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DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司*
(incorporated in Bermuda with limited liability)

(Stock Code: 0113)

(1) ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE – COMPULSORY CANCELLATION OF UNLISTED EQUITY INVESTMENT
(2) RESUMPTION OF TRADING

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).

- (1) 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 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 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 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, through the Relevant Subsidiary (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 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.

- (2) At the request of the Company, trading in the Company on the Stock Exchange was suspended with effect from 1:00 p.m. on 8 January 2020 pending the publication of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Company with effect from 9:00 a.m. on 10 January 2020.

(1) MERGER OF AN UNLISTED INVESTEE COMPANY

The Group has been notified by one of the Group's unlisted investee companies, the Subject Company, that a merger in respect of the Subject Company has become effective. 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 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.

Pursuant to the terms of the merger, the Group's entire equity interest in the Subject Company, being 24,834,600 shares of the Series B Preferred Stock in the Subject Company, representing approximately 3.73 per cent. of the issued share capital of the Subject Company, have been compulsorily cancelled in exchange for the Group receiving consideration of US\$147,585,708.

THE CONSIDERATION

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 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.

The consideration payable to the Group shall be paid as follows: (1) US\$137,985,238 shall be paid to the Group on or about five to seven business days after the Relevant Subsidiary provides its bank wire instructions to the Subject Company (the date of payment being the "Payment Date"); (2) US\$9,581,307 shall be paid into an escrow account to secure certain obligations imposed on the Relevant Subsidiary under the terms of the merger on the

Payment Date; and (3) US\$19,163 shall be paid to a security holders' agent, to reimburse costs and expenses incurred by the security holders' agent in connection with the merger on the Payment Date. The Group shall be transferred the balance of its consideration from the escrow account (net of any deductions) on or about fifteen months post closing.

The consideration was determined between the Purchaser and the Subject Company through arms' length negotiation for the purpose of the merger. The same per share consideration is payable to all security holders of the Subject Company.

The Group intends to use the proceeds as general working capital of the Group and for suitable investments. As the merger has been consummated, the Company no longer holds any equity interest in the Subject Company.

The Directors will continue to explore other investment and business opportunities to broaden its earnings base.

INFORMATION OF THE SUBJECT COMPANY

The Subject Company is a US-based unlisted technology company which builds tools to help people save time and money when shopping online.

INFORMATION OF THE PURCHASER

The Purchaser is the intermediate holding company of the PayPal group and is a wholly-owned subsidiary of PayPal Holdings, Inc. (NASDAQ: PYPL). The PayPal group is a leading technology platform and digital payments company. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties, independent of the Company and its connected persons.

(2) RESUMPTION OF TRADING

At the request of the Company, trading in the Company on the Stock Exchange was suspended with effect from 1:00 p.m. on 8 January 2020 pending the publication of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Company with effect from 9:00 a.m. on 10 January 2020.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Dickson Concepts (International) Limited (迪生創建(國際)有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiary companies
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	PayPal, Inc., a wholly-owned subsidiary of PayPal Holdings, Inc (NASDAQ: PYPL)
“Relevant Subsidiary”	Kinford International Limited, 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Company”	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
“US\$”	United States dollars, the lawful currency of the United States of America

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

Executive Directors:

Dickson Poon (*Group Executive Chairman*)
Chan Hon Chung, Johnny Pollux
Lau Yu Hee, Gary
Poon Dickson Pearson Guanda

Independent Non-Executive Directors:

Bhanusak Asvaintra
Nicