached the Company/Kinford regarding the Proposed Acquisition notwithstanding that on the face of the PayPal Announcement, it was Kinford's shares in Honey that were the subject matter of the Proposed Acquisition. From the Company/Kinford's perspective at the time, the unilateral announcement on Proposed Acquisition was simply unsubstantiated, not even *"exploratory testing of the waters"* in the absence of any approach from either PayPal or Honey, still less negotiations with a "*substantial commercial reality*"."

679. In his oral closing submissions, Mr. Ambrose Ho said, of events in November 2019 and following, that:[625]

> "…there was simply no negotiation/proposal between company on the one hand (Kinford) and PayPal or Honey on the other hand".

---

[622] Written Closing submissions at paragraphs 15-17.
[623] Dickson Concepts' Written Opening submissions, at paragraph 2: "…a proposed acquisition of its shares in Honey…. by PayPal in 2019."
[624] SP3 Written Closing submissions at paragraph 6.2.
[625] Transcripts 18 May 2026 at page 60.

Further, "in November 2019, as far as the company is concerned, DCIL or Kinford, certainly there was no committed agreement to acquire Kinford shares in Honey."[626]

SFC Guidelines on Disclosure of inside information-June 2012

680. Having informed the Tribunal that a Guidance Note to the Australian Stock Exchange Listing Rules provided guidance on addressing the same provision, namely an 'incomplete proposal or negotiation'[627], Mr. Ambrose Ho pointed out that the *SFC Guidelines on Disclosure of inside information* provided that, "Where information concerns an incomplete proposal or negotiation, no statutory disclosure is required for information concerning incomplete proposals or negotiations."[628]

681. Mr. Ambrose Ho submitted that the nub of the Commission's complaint against Dickson Concepts was that:[629]

> "…you have never actually told the public you're actually holding some of the Honey shares that was the subject matter of the PayPal announcement of acquisition of Honey…. you knew about it: you've seen the announcement."

682. Further, that the "arguably price sensitive and inside information" was:[630]

> "…not just PayPal has announced that they are going to pay $4 billion to Honey to acquire Honey, whether it is also price sensitive with respect to the company must depend on the fact that it is Kinford who is holding about 3.5% of these Honey shares. That is price sensitive."

Confidentiality

683. Of that information, Mr. Ho submitted:[631]

> "…the inside information requires both the PayPal announcement and the context of Kinford holding some of Honey shares, that fact has been preserved all the time until the announcement was made by the company on 9 January 2020. There is no loss of confidentiality at all."

---

626 Transcript 19 May 2026 at page 9.
627 Transcript 18 May 2026 at pages 67-73.
628 *SFC Guidelines on Disclosure of inside information*-June 2012 at paragraph 72.
629 Transcript 18 May 2026 at page 61.
630 Transcript 18 May 2026 at page 61.
631 Transcript 18 May 2026 at page 65.

The Commission's Submissions

684. In his Written Closing submissions for the Commission, Mr. Derek Chan contended that[632]:

> "The Safe Harbour Defence is simply ***not applicable*** to the present case.
>
> **Firstly**, PayPal's agreement to acquire Honey for US$4 billion was public knowledge as early as 21 November 2019 when the PayPal Announcement was issued, meaning that there was no confidential information to preserve, and therefore s.307D(2)(b) is not engaged.
>
> **Secondly**, PayPal's agreement to acquire Honey (as evident from the PayPal Announcement), or the benefit that DCIL stood to gain as a result of the public news, could not have been considered an "*incomplete proposal or negotiation*" under s.307D(2)(c)(i). There was simply no "proposal or negotiation" between Kinford/DCIL and PayPal/Honey.
>
> *Per* §72 of the Disclosure Guidelines, examples of "*incomplete proposal or negotiation*" typically involve the "corporation" (i.e. the listed corporation in question). In this instance, Kinford/DCIL was not involved in such negotiations and had no material role in affecting the outcome of the PayPal Acquisition."

685. In his oral closing submissions, Mr. Derek Chan submitted, in respect of the applicability of the safe harbour provision, that:[633]

> "…using the SPs' logic at this stage, 21-22 November 2019, the SPs themselves accept that there had not been any approach from PayPal to Kinford/Dickson Concepts. So… as between PayPal and Kinford, as at 22 November 2019, there was no incomplete proposal or negotiation for the safe harbour to kick in anyway…on the SPs' logic, a proposal or negotiation involving Kinford started only from 25 December onwards."

Determination

686. In stating that PayPal had agreed to acquire Honey for approximately $4 billion, the PayPal Announcement did not identify by whom the agreement was made. No doubt, it was to be inferred that the agreement was made at least with the authorisation of the respective boards of directors of PayPal and Honey. Clearly, it was not an agreement between PayPal and all the individual security holders of Honey. In fact, no offer or proposal to any individual security

[632] SFC Written Closing submissions at paragraph 109.
[633] Transcript 27 April 2026 at page 41.

holder of Honey was articulated in the PayPal Announcement. More particularly, no proposal was made by PayPal to Dickson Concepts/Kinford to acquire some or all of their holding in Honey. As Mr. Ho has acknowledged, the first statement of a proposal to be made to Kinford was articulated in Yinne Yu's email to Sir Dickson, sent on 25 December 2019:[634]

> "Honey would like us to sign a few documents… please let me know who will sign for Kinford …Our signatures are needed for the letter of Transmittal (this is necessary to receive our payout) and the Support Agreement and the Stockholder Consent (this is necessary for the transaction to close)."

687. However, the details of that proposal were not provided to Dickson Concepts until 27 December 2019, when Johnny Chan received an email from DocuSign on behalf of Yinne Yu, together with a message from Matt Sargeant of Honey, enabling him to access several hundred pages of documents describing the proposal.[635]

21 November 2019 to 25 December 2019: no incomplete proposal or negotiation

688. We are satisfied that in the period on and between 21 November 2019 and 25 December 2019 there was no proposal by PayPal or Honey to Dickson Concepts/Kinford to acquire their shares in Honey. It follows, that there was no "incomplete proposal or negotiation" between them, such that Dickson Concepts/Kinford may avail themselves of the protection of s.307D(2) of the Ordinance.

Conclusion

689. We are satisfied that, in failing to make disclosure to the public throughout the entire 5-week period up and until 25 December 2019, Dickson Concepts was in breach of its duty[636], pursuant to s.307B(1), to disclose to the public as soon as reasonably practicable after the inside information of 21 November 2019 had come to its knowledge, through attribution of the knowledge of Sir Dickson.

II. S.307G(2): liability of Sir Dickson

690. As noted earlier, an officer of a corporation in breach of its disclosure requirement is, "also in breach of the disclosure requirement" if his, "intentional, reckless or negligent conduct has resulted in the breach".

---

[634] Core Bundle at page 229.
[635] SP3 at page 1049.
[636] S.307A(2) of the Ordinance.

691. In the Commission's Written Closing submissions, it was contended in respect of Sir Dickson's conduct that, knowing that the information known to him on 21 November 2019 was price sensitive, "…his failure to, at least, inform Johnny (and the Board) of the PayPal Announcement was intentional."[637]

692. In his oral closing submissions, Mr. Derek Chan described that submission as "our primary case against Sir Dickson" and said:[638]

> "…it is open to the Tribunal to find that it was Sir Dickson's intentional conduct that resulted in the breach, since we submit Sir Dickson clearly took a deliberate decision not to forward Yinne's email containing the PayPal announcement link to Johnny."

693. In the alternative, the Commission submitted that Sir Dickson was reckless or, at the very least, negligent in failing to share the information that Sir Dickson knew on and after 21 November 2019 with Johnny Chan, having regard to Sir Dickson's evidence that, " he relied on Johnny for advice regarding DCIL's obligation to disclose price sensitive information".[639] In cross-examination, in denying the suggestion that in November and December 2019 he was not familiar with the obligations to disclose price sensitive information, Sir Dickson added, "…though I would always rely on Johnny to advise me."[640]

694. In his written closing submissions, Mr. Benjamin Yu invited the Tribunal to reject the Commission's submission that Sir Dickson was culpable of intentional conduct in relation to Dickson Concepts' breach of its disclosure requirements, in particular in failing to inform Johnny Chan of the information known to Sir Dickson on 21 November 2019: "The objective facts do not support the conclusion that Dickson deliberately hid information from Johnny/the Board."[641] Similarly, Mr. Yu invited the Tribunal to reject the submission that in his conduct Sir Dickson had been reckless or, at least, negligent. Sir Dickson's evidence was that he did not possess inside information, "…which is why he did not consider there a need to inform Johnny."[642]

695. In his oral closing submissions, Mr. Yu reminded the Tribunal of Sir Dickson's evidence-in-chief, namely that, at the time that he purchased Dickson Concepts shares in

---

637 SFC Written Closing submissions at paragraph 118.
638 Transcript 28 April 2026 page 41.
639 SFC Written Closing submission at paragraph 120.
640 Transcript 23 December 2025 at page 21.
641 SP1 Written Closing submissions at paragraph 131.
642 SP1 Written Closing submissions at paragraph 132.1-132.2.

November 2019 and December 2019, "…it did not cross my mind that I have price sensitive information". Further, significantly, Sir Dickson went on to assert: [643]

> "…if I had known there were inside information, I would have passed them on to Johnny, as is my practice throughout my career, and ask him to assist on whether they are price-sensitive or information requiring disclosure. I had nothing to hide."

Causation

696. Of the element of causation, namely the requirement that the impugned conduct of the officer of the corporation "has resulted in the breach" of the corporation's duty, in his oral submissions Mr. Benjamin Yu said[644] that he adopted the submissions made by Mr. Jat on behalf of Pearson Poon, namely:[645]

> "For the 21 Nov Email, even if he had informed Johnny of it, there is no evidence that Johnny would have taken the view that it was price sensitive, such that he would have procured DCIL to make disclosure. Indeed, Johnny's evidence is to the contrary."

697. Of that evidence, Mr. Jat contended in his written submissions[646], "it is Johnny's unchallenged evidence that he did not consider the PayPal Announcement to be price sensitive.[647] It was not suggested to Johnny that he was putting forward a false view."

698. In his oral submissions in reply, Mr. Derek Chan took issue with the suggestion that no challenge had been made to Johnny Chan's evidence of his opinion of the information in the PayPal Announcement[648]. In cross-examination, it had been suggested to Johnny Chan that the PayPal Announcement, "with its consequential effects for Dickson Concepts", if it completed, was, "price sensitive information for Dickson Concepts' shares".[649] In face of Johnny Chan's adamant disagreement with the proposition, the issue had been canvassed at length over many pages of transcript.

Determination

699. Having regard to our findings that not only was Sir Dickson in possession of price sensitive inside information on and after 21 November 2019 but also that he knew that to be

---

[643] Transcript 19 December 2025 at page 95.
[644] Transcript 18 May 2026 at page 18.
[645] SP4 Written Closing submissions at paragraph 6.9.
[646] SP4 Written Closing submissions at paragraph 99.
[647] Transcript 25 March 2026 at pages 3-10.
[648] Transcript 20 May 2026 at pages 77-80.
[649] Transcript 24 March 2026 at page 71.

the case when he dealt in Dickson Concepts shares on and between 28 November 2019 and 19 December 2019, together with our finding that Sir Dickson clearly deliberately chose not to inform Johnny Chan on 21 November 2019 of the information contained in Yinne Yu's email and the PayPal Announcement of the agreement for the acquisition of Honey by PayPal for approximately $4 billion, we are satisfied that Sir Dickson intended that the inside information not be disclosed to those in Dickson Concepts who would otherwise have dealt with such inside information, including not only Johnny Chan and Stella Or but also the board of directors.

700. In those circumstances, knowing that the 21 November 2019 information was inside information, it was Sir Dickson's duty to have provided that information to Johnny Chan, with an assessment that it was inside information, and to have required that it be provided to the board of directors for the board to decide, in accordance with Dickson Concepts' Inside Information Policy, whether the information, "constitutes Inside Information and when disclosure of which shall be made and when a trading halt as required".[650]

701. Although Dickson Concepts' Inside Information Policy and the system in place was described by Mr. Jat in his written submissions as "well-established and robust", it is readily apparent from Sir Dickson's evidence that he made the assessment alone of whether or not the information he possessed on 21 November 2019 was inside information, without informing Johnny Chan, Stella Or, or the Board of directors. Of why he had not told Johnny Chan of the PayPal announcement, in cross-examination Sir Dickson asserted simply, "Given how uncertain it was, I didn't think it was necessary."[651] Further, in doing so, Sir Dickson was in compliance with the system operating in Dickson Concepts, as was evident from the evidence of Stella Or in cross-examination: [652]

> "Q. …what should Sir Dickson do when he comes into possession of information which may potentially be inside information? What should he do as a matter of company policy?
>
> A. He should assess the relevant information, whether it's inside information or not, or need to bring to the board's attention or to Johnny's attention.
>
> Q. What if Sir Dickson, having come into possession of such information, does not tell anyone about it or fails to make the assessment of the materiality of the information? In those circumstances, does the policy provide for any other

[650] Core Bundle at page 7.
[651] Transcript 22 December 2025 at page 55.
[652] Transcript 25 March 2026 at pages 70-71.

mechanism, if that happens?

A. He, Sir Dickson, has a responsibility, and the role to perform. But you're saying if he failed?

Q. Yes. Is there any other mechanism provided for in the policy to cater for the possibility?

A. Not just Sir Dickson, then. It also applies to all CEO, COO, GFC."

702. Sir Dickson's evidence, of his assessment of whether the information he possessed on 21 November 2019 was inside information, described a unilateral, undocumented decision not communicated at any relevant time to anyone else in Dickson Concepts.

Causation

703. We are satisfied that it was Sir Dickson's intentional conduct in deliberately not providing the 21 November 2019 inside information to Johnny Chan and the board of directors that prevented the board of directors from discharging their duty to determine whether the information was inside information and that resulted in the breach of duty by Dickson Concepts.

704. For the avoidance of doubt, we have considered the submissions made in respect of Johnny Chan's evidence of his opinion that the 21 November 2019 information was not price sensitive information. First, with respect, we reject Mr. Jat's submission that Johnny Chan was not challenged by the Commission on the opinion he gave in evidence. Mr. Derek Chan made that perfectly clear in cross-examination when he prefaced the question by stating, "I'm going to suggest it straight to you" that, "if the transaction were to be completed information is price sensitive for Dickson Concepts shares, do you agree?"[653] Secondly, Johnny Chan's answer was most revealing:[654]

> "I don't agree. As I have explained, I could not rely on the proposed transaction, which was not a consummated transaction to revalue the fair value of Honey science. Without a significant change in the fair value of Honey Science, there is no-there is unlikely to be any significant impact on the financial statement. Likewise, without a significant change in the fair value of Honey Science, it is unlikely that the share price of Dickson Concepts would be affected significantly."

705. With respect to Johnny Chan, we have no hesitation in rejecting that explanation as the basis for his disagreement that the information was price sensitive. Clearly, information may

[653] Transcript 24 March 2026 at page 71.
[654] Transcript 24 March 2026 at page 71.

be price sensitive information without there being a consummated transaction. Equally clearly, the price at which Dickson Concepts shares traded was capable of being affected by information, without there being a change in the fair value of Honey Science. We reject his opinion. In any event, it is clear that it was the board of directors of Dickson Concepts that was required to make the determination of whether information was inside information.

Conclusion

706. We are satisfied that Sir Dickson's intentional conduct resulted in the breach of Dickson Concepts' disclosure requirement and that, contrary to s.307G(2), Sir Dickson is also in breach of the disclosure requirement.

III. S.307G(2): liability of Pearson Poon

707. At the outset, in considering the liability of Pearson Poon, the Tribunal notes, pursuant to s.307G(2) of the Ordinance, that an officer of a corporation in breach of its disclosure requirement is, " also in breach of the disclosure requirement" if his, "intentional, reckless or negligent conduct has resulted in the breach".

The Commission's submissions

708. In the Commission's Written Closing submissions, Mr. Derek Chan asserted that there was no dispute that Pearson Poon was aware of the 21 November 2019 information.[655]

709. Of Pearson Poon's evidence, it was submitted[656] that he had given inconsistent answers in respect of whether he considered the 21 November 2019 information price sensitive. In his record of interview, first he had been reminded that Johnny Chan's valuation of Dickson Concepts' stake in Honey, set out in his email of 21 November 2019, was of around US $35 million if the valuation of Honey is US $1 billion and that, on a consideration of $4 billion announced by PayPal, translated to about $140 million. Then, having been asked, "do you think that at that time Dickson Concepts should inform the public shareholders about it?" he said:[657]

> "*I didn't think about it at the time* because obviously after receiving this email, I presumed Johnny was aware of this news and you know as per what described in terms of our normal disclosure policies and procedures, normally if Johnny believe that there will be an announcement that required-- sorry, if there's news that required an announcement that he would go along that process. So you know I had quite a busy day

[655] Written Closing submissions at paragraph 114.
[656] Written Closing submissions at paragraph 124.
[657] Witness Volume 1, pages 145-146 counter# 151.

working in Paris at that time, so yes, *I didn't think about it at that time.*" [Italics added.]

710. By contrast, it was contended in the Commission's Written submissions, that in his evidence Pearson Poon claimed, "…he had formed an impression that PayPal Acquisition faced many obstacles; however, since Sir Dickson and Johnny were already handling the matter, he did not consider the matter further and deferred to them."[658] For example, in cross-examination Pearson Poon said:[659]

> "When I read the announcement, I formed an impression about it, and I thought that there were still very significant hurdles to overcome. There were regulatory approvals pending which is by no means a guarantee. So whether the transaction would take place, when exactly, at what price, were all uncertain… Aside from making my impression, my understanding at the time was both Father-my father and Johnny, who were very experienced with these matters, were aware. So, if they felt any actions were needed, they would have seen to it."

Pearson Poon's knowledge: 21 November 2019 information

711. Of the 21 November 2019 information, Mr. Derek Chan submitted of Pearson Poon, that the "strong inference is that he knew" it to be "price sensitive, and appreciated its significance and materiality" to Dickson Concepts, given that he had described it in an email to Sir Dickson as, "Wow… good to see a bit of good news"[660]

712. Having regard to the totality of Pearson Poon's evidence in respect of the 21 November 2019 information, Mr. Derek Chan submitted:[661]

> "He recognised the materiality of the information and the reliability of the PayPal Announcement, concluding it was materially beneficial to the company. *He must have known that the information was price sensitive*; if not, he failed to assess the information properly from the perspective of Potential Investors. Had he done a proper assessment, he would have been aware, at minimum, of the risk that the information was both price sensitive and subject to disclosure." [Italics added.]

713. In response to the Chairman's enquiry, during oral closing submissions, of whether the allegation of knowledge had been put to Pearson Poon in cross-examination,[662] eventually Mr

---

[658] SFC Written Closing submissions at paragraph 124.
[659] Transcript 26 March 2026 at page 72.
[660] SFC Written Closing submissions at paragraph 121.
[661] SFC Written Closing submissions at paragraph 127.
[662] Transcript 28 April 2026 at page 50.

Derek Chan said, "The highest I put it is that he must have realised there was a risk that it was price sensitive."[663] He explained that, given the Pearson Poon would not agree with that suggestion he had decided that there was no point in pushing the suggestion of knowledge.

714. Of the alleged failure of Pearson Poon to assess the information properly from the perspective of potential investors, Mr. Derek Chan submitted that on his own evidence, "he does not demonstrate a clear understanding of what assessing price sensitivity entails."[664] Reliance was placed on Pearson Poon's evidence in cross-examination, namely:[665]

> "…what I meant was I cannot speculate how investors would think. At the time, I knew this piece of information, obviously my father was aware, I assume that Johnny-and Johnny was aware. They were both very, very experienced members of the board, so I felt you know, I could leave it to them to see if any actions needed to be taken, because precisely at the time I had a been a director for less than one year, I honestly don't feel I'm experienced enough to say for sure how investors might think, that's why we have a company inside information policy and system in place."

715. In his oral closing submissions, in the context of a consideration of the issue of negligence, Mr Derek Chan submitted that, "Pearson didn't seem to understand that in making the assessment, one requires a consideration of how the investing public would likely react" to the 21 November 2019 information.[666]

Delegation

716. Mr. Derek Chan submitted that, "whilst a director may delegate specific functions to others and trust their competence, this does not absolve him of the duty to supervise the execution of the delegated functions"[667] The Tribunal was invited to note that on Pearson Poon's evidence he had "…never once verified whether Sir Dickson or Johnny had considered the price sensitivity" of the 21 November 2019 information. It was suggested that Pearson Poon and had adopted, "an entirely hands-off approach". [668] That was impermissible. It was suggested that the nub of Pearson Poon's evidence in this regard was to the effect that, "…as the most junior member of DCIL's board in both age and experience, he relied on

[663] Transcript 28 April 2026 at page 69.
[664] SFC Written Closing submissions at paragraph 123.
[665] Transcript 26 March 2026 at page 71-72.
[666] Transcript 28 April 2026 at page 54.
[667] *Re Copyright Limited* [2004] 2HKLRD 113, at paragraphs 34-35.
[668] SFC Written Closing submissions at paragraph 129.

Johnny/DCIL's system to handle inside information."[669]

Recklessness/negligence

717. Further, it was submitted that in Pearson Poon's conduct in failing to follow up with Johnny/Sir Dickson about whether an assessment had been made of whether the 21 November 2019 information was price sensitive and subject to disclosure was, "in itself negligent, if not reckless."[670]

718. In his oral closing submissions, Mr. Derek Chan submitted, "…in circumstances where it was obvious that the information was price-sensitive, it was acceptable to leave it to Sir Dickson and Johnny to deal with that, until you get to the point where it becomes obvious that they hadn't dealt with it because there had been no discussion, and Sir Dickson started to deal."[671] In those circumstances, it was contended that, "… at the very least, he ought to have asked, enquired, "Has that assessment been made?"

719. In his oral closing submissions, Mr Derek Chan submitted that relevant to that issue was the incorrect assumption that Pearson Poon made that Johnny Chan was aware of the 21 November 2019 information.[672] He submitted that, given that it was obvious that the information was price sensitive, but there was no discussion about disclosure and there had been no follow-up, there was all the more reason to raise the matter with Johnny Chan.[673]

720. The Tribunal was invited to note that Pearson Poon's evidence was that up and until Christmas 2019 Johnny Chan had not come back to him on the issue of whether a price sensitive information announcement was needed. Further, he agreed that the board of directors had not discussed the issue following receipt of the emails and until Christmas. [674]

721. Mr Derek Chan suggested that by contrast, following Sir Dickson's receipt of Yinne Yu's email, sent at 6:11 p.m. on 25 December 2019 Sir Dickson had sent an email to Pearson Poon at 18:44 on 25 December 2019, in which he forwarded Yinne Yu's email, explaining, "Fyi. I will ask Johnny to follow up."[675] Of those circumstances, Mr. Derek Chan said that: [676]

"…when it was clear to Pearson that the issue of disclosure was being dealt with and

[669] SFC Written Closing submissions at paragraph 130.
[670] SFC Written Closing submissions at paragraph 132.
[671] Transcript 28 April 2026 at page 65.
[672] Transcript 28 April 2026 at page 56.
[673] Transcript 28 April 2026 at page 62.
[674] Transcript 26 March 2026 at page 91.
[675] Core Bundle page 231.
[676] Transcript 28 April 2026 at pages 67- 68.

> Pearson wasn't involved in the actual nitty-gritties of preparing the announcement, preparing the disclosure … it was reasonable for Pearson to delegate all of that to the process."

Closing submissions for Pearson Poon

Pearson Poon's knowledge

722. In his oral closing submissions, Mr. Jat took issue with the statement made by Mr Derek Chan in his oral closing submissions that it was the Commission's "primary case" that Pearson Poon knew that the 21 November 2019 information was "price sensitive information." He suggested that was, "a serious allegation of actual knowledge. If he knew that the information on 21 November 2019 was price-sensitive information, it necessarily follows that Pearson deliberately failed to make disclosure…advise or procure the company to make disclosure."[677]

723. Of Mr. Derek Chan's acknowledgement that it had not been suggested in terms to Pearson Poon that he knew the 21 November 2019 information to be price sensitive inside information and Mr. Chan's explanation that had not been suggested because Pearson did not even accept that he knew that there was a risk that it was price sensitive inside information, Mr Jat said, "That's plainly not good enough".[678]

724. Mr. Jat suggested that if the allegations had been put to Pearson Poon in cross-examination it would have raised other questions: why would he do that? What was his motive? Further, given that he knew of Sir Dickson's dealing in Dickson Concepts shares on and after 28 November 2019, with that knowledge, "…he would have been complicit in the alleged insider trading".[679]

725. In the result, Mr. Jat submitted that the invitation to the Tribunal to find that Pearson Poon knew that he was possessed of inside information was not only "unfair" but also, "it is not open to the SFC to make that submission." It was, "not a finding which the SFC could legitimately invite the Tribunal to make."[680]

Negligence

726. In his written closing submissions Mr. Jat identified the principles that he said were relevant to a consideration of whether Pearson Poon's conduct was negligent:

---

[677] Transcript 20 May 2026 at page 53.
[678] Transcript 20 May 2026 at pages 52-53.
[679] Transcript 20 May 2026 at pages 53-54.
[680] Transcript 20 May 2026 at pages 55-56.

- In assessing whether the defendant fell below the level of skill, care and competence required of directors, "the test to be applied is a high one. It must be shown that the decision complained of went beyond a mere error of commercial judgment. It must be one which no reasonable director could have reached" [681]
- In testing whether a director has been negligent the question is not simply what the Court thinks it would be reasonable for the director to have done; rather it is what the evidence establishes were the courses open to reasonably competent directors (the burden lying on a complainant to establish that the course of which complaint is made is not amongst them).[682]
- Where the opinions of reasonably informed and competent directors might differ, a director is not liable simply for making what proves to be the wrong choice among those opinions.[683]
- In discharging this obligation, directors are entitled to delegate and to trust the competence and integrity of staff to a reasonable extent.[684]
- Directors are entitled to delegate particular functions to those below them in the management chain, and to trust their competence and integrity to a reasonable extent; but the exercise of the power of delegation does not absolve the director from the duty to supervise the discharge of the delegated functions; the extent of that duty, the question whether it has been discharge, must depend on the facts of each particular case, including the director's role in the management of the company.[685]
- Discharge of that duty will depend on:
  (i) whether the director has reason to be concerned about the competence or integrity of the relevant staff member or members, the quality of information being provided, or their willingness to carry out the Board's instructions;[686] and
  (ii) the role assigned to or assumed by the individual director in question.[687]

---

[681] *Optaglio Ltd v Tethal* [2015] EWCA Civ 1002 §23 (Floyd LJ).
[682] *Re Keeping Kids Company* [2021] EWHC 175 (Ch) §866 (Falk J.); *Sharp v Blank* [2019] EWHC 3096 (Ch) §631 (Sir Alistair Norris).
[683] *Re Keeping Kids* §867; Sharp §627.
[684] *Dovey v Cory* [1901] AC 477, 492.
[685] Re Copyright Ltd. [2004] 2HKLRD 113 at §34 (ii) and (iii).
[686] *Re Keeping Kids* §859;
[687] Ibid. at §§152, 704(iii), 863.

Pearson Poon's assessment of the 21 November 2019 information and its effect on potential investors

727. Of the proper approach to be taken to Pearson Poon's evidence of his assessment of the 21 November 2019 information and its effect on potential investors, in his written submissions Mr. Jat invited the Tribunal to note that: "Pearson was relatively inexperienced in regulatory matters. His primary responsibility was on the business side"; on 21 November 2019, "he was faced with a packed schedule, against a very challenging background and considerable pressure"; and "gauging how the market might react to a piece of news involving a start-up in a foreign jurisdiction" was not a question which a director in his position would ordinarily face[688].

728. In his evidence in cross-examination, Pearson Poon said, "…when I read the announcement, I formed an impression about it, and I thought there were still very significant hurdles to overcome. There were regulatory approvals pending which is by no means a guarantee. So whether the transaction would take place, when exactly, at what price were all uncertain." Further, it was his understanding at the time that, "…my father and Johnny, who were very experienced with these matters, were aware. So if they felt any actions are needed, they would have seen to it."[689]

729. Of his opinion of how potential investors would react to the 21 November 2019 information, Pearson Poon said in cross-examination, "I cannot speculate how investors would think", adding "at the time I had been a director for less than one year. I don't honestly feel I am experienced enough to say for sure how investors might think, that's why we have a company inside information policy the system in place."[690]

730. In his oral closing submissions, Mr. Jat submitted of that evidence that Pearson Poon's acknowledgement of his own inexperience and in deferring, "to those who were under the company's policy and system primarily tasked to deal with that sort of question", was in fact a responsible attitude, rather than showing negligence.[691]

Pearson Poon's assumption that Johnny Chan knew of the 21 November 2019 information

731. In his written closing submissions, Mr. Jat submitted that although Pearson Poon's assumption, that Johnny Chan knew of the 21 November 2019 information, was incorrect,

[688] SP4 Written Closing submission at paragraphs 73-74.
[689] Transcript 26 March 2026 at page 72.
[690] Transcript 26 March 2026 at pages 71-72.
[691] Transcript 20 May 2026 at page 59.

"…there is no suggestion that this belief was not genuinely (or even reasonably) held." Further, he contended, "…this was a reasonable inference in view of Sir Dickson's email and Johnny's calculations which were forwarded to Pearson: the SFC does not suggest otherwise."[692]

Pearson Poon's failure to follow up assessment/disclosure of 21 November 2019 information

732. In his written closing submissions, Mr. Jat submitted that:[693]

> "It was reasonable for Pearson to have continued to place confidence and trust in Johnny and the company's system, where there was nothing to suggest that the system would not or had not functioned properly."

A consideration of the submissions

Directors of Dickson Concepts: roles and experience

733. At the outset of our consideration of whether the Commission has proved that Pearson Poon was culpable of a breach of S.307G(2) of the Ordinance namely that, his "intentional, reckless or negligent conduct has resulted" in the breach by Dickson Concepts of its duty of disclosure it is appropriate to be reminded of the relevant roles and experience of the witnesses whose conduct is primarily relevant. They are: Sir Dickson, Johnny Chan and Pearson Poon. The Dickson Concepts Annual Report 2019 provided a succinct biopic of each of them.[694]

> **Sir Dickson Poon** *(Group Executive Chairman)*
> Sir Dickson, aged 62, is the founder and a substantial shareholder of the Group. He established the Dickson group business in 1980 and was appointed an Executive Director of the Company in November 1991 and has been the Group Executive Chairman since February 1992. Sir Dickson provides leadership for the Board and ensures that the Board discharges its responsibilities effectively and efficiently. He is the father of Mr. Poon Dickson Pearson Guanda…"
>
> **Mr. Chan Hon Chung, Johnny Pollux** (*Executive Director*)
> Mr. Chan, aged 59, joined the Group in October 1983 and was appointed an Executive Director in September 2011. He is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Institute of Chartered Accountants in England and Wales, and is in charge of the financial reporting function of the Group. Prior to joining the Group, Mr. Chan acquired extensive audit experience in an international

[692] Written Closing submissions at paragraph 80.1.
[693] Written Closing submissions at paragraph 81.
[694] Exhibits Volume 1 at pages 133-134

audit firm in Hong Kong.

Mr. Poon Dickson Pearson Guanda (*Executive Director*)

Mr. Poon Dickson Pearson Guanda, aged 24, joined the Group as a General Manager in October 2016 and appointed as an Executive Director on 14th December, 2018. His responsibilities include launching the Group's e-commerce operations in Hong Kong and working closely with the investment team to drive successful investments and exits. He also worked closely with the leadership team to develop a new retail concept combining physical and digital retail. Prior to joining the group, Mr. Pearson Poon worked at the investment banking division of Goldman Sachs (Asia) LLC, where he was part of the consumer and retail, technology, media, and telecommunications team in Hong Kong focusing on the China internet sector. Mr. Pearson Poon holds a Bachelor of Arts in Economics from the University of Cambridge. He is also an executive director of Harvey Nichols and Company Limited ("HN&CL") and vice-chairman of the supervisory board of S. T. DuPont S.A. ("STDSA"), the shares of which are listed on the Euronext Paris in France, both HN&CL and STDSA are the related Companies of the Company. Mr. Pearson Poon is a son of Sir Dickson Poon, the Group Executive Chairman and a substantial shareholder of the Company.

734. Clearly, Sir Dickson and Johnny Chan were not only very much older than Dickson Poon but also they had decades more experience in business, in particular in the Dickson Concept Group. At the relevant time, the functions of the Chief Executive Officer were also performed by Sir Dickson as Group Executive Chairman.[695] Further, the Chief Operating Officer having resigned on 31 December 2017, no replacement had been appointed.[696] Of those circumstances, Stella Or testified that, "…if there is no COO, then Johnny… will be the one to take up the role, apart from Sir Dickson. So Sir Dickson and Johnny would be the ones who are to consider such kind of inside information assessment."[697] By contrast, in November 2019, Pearson Poon was 25 years of age and had been employed by Dickson Concepts as a General Manager for just over three years and had been appointed an Executive Director for only 11 months.

[695] Exhibits Volume 1 at page 149.
[696] Exhibits Volume 1 at page 19.
[697] Transcript 25 March 2026 at page 69.

Pearson Poon's assessment of the 21 November 2019 information

735. We are satisfied that Pearson Poon's email to Sir Dickson, sent at 2:48 p.m. on 21 November 2019, "Wow… good to see a bit of good news 😁😁", eloquently reflected his positive reaction to the information contained in the PayPal Announcement and Yinne Yu's email of 21 November 2019. On the other hand, it is to be noted that in his record of interview when asked whether he thought at the time that Dickson Concepts should inform its public shareholders about that information he twice replied, "I didn't think about it at the time", explaining that, "I presumed Johnny was aware of this news" and, in effect, asserting that was a matter for, "our normal disclosure policies and procedures".[698] Further, he said that if Johnny believed that, "there's a news that requires an announcement then he would go along that process." In other words, he did not assess the significance of the information beyond a rapturous welcoming in his email to Sir Dickson of the good news of the prospective profit to Dickson Concepts. That assessment was a matter for others. We are satisfied that was his reaction in November and December 2019.

736. We reject the evidence that Pearson Poon gave at the hearing, and the evidence to the effect, that at the time, "I formed my impression of it… I thought there was still a lot of obstacles and hurdles to overcome, so whether or not it will complete is uncertain. That was my thought process." [699] That analysis is entirely at odds with his email to Sir Dickson, sent at 2:48 p.m. on 21 November 2019.

737. It is to be noted that immediately after Pearson Poon described what were the obstacles, hurdles and uncertainties to the deal in his oral evidence, he went on to say, "Then very shortly after, I understand both by father and Johnny were on it were already working on different calculations, so I did not think about it further, and I left it to them, who I believe were in very good hands."

738. We are satisfied that is what Pearson Poon did, namely "left it to them". It is to be remembered that Pearson Poon was not in Hong Kong in the 11-day period culminating with his return to Hong Kong from his business trip to Europe on 29 November 2019. He left it to Sir Dickson and, so he wrongly assumed, to Johnny Chan to make an assessment of the significance of the 21 November 2019 information and a determination of what, if anything, was required to be done by Dickson Concepts. The issue that then arises is whether in doing

[698] Witness volume 1 at pages 145-146, counter # 151.
[699] Transcript 26 March 2026 at page 77.

so, his conduct was reckless or negligent and resulted in the breach of Dickson Concepts' duty of disclosure.

Pearson Poon's assumption: Johnny Chan knew of the 21 November 2019 information

739. In his evidence in cross-examination, Pearson Poon explained the basis of his assumption that Johnny Chan knew of the 21 November 2019 information:[700]

> "Firstly, if you look at page 151, this was the first of the two emails I read. I think by my father saying, "I will forward you Johnny's calculations on our share of profit which amounts to… 120 [million]!"-At the time, reading that, I thought Johnny must have known; otherwise, how would he be able to make these calculations? So that's why I thought he knew."

740. Pearson Poon went on to say:[701]

> "…this is the first email that I read, so that was when I formed my understanding that I thought Johnny knew.
>
> Then I received the email on page 152, which was the basis of the calculation. And yes, it did make the calculation based on 1 billion, but perhaps my father asked him to run the calculation based on 1 billion…. And I think-to me at the time, I thought they must have spoken on the phone because otherwise Johnny won't suddenly send this email to my father. So based on these three items."

741. Pearson Poon agreed with the suggestion that he had assumed that, "…if Johnny thought that a price-sensitive information announcement was needed, he would raise it." He said:[702]

> "Yes, I think he would go about the company's inside information policy. So for instance, if he felt that the information was price-sensitive, he would raise it, discuss with my father, and if they felt and an announcement was needed, they would make an announcement. If Johnny is not sure but wishes to seek legal advice, he may wish to do so. I just assumed they would go on the course of the company's-based on the company's inside information policy."

[700] Transcript 26 March 2026 at page 89.
[701] Transcript 26 March 2026 at page 89.
[702] Transcript 26 March 2026 at page 91.

742. In face of the suggestion that, if Johnny Chan knew about the PayPal acquisition of Honey at $4 billion, it was "a bit strange" that his calculation was based on a valuation of Honey at $1 billion, Pearson Poon said:[703]

> "At that time I didn't particularly find it strange, and the reason is, as I mentioned earlier I inferred from this email that they must have spoken on a call, otherwise he won't know to write this email, and it would not have been unusual for my father to ask Johnny to make some form of calculation as he may see fit…"

743. We accept that Pearson Poon did assume that, in asking Johnny Chan to calculate the value of their stake held in Honey shares, Sir Dickson had passed on to him what was, after all, what Pearson Poon knew to be public information in the PayPal Announcement, that PayPal had agreed to buy Honey for approximately $4 billion. Why would Sir Dickson not do so? All the more so given their roles in Dickson Concepts in assessing price sensitive information. Further, we are satisfied that, in all the circumstances it was reasonable for Pearson Poon to make that assumption.

Pearson Poon's delegation of responsibilities to assess the 21 November 2019 information

744. In his evidence Pearson Poon said repeatedly of the assessment of the 21 November 2019 information that he had "left it to them"[704] or "I relied on" [705]Sir Dickson and Johnny Chan. In doing so, he said of them, "they were both very, very experienced members of the board"[706] and "my father and Johnny were very experienced with these matters".[707] Of that he said, "So, if they felt any actions were needed they would have seen to it."[708] By contrast, he said of himself and the discharge of his duties:[709]

> "…at the time I had been a director for less than one year; I honestly don't feel I'm experienced enough to say for sure how investors might think, and that's why we have a company inside information policy and system in place."

745. We are satisfied that given their respective experience, skills and responsibilities it was reasonable for Pearson Poon to repose trust in Sir Dickson and Johnny Chan in the task of assessing the 21 November 2019 information and in determining what action to take, if any.

---

[703] Transcript 26 March 2026 at page 90.
[704] Transcript 26 March 2026 at pages 71,77-78 and 91.
[705] Transcript 26 March 2026 at pages 80 and 81.
[706] Transcript 26 March 2026 at page 71.
[707] Transcript 26 March 2026 at page 72.
[708] Transcript 26 March 2026 at page 72.
[709] Transcript 26 March 2026 at page 72.

We accept that is what he did.

Follow-up

746. Of the fact that, although, in the days and weeks following his receipt and that of Sir Dickson of the 21 November 2019 information the board of directors of Dickson Concepts never discussed the issue of whether there was a need to issue an Announcement, he had not raised the matter with Johnny Chan, Pearson Poon explained:[710]

> "…the reason is normally, if Johnny felt it was inside information that required disclosure, that process would then follow. I'm normally involved in the last part of the process where I would review the final draft of the announcement, but if he did not feel that an announcement was needed, he would not proactively tell me."

747. Pearson Poon went on to add:[711]

> "…but they would very duly and timely make a disclosure, if it were needed. Secondly, if you look at the email that Yinne sent, she specifically also said she had to come back on legal docs and the price.
>
> So, at the time, the company had not reached out to us so we were still pending information, so I didn't feel I would have needed to follow up."

748. Pearson Poon acknowledged that he and Sir Dickson were the recipients of emails from UBS on numerous dates on and between 28 November 2019 and 19 December 2019, advising of the purchase of Dickson Concepts shares in Equity's account.[712] The first of those emails, sent at 12:11 p.m. on 28 November 2019 advised that 330,500 Dickson Concepts shares had been bought in Equity's account.[713] In rejecting the suggestion that the information should have prompted him to enquire of Johnny Chan why no price sensitive announcement had been issued in respect of the PayPal agreement to acquire Honey, in cross-examination Pearson Poon said:[714]

> "No, and for several reasons. As I mentioned earlier, I thought Johnny and my father already aware, so if any inside information announcement was needed, they would have seen to it.
>
> Separately, you will also see that Johnny is copied on the emails here, so again, if he

[710] Transcript 26 March 2026 at page 92.
[711] Transcript 26 March 2026 at page 92.
[712] Witness statement at paragraph 43.
[713] Core Bundle page 179.
[714] Transcript 26 March 2026 at page 96.

felt that any announcement was needed upon seeing these he would have seen to it also."

Pearson Poon added:[715]

> "…based on our company's process, if Johnny felt an inside information announcement was required, it would have already been made by that time."

749. We are satisfied that it was an error of judgment of Pearson Poon not to raise the matter with Johnny Chan. Had he done so, no doubt he would have learned that his assumption that Johnny Chan knew of the 21 November 2019 information was incorrect. Nevertheless, in all the circumstances we are not satisfied that Pearson Poon was negligent in not doing so.

Conclusion

750. In the result, for the reasons we have given, we are not satisfied that it is proved that Pearson Poon's conduct resulted in the breach of Dickson Concepts' duty of disclosure and was culpable of a breach of S.307G(2) of the Ordinance.

IV. Dickson Concepts: duty of disclosure

Information that came to the knowledge of Dickson Concepts: 25 December-27 December 2019.

751. As described in Chapter 10, there is no dispute that, on and between 25 and 27 December 2019, through several of its directors and officers Dickson Concepts came to know of the inside information of the acquisition of Honey by PayPal. First, by an email to Sir Dickson, sent at 5:37 p.m. on 25 December 2019, Yinne Yu advised that Honey asked that Kinford sign a Letter of Transmittal, the Support Agreement and the Stockholder Consent.[716] The email was clearly a sequel to the email, dated 20 November 2019, in which Yinne Yu had advised Sir Dickson and Pearson Poon that PayPal had agreed to buy Honey for $4b in cash and attached a link to the PayPal website which afforded access to PayPal's Announcement, dated 20 November 2019 and was only easily understood on the basis of the information contained in the email of 20 November 2019 and the related PayPal Announcement.

752. Yinne Yu's email to Sir Dickson also stated that"

> "Closing and payment are expected in January. The final price will depend on the company's cash balance and a few other items on the day of closing. The most recent

[715] Transcript 26 March 2026 at page 97.
[716] Core Bundle page 229-230.

estimate puts our stake at >$140m.".

753. In an email in reply to Yinne Yu, sent at 5:42 p.m. on 25 December 2019 (Japan time), Sir Dickson asked for details of the deal. In an email to Sir Dickson, sent at 6:11 p.m. on 25 December 2019, Yinne Yu reiterated that the closing, "is scheduled for January" and explained that Honey asked that the signatures be provided electronically.

754. For his part, at 4:44 p.m. on 25 December 2019 (HK time), Sir Dickson forwarded the email exchange that he had with Yinne Yu to Johnny Chan, stating simply, "FYI. I will keep you posted." In an email to Pearson Poon, sent at 18:44 on 25 December 2019, Sir Dickson forwarded the same email exchange with the message, "Fyi. I will ask Johnny to follow-up."

755. In an email to Sir Dickson, sent at 1:43 a.m. on 26 December 2019, Yinne Yu pursued her request for electronic signatures, explaining that Honey, "…want to close the deal and return the profits to everyone as soon as possible as a New Year present." In response to Sir Dickson forwarding the email to him, at 11:40 a.m. on 26 December 2019, Johnny Chan replied, in an email sent at 1:57 p.m. on 26 December 2019, to Sir Dickson's question of who would sign the documents, "I can sign upon receipt of the documents electronically tomorrow."[717]

Major disposal: need for an Announcement

756. Then, in an email to Sir Dickson, sent at 3:33 p.m. on 26 December 2019, Johnny Chan advised Sir Dickson that the transaction was, "…likely to be considered as a major disposal" and is "…considered as price sensitive information", so that neither Equity Advantage or Dickson Concepts could buy shares, "…until we made the relevant announcement". In an immediate reply to Johnny Chan, sent at 3:44 p.m. on 26 December 2019, Sir Dickson said that he would, "…stop all buying of DCIL shares" and asked, "…if shareholders approval is required, can it be bypassed with me pledging to vote for the transaction …?" Also, he asked:[718]

> "And we still don't know when the deal will be transacted, do we need to make any announcement at this stage or after you have signed?" [719]

757. Of the issue of shareholders' approval, in an email to Johnny Chan, sent at 15:51 on 26 December 2019, Sir Dickson wrote:[720]

> "And given the deal is not our controllable, is that a reason if in case shareholders

[717] Core Bundle page 233.
[718] Core Bundle page 244.
[719] Core Bundle page 244.
[720] Core Bundle page 248.

approval required? *Fact is no shareholder won't approve it*. Let me know first thing tmr." [Italics added.]

PayPal/Honey Transaction Documents

758. In an email to Johnny Chan, sent at 5:46 a.m. on 27 December 2019, by DocuSign on behalf of Yinne Yu, Johnny Chan was provided with a link which afforded him access to over 200 pages of the transaction documents relating to the acquisition of Honey by PayPal, including the Letter of Transmittal, the Support Agreement and the Stockholder Consent. [721] He forwarded that information to Stella Or and steps were begun to draft an Announcement to be issued by Dickson Concepts.[722]

759. As a result of the Internet search that he then performed, Johnny Chan said that he became aware for the first time of the PayPal Announcement of 20 November 2019.[723] In an email to Stella Or, sent at 4:05 p.m. on 27 December 2019, Johnny Chan provided her the link to the PayPal Announcement.[724]

760. In an email to Sir Dickson, sent at 11:09 on 27 December 2019, Johnny Chan advised him of the procedures in the Listing Rules involving a 'major disposal' transaction, in particular that: [725]

> "The announcement must be issued upon signing the sales agreement which is not subject to pre-vet by HKEX. I'll draft the announcement for your review."

761. In an email sent at 2:16 p.m. on 27 December 2019, Johnny Chan was provided with the first draft of a Dickson Concepts' Announcement by Stella Or.[726]

> **MAJOR TRANSACTION**
> **DISPOSAL OF UNLISTED EQUITY INVESTMENT**
>
> The text of the draft Announcement included:
>
> > "The Board announces that on●, [2019], the Company entered into an agreement ("the agreement) for the disposal of its investment in unlisted company, the Subject Company, to an independent third party for consideration of US$● (about HK$●) in cash, realising an estimated

[721] Core Bundle pages 252-253.
[722] Core Bundle page 255 and SP 3, pages 1246-1433.
[723] Witness Statement paragraphs 22 and 35.
[724] Core Bundle page 259.
[725] Core Bundle page 250.
[726] SP 3 pages 1436-1442.

profit of US$● (about HK$●) after incidental expenses in the financial year ending 31st March, 2020."

Sir Dickson's instructions to consult Norton Rose on the transaction

762. Having forwarded to Sir Dickson the first draft of that Announcement at around 2:00 p.m. to 3:00 p.m. on 27 December 2019, Johnny Chan said that in a resulting telephone call with Sir Dickson shortly afterwards, in which, having advised Sir Dickson that, "the transaction looks to be very complicated"[727], he was instructed to consult Norton Rose on the transaction. At around 3:30 p.m., Johnny Chan did so and contacted Mr. David Stannard of Norton Rose.[728] Norton Rose were asked to advise, "…on the confidentiality provisions under the documents to be signed by Kinford" and, "if Kinford were to support the proposed Acquisition," on "compliance with the company's obligation under the Listing Rules", given that public disclosure was required to be made "as soon as possible." [729] For his part, Sir Dickson was specific about the nature of his instructions, "I instructed Johnny to consult Norton Rose to advise us on all aspects of the transaction as well as on disclosure and sensitive information"[730]

763. The Tribunal has not been provided by the parties with any written legal advice given to the parties by Norton Rose. On the other hand, having asserted first, "without waving privilege", Johnny Chan set out what he said was the legal advice that had been received from Norton Rose in respect of certain issues. No application was made by the Commission. For example, Johnny Chan said that Dickson Concepts, had been advised by Norton Rose that"[731]

> "…there were confidentiality provisions under Clause 4 of the Letter of Transmittal and Clause 5 of the Support Agreement… that (i) prohibited any parties (including the stockholders) from disclosing, inter-alia, any information regarding the letter of transmittal, the merger agreement and the support agreement etc. except with the prior consent of PayPal; and (ii) provided that even in the case where disclosure is mandatory as required by applicable law, parties shall use "*commercially reasonable efforts to cooperate with*" such requests to limit such disclosure…the Company was advised by NRFHK that Kinford could be bound by these provisions should it decide to enter into the relevant agreements…"

[727] Transcript 24 March 2026 at page 13.
[728] Transcript 24 March 2026 at pages 13-14.
[729] Witness Statement, paragraph 42.
[730] Transcript 23 December 2025 at page 16.
[731] Witness Statement paragraph 42.

Confidentiality terms

(i) Letter of Transmittal

764. Clause 4 of the Letter of Transmittal is headed, **Confidentiality**, and states:[732]

> "The undersigned agrees to at all times keep confidential and not divulge, furnish or make accessible to anyone (other than attorneys, accountants, financial advisors and spouses of the undersigned on an as needed basis) any information regarding, in relation to or any claim or dispute arising out of this Letter of Transmittal, the Merger Agreement or the other agreements contemplated thereby (including details of existence thereof), the Merger (including without limitation the Closing) except with the prior consent of Buyer, or to the extent that:
>
> (a) such information has been made public through no action or inaction by the undersigned;
>
> (b) the undersigned is required, based upon advice by legal counsel, by applicable law, regulation, rule, order, judgment, subpoena or decree to divulge, disclose any of the foregoing, in which case to the extent legally permissible, the undersigned shall use commercially reasonable efforts to cooperate with request by Parent to limit such disclosure to the extent permitted under applicable law;
>
> (c) with the prior consent of Parent; or
>
> (d) such information becomes available to the undersigned on a non-confidential basis, and not in violation of any legal, or contractual duty, from another source; provided that the undersigned can demonstrate, after reasonable enquiry, that such source was not bound by confidentiality obligations in such disclosure was not in violation of any legal, fiduciary or contractual duty with respect thereto." [Reformatted.]

'Buyer' was defined as PayPal, Inc. In the Merger Agreement 'Parent' was defined as PayPal.

(ii) Support Agreement

765. Clause 5 of the Support Agreement is headed: CONFIDENTIALITY; PUBLICITY and includes the following text:[733]

> "Securityholder understands and acknowledges that Securityholder may have had

[732] SP 3 page 1056.
[733] SP 3 pages 1076-1077.

access to and may have learned … (c) other confidential and/or proprietary information of the Acquired Entities obtained by the Securityholder prior to the Effective Time, including the terms of, or other facts relating to, this Support Agreement, the Merger Agreement, the Merger and other agreements and transactions contemplated by the Merger Agreement (collectively, "***Proprietary Information***"). Securityholder agrees that, except for disclosure to Securityholder's counsel and accountants or in the proper performance of the Securityholder's duties with the Company, Securityholder

(i) will keep confidential all Proprietary Information,

(ii) will not, directly or indirectly, disclose any Proprietary Information to any third party or use any Proprietary Information in any way and

(iii) will not, directly or indirectly, misused, misappropriated or exploit any Proprietary Information in any way.

The restrictions contained in this Section 5 shall not apply to any information which

(x) is at the Closing Date or thereafter becomes generally available to the public other than as a result of a disclosure, directly or indirectly by Securityholder, or

(y) is required to be disclosed by applicable Legal Requirements, provided that, in such event, Securityholder shall use reasonable efforts to give reasonable advance notice of such requirement to Parent to enable Parent or any Acquired Entity (at Parents expense) to seek a protective order or other appropriate remedy with respect to such permitted disclosure.

Neither the Securityholder nor any of Securityholder's Affiliates, shall issue or make any press release or other public announcement concerning (or otherwise disclose to any Person the existence or terms of) the Support Agreement, the Merger agreement or any of the transactions contemplated hereby or thereby, without Parent's prior written consent." [Reformatted.]

'Parent' was defined as PayPal, Inc.

Steps taken to obtain transaction details and financial information from Honey and consent to disclose from Honey/PayPal

(*i) Johnny Chan/Dave Hsu: 27 December 2019*

766. In a departure from the general practice of contact with Honey being made through Yinne Yu, in an email to Dave Hsu, of Honey, sent at 2:36 p.m. on 27 December 2019, Johnny

Chan had requested that he be provided with the, "2018 audited financials."[734] Johnny Chan explained that he had made that request directly, "…given the requirements under the Listing Rules that public disclosure must be made as soon as reasonably practicable" and having regard to the fact that "I considered that a draft announcement would need to be published by the company once Kinford proceeded to sign the documents."[735]

(ii) Instructions to Yinne Yu: obtain key details of transaction/ financial information of Honey and Honey/PayPal's written consent to disclose information

767. Johnny Chan said that acting on the advice of Norton Rose, as set out above:[736]

> "I instructed Ms. Yu to liaise with Honey Science and PayPal (on the assumption that Kinford would be signing the required documents) to obtain their written consent for the Company to make public disclosure in compliance with the Listing Rules."

768. In an email to Yinne Yu, sent at 7:07 p.m. on 27 December 2019, Johnny Chan explained to her:[737]

> "In order to comply with requirements of listing rules in HK, we have to make a public announcement to disclose the key details of this transaction including the consideration, number of shares to be sold, identity of the counter-parties and the following key financial information about Honey in the last 2 financial years.
>
> 1. Net profit before tax and extraordinary items.
> 2. Net profit after tax and extraordinary items.
> 3. Total assets.
> 4. Net assets.
>
> Besides, we need the exact amount of the consideration to compute the size test to comply with the listing requirement. Can you advise the exact consideration or the best estimate?
>
> Can you please obtain the written consent from PayPal and Honey to allow us to make such disclosure to comply with the listing rules ion (sic) HK?"

(iii) Yinne Yu's response/action

769. In an email to Johnny Chan, sent at 1:49 a.m. on 28 December 2019, Yinne Yu replied

[734] Core Bundle page 257.
[735] Witness Statement at paragraph 39.
[736] Witness Statement at paragraph 42.
[737] Core Bundle pages 261-262.

in respect of both the issue of the consent of PayPal and Honey and also as to the financial information in respect of the acquisition of Honey by PayPal:[738]

> "Let me ask the company about the letter of consent. To clarify, will financials be disclosed to the general public?
> Kinford holds 24,834,600 shares. The acquisition price is dependent on the cash balance and a few other financial items on closing day so has not been completely finalized. Current estimate is over $5.90/share. At that price Kinford's stake is > $140m…"

Yinne Yu set out a table describing the calculation in detail based on the stated acquisition price/share.

	Honey
Kinford shares	24,834,600
Acquisition price/share	5.9
Kinford stake $	146,524,140
$/share to be held in escrow for purchase price adj	0.39
$in escrow	9,685,494
$ amount of first wire to Kinford	136,838,646

Yinne Yu's contact with Chris Grogan of Honey

770. As evidenced by the pattern of exchange of emails, Yinne Yu was in regular contact from 24 December 2025 with Chris Grogan, General Counsel of Honey, about the steps required of Dickson Concepts in respect of the agreement reached between Honey and PayPal.[739] In an email, sent at 5:54 p.m. on 27 December 2019 (Pacific Time), Yinne Yu responded to Chris Grogan's enquiry as to whether Kinford had any questions arising from the documents that had been sent to Johnny Chan, by writing:[740]

> "They don't have any questions on the docs as of now but we have to ask you for some financials and potentially a letter. The money for Honey came from the cash balance of a small listed co-Dickson has and per HK listing rules we have to disclose this transaction and tell them your post and pre-tax net income and asset value for the last two financial years."

771. If, as appears to be the case, the reference to Dickson Concepts requesting, "some financials and potentially a letter" was a reference to the, unambiguous instruction to Yinne Yu from Johnny Chan, "…please obtain the written consent of PayPal and Honey to allow us to

[738] Core Bundle page 283.
[739] Core Bundle pages 274-275.
[740] Core Bundle page 274.

make such disclosure" it was, to say the least, a less than forthright manner of dealing with the issue.

772. Shortly afterwards, in an exchange of emails, which now included Dave Hsu of Honey, in response to Dave Hsu statements that he had sent Johnny Chan "our 2018 audited financial statements" Yinne Yu enquired, "…he told me that he needed two years and a letter. Did he mention that to you?" In reply Dave Hsu wrote, "I had provided 2017 audited financials previously to him. We don't have 2019 audited and he didn't ask for 2019 unaudited. He didn't mention a letter."[741]

773. In an email in reply to Yinne Yu, sent at 21:04 on 28 December 2019, Johnny Chan addressed Yinne Yu's enquiry as to the ambit of the prospective disclosure of the financial information:[742]

> "Yes, the financials about Honey and key terms of this transaction and name of parties involved will be disclosed to the public."

774. In an email to Johnny Chan, sent at 8:24 a.m. on 28 December 2019, Dave Hsu of Honey, attached "2018 audited financials."[743] Income before tax was described as $13,689,000, Net Income as $12,845,000 and Total Assets as $142,086,000. In an email to Yinne Yu and Dave Hsu, sent at 22:35 on 28 December 2019, Johnny Chan wrote:[744]

> "Dave, can you also advise the latest capitalisation table of Honey showing number of issued capital in each class and the shareholding percentage of Kinford?"

775. In an email to Johnny Chan, sent at 6:21 a.m. on 29 December 2019[745], Dave Hsu attached: Honey Cap Table-Kinford.xlsx.[746.] The Table stated, "As of 12/28/2019. Generated by Dave Hsu" and described Kinford's holding of 24,834,600 Series B shares as being 3.7264% of, 'Fully Diluted Ownership'.

776. Johnny Chan said that, "having considered the consolidated financial statement of Honey Science for the year ended 31 December 2018,"[747] he sent an email, at 4:58 p.m. on

---

741 Core Bundle page274.
742 Core Bundle page 280.
743 Core Bundle page 257. SP 3 pages 1448-1476.
744 Core Bundle page 285.
745 Core Bundle page 290.
746 SP 3, pages 1491-1492.
747 Witness Statement at paragraph 45.

28 December 2019, to Stella Or and Martin Lam, in which he provided figures, of which he said:[748]

> "*Subject to Honey's consent*, please insert the following key financial information about Honey end last 2 financial years (Year ended 31/12/18 and 31/12/17)."
> [Italics added.]

The body of the email provided information of net profit (before/after tax and extraordinary items), Total Assets and Net Assets. The figures for 2018 have their provenance in the information provided earlier that day by Dave Hsu.

(iv) Sir Dickson's involvement: 29 December 2019 and 3 January 2020

777. As time moved on, without any response from Honey/PayPal to requests for their consent to disclose information, Sir Dickson became involved in efforts to secure consent. In an email to Yinne Yu, copied to Johnny Chan, sent at 2:24 a.m. on 29 December 2019, Sir Dickson wrote:[749]

> "In trying to secure their consent, pls advice them that we will only be posting the announcement on our Co website and the HKEX website and then in our circular to our shareholders. I don't think the financials would be of too much interest as I think the focus will be on the consideration. But we need it to meet the listing requirement and *it's important you try your best to secure it*." [Italics added,]

778. In her email in reply, addressed to Sir Dickson and Johnny Chan, sent at 5:57 a.m. on 29 December 2019, Yinne Yu wrote: [750]

> "…would it be possible for us to sketch out a draft of what we would like to publish? I talked to Honey and they would like to be as helpful as possible and get the lawyers on both sides signed off on the announcement next week.

Dickson Concepts' dilemma

779. Once again, having asserted first, "without waving privilege", Johnny Chan set out what he said was the legal advice that had been received from Norton Rose, namely that:[751]

> "… the Company was facing a dilemma whereby if Kinford were to sign the Letter of

[748] Core Bundle page 279.
[749] Core Bundle page 286.
[750] Core Bundle page 286.
[751] Witness Statement, paragraph 49.

Transmittal and Support Agreement, that could trigger the Company's disclosure obligations under the Listing Rules, whereas if no prior consent from Honey Science and PayPal were obtained before publishing the announcement, Kinford could be in breach of the above-mentioned confidentiality clauses. On the other hand, if the Company were to delay disclosure or issue an incomplete announcement lacking key details of the proposed acquisition, the Company risked breaching the requirements for making an announcement on notifiable transactions under the Listing Rules."

3 January 2020

780. As Sir Dickson observed, he and Johnny had, "pressed Yinne to contact Honey and PayPal to obtain the necessary consent and details. But they were not forthcoming."[752] Nevertheless, Sir Dickson persisted, responding to Yinne Yu's request in her email, dated 29 December 2019, to be provided with a draft of what Dickson Concepts would like to publish. In an email to Yinne Yu, sent at 4:46 p.m. on 3 January 2020, under the Subject: Draft Announcement, Sir Dickson wrote:[753]

> "Attached pls find the draft announcement which we have to make on signing. We have managed to reduce the financial disclosure of the subject company but this is the absolute minimum we must disclose or we would have breached the HKEX requirement. *I hope you can convince PayPal to allow us to make the disclosure as this is a regulatory requirement."* [Italics added.]

781. The attached Draft Announcement was headed [754]

MAJOR TRANSACTION

DISPOSAL OF UNLISTED EQUITY INVESTMENT

The text of the draft Announcement included:

> "The Group did not enter into any agreement in connection with the merger nor exercise any of its voting rights in the Subject Company to support the merger. Notwithstanding this, the merger has been consummated and the Groups entire equity interest in the Subject Company has been cancelled in exchange for cash consideration."

[752] Witness statement, paragraph 44.
[753] Core Bundle page 302.
[754] SP 4, pages 1504 to 1509.

782. The "Subject Company" was identified as "Honey Science Corporation, an unlisted company established and operating in the United States of America, engaged in the business of building tools to help people save time and money when shopping online", of which it was stated:

"The following information is provided by the Subject Company:

	For the year ended 31st December, 2018 *(US$'000)*	**For the year ended *31st December, 2017*** *(US$'000)*
Net profit/(loss) before tax and extraordinary items	13,689	(3,164)
Net profit/(loss) after tax and extraordinary items	12,845	(4,075)"

4 January 2020

783. In an email to Chris Grogan, sent at 8:38 p.m. on 4 January 2020 (Pacific Time), Yinne Yu forwarded the Draft Announcement that she had received from Sir Dickson, under the Subject: please see attached and the Attachment: DP announcement.docx.[755] No doubt, the document was forwarded to evidence Sir Dickson's assertion to Yinne Yu of the reduced disclosure of financial information about Honey in the Announcement.

6 January 2020

784. Apparently Sir Dickson's pleas fell on deaf ears, because in an email in reply to Sir Dickson, sent at 11:15 a.m. on 6 January 2020, Yinne Yu wrote:[756]

> "Hi Dickson, the buyer and seller lawyers are still reviewing. I'll let you know as soon as they get back to me."

7 January 2020

785. In an email to Yinne Yu, sent at 9:36 p.m. on 7 January 2020 (Pacific Time), Chris Grogan wrote under the Subject: Honey-Status Update/Requested Data Points:[757]

> "I'm working to try to confirm with PayPal this evening that there aren't any issues from their side with respect to the filing. I'm hopeful I will be in touch soon; in the interim for the share information, please note the data below. Also note that purchase price was $0.2013/share."

[755] Exhibits Bundle 10, pages 5020-5023.
[756] Core Bundle page 304.
[757] Core Bundle page 320.

The attached data stipulated: Total Consideration as $147,585,708; Cash Consideration at Closing as $137,985,239; Escrow Fund Cash Consideration as $9,581,307; and Expense Fund Cash Contribution as $19,163.

8 January 2020

786. In an email to Yinne Yu, 2:58 p.m. on 8 January 2020 (Pacific Time) Chris Grogan wrote,[758]

> "PayPal is still conferring and I hope they will be back to me in short order. Please continue to hold in the interim thanks."

Suspension of trading from 1:00 p.m. on 8 January 2020

787. Having learned at 9:41 a.m. on 8 January 2020 from Mr. David Stannard of Norton Rose that "a press release had been jointly issued by Honey Science and PayPal on 6 January 2020 (Pacific Standard Time, Monday) /7 January 2020 (Hong Kong time, Tuesday)", which "confirmed that the Acquisition had been consummated, and that Kinford's shares would now be compulsorily cancelled in exchange for cash consideration, notwithstanding that Kinford did not enter into any of the agreement in support of the Acquisition (the **"Compulsory Cancellation"**)"[759] at the request of Dickson Concepts to the SEHK trading in the shares of the company were suspended with effect from 1:00 p.m. on 8 January 2020. The suspension was stated to be, "pending the release of an announcement for a notifiable transaction to be made pursuant to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited." [760]

788. In an email to Yinne Yu, sent at 14:12 p.m. on 8 January 2020, Sir Dickson advised her, "Our shares have now been suspended.

789. In an email to Sir Dickson, sent at 3:18 p.m. on 8 January 2020 (HK Time), under the Subject: **announcement**, Yinne Yu wrote:[761]

> "Hi Dickson, please see attached with the consideration and payment details. We need to convert to HKD. And pls have Johnny check the book value."

Attached to the email was <Draft Announcement 2020 0108. doc>[762]

---

[758] Core Bundle page 326.
[759] Witness Statement, paragraph 57.
[760] SP 4 page 1904.
[761] Core Bundle page 331.
[762] SP 4 pages 1565-1570.

790. The Draft Announcement, in the name of Dickson Concepts, was headed:

MAJOR TRANSACTION

DISPOSAL OF UNLISTED EQUITY INVESTMENT

The text included the statement that:

> "The Board announces that the Group has been notified by one of its investee companies, the Subject Company, that a merger in respect of the Subject Company has become effective on January 3rd, 2020, announced January 6th US Pacific time. As the merger has been consummated, the Subject Company has become a wholly-owned subsidiary of the Purchaser and all of the Subject Company's existing shareholders will receive cash in exchange for the cancellation of the securities in the Subject Company."

The 'Group' was defined as Dickson Concepts and its subsidiary companies; the 'Purchaser', PayPal, Inc.; and the 'Subject Company', Honey Science Corporation.

791. Of the consideration to be received, it was stated:

> "The Company, through the Seller (a wholly-owned subsidiary), owns 24,834,600 shares of the Series B Preferred Stock of the Subject Company, being approximately 3.73% of the issued share capital of the Subject Company. The Group will, based on the per share price for the merger, receive US $147,585,708 (approximately HK $ [ ] in cash (subject to adjustment). This will be a gain of approximately HK $ [ ] over the company's net book value of its investment in the Subject Company as at [DATE]."

The 'Seller' was defined as Kinford International Limited.

792. In an email to Johnny Chan, sent at 3:21 p.m. on 8 January 2020, Sir Dickson forwarded the attached Draft Announcement.[763]

PayPal's consent to disclosure

793. In an email to Sir Dickson, sent at 3:38 p.m. on 8 January 2020 (HK Time), Yinne Yu wrote: [764]

> "Hi Dickson we just got PayPal's approval."

[763] SP 4, page 1564.
[764] Core Bundle, page 331.

Dickson Concepts Announcement: 9 January 2020

794. Dickson Concepts' Announcement, dated 9 January 2020, stated that the provisions under which it was made included, "…the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA" of the Ordinance.[765] It stated:

> "The Board announces that the Group has been notified by one of his investee companies, the Subject Company [Honey Science Corporation[766]], that a merger in respect of the Subject Company became effective on 3 January 2020, and was publicly announced on 6 January 2020 (US Pacific time). As the merger has been consummated, the Subject Company has become a wholly-owned subsidiary of the Purchaser [PayPal, Inc., A wholly-owned subsidiary of PayPal Holdings, Inc NASDAQ PYPL[767]] and all of the Subject Company's existing security holders will receive cash in exchange for the cancellation of the securities in the Subject Company."

795. Of the nature of Dickson Concepts interest in Honey, the Announcement explained:

> "The Company [Dickson Concepts (International) Limited…a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange[768]], through the Relevant Subsidiary [Kinford International Ltd, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary company of the Company, the principal activity of which is investment holding[769]] (a wholly-owned subsidiary), owned 24,834,600 shares of the Series B Preferred Stock of the Subject Company, being approximately 3.73 per cent of the issued share capital of the Subject Company."

796. Of the prospective benefit to Dickson Concepts, it was stated:

> "The Group will, based on the per-share price for the merger, received US $147,585,708 (approximately HK $1,149 545,080) in cash (subject to potential escrow adjustments described below). This will be a gain (after the Group's expenses) of approximately HK $928,744,921 over the Company's net book value of its investment in the Subject Company as at 30 September 2019."

---

765 Core Bundle, pages 2-5.
766 Text added by reference to the Definitions section of the Announcement.
767 *Ibid.*
768 *Ibid.*
769 *Ibid.*

Discussion

797. There is no issue that confidentiality of the Inside Information was preserved. What is at issue is whether, as required by section 307B(1), disclosure was made by Dickson Concepts, "…as soon as reasonably practicable after any inside information has come to its knowledge".

Legal advice

798. Highly relevant to that consideration was the very complicated nature of the agreements between PayPal and Honey for the acquisition of Honey. In those circumstances, clearly it was reasonable and prudent for Dickson Concepts to obtain legal advice from Norton Rose and, given that the 'Governing Law' clause in the Support Agreement[770] and the Agreement and Plan of Merger[771] provided that each Agreement, "shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware" of the United States of America, that advice also be taken from Norton Rose in the United States of America.

The issue: why, after the Inside Information came to the knowledge of Dickson Concepts by 27 December 2019 was no disclosure made until 9 January 2020?

799. At the outset, it is to be remembered that there were a number of major public holidays in both the United States of America and Hong Kong in the period on and between 25 December 2019 and early January 2020.

800. Johnny Chan's actions following receipt of the transaction documents in the email sent to him at 5:46 a.m. on 27 December 2019 confirmed his evidence that he considered that Dickson Concepts needed to compile a Draft Announcement to be published once Kinford signed the transaction documents and that it was necessary to obtain the requisite information to do so. First, in an email to Dave Hsu, sent at 2:36 p.m. on 27 December 2019 he asked to be provided with Honey's 2018 financial statements. Secondly, in an email sent to Yinne Yu at 7:07 on 27 December 2019, Johnny Chan gave her detailed instructions of the information that was needed in order to comply with the Listing Rules in making a public announcement in relation to the transaction, in particular she was asked to obtain: (i) key details of the transaction between PayPal and Honey, including consideration, number of shares sold and counter-parties; (ii) key financial details of Honey for two financial years; and (iii) written consent of Honey and PayPal to disclose that information.

[770] SP 3 page 1081.
[771] SP 3 page 1235.

801. In asking for the consent of Honey and PayPal to disclose the information and in continuing to do so, no doubt Dickson Concepts was acting on advice of Norton Rose about the effect of the confidentiality clauses in the transaction documents.

802. Clearly, Yinne Yu acted promptly on those instructions and in an email, sent at 1:49 a.m. on 28 December 2019, provided Johnny Chan with details of the number of shares held by Kinford but, because the acquisition price was dependent on variables up and until Closing day, was unable to provide the exact consideration, but nevertheless, as requested, provided an estimate namely to be "> $140 m." Similarly, Johnny Chan was able to forward figures to Stella Or for inclusion in a draft announcement of key financial information about Honey in his email, sent at 4:58 p.m. on 28 December 2019.

Consent from Honey/PayPal to disclose information to the public

803. The unresolved issue, however was the provision of consent to disclosure of the information by Dickson Concepts from both Honey and PayPal. It is to be acknowledged that Sir Dickson lent his weight to the attempts, "to secure the consent", as evidenced by his email to Yinne Yu, sent at 2:24 a.m. on 29 December 2019, in which he had emphasised to Yinne Yu that, "it's important you try your best to secure it."[772] Clearly, the real difficulty lay with securing consent from PayPal. Again, it is to be acknowledged that Sir Dickson again gave his support to attempts to secure the consent of PayPal in the email to Yinne Yu, sent on 3 January 2020. [773]Attached to the email, as had been requested by Yinne Yu previously, was a Draft Announcement setting out what Sir Dickson said was the minimum information that was necessary for Dickson Concepts to disclose. For his part, Sir Dickson expressed the hope to Yinne Yu that she could, "convince PayPal to allow us to make the disclosure as this is a regulatory requirement." Clearly, that was a reference to the requirements of the Listing Rules of the Stock Exchange.

804. Such material as is available to the Tribunal of the steps taken to secure that consent is of approaches through Yinne Yu to Honey or by Johnny Chan to Dave Hsu directly. There is no evidence available to the Tribunal of any direct communication by Dickson Concepts or Norton Rose with PayPal, in particular asserting that there was a statutory legal requirement to disclose the information and giving, "reasonable advance notice of such requirement" to PayPal to enable PayPal or Honey to seek such remedies as were available to them.[774] Similarly, there

[772] Core Bundle page 286.
[773] Core Bundle page 302.
[774] Clause 5 of the Support Agreement; SP 3 page 1077.

is no evidence available to the Tribunal of any approach made to the Stock Exchange of Hong Kong by Dickson Concepts until the application was made to suspend trading on 8 January 2020.

805. Although the acquisition of Honey by PayPal had been consummated on 3 January 2020 and publication of that fact announced on 6 January 2020, the issue of consent by PayPal remained unresolved even on 7 January 2020, as evidenced by the email to Yinne Yu, sent at 9:36 p.m. that day, by Chris Grogan in which he stated, "I'm working to try to confirm with PayPal this evening that there aren't any issues from their side with respect to the filing. I'm hopeful I will be in touch soon." On 8 January 2020, the matter still remained unresolved and consent to disclosure was not forthcoming. In an email to Yinne Yu, 2:58 p.m. "PayPal is still conferring and I hope they will be back to me in short order. Please continue to hold in the interim."

806. We are satisfied that Dickson Concepts made repeated and continuing efforts to obtain the information and consents of Honey and PayPal necessary to make an Announcement. Clearly, in conducting themselves in that way it is clear that Dickson Concepts was acting on Norton Rose's legal advice. Those efforts were to no avail as far as obtaining consents to disclose the information was concerned. Nevertheless, it is apparent from the emails available that efforts were still being made to secure consent up and until the application was made to suspend trading in the shares of Dickson Concepts.

Conclusion

807. In the result, in all the circumstances, we are not satisfied that Dickson Concepts is culpable of breach of its duty to make disclosure to the public of the inside information obtained on and between 25-27 December 2019 as soon as reasonably practicable after the information came to its knowledge.

Directions

808. The Tribunal will give directions for the conduct of a further hearing to address the determination of the amount of any profit gained as a result of the market misconduct and the making by the Tribunal of Orders in consequence of its determinations.

Mr Michael Lunn, GBS

(Chairman)

Mr Tsang Sze-wai, Claudius

(Member)

Miss Tso Pui-sze, Teresa

(Member)

Dated the 31st day of July 2026

Derek Chan, SC, Presenting Officer and Jacky Lam, Assistant Presenting Officer.

Benjamin Yu, SC, Laurence Li, SC, and Nicole Chan for the 1st and 2nd Specified Persons, instructed by Messrs. Debevoise & Plimpton LLP.

Ambrose Ho, SC, Bonnie Y.K. Cheng and Jonathan Fung for the 3rd Specified Person, instructed by Messrs. Norton Rose Fulbright.

Jat Sew-Tong, SC, and Danny Tang for the 4th Specified Person, instructed by Messrs. Debevoise & Plimpton LLP.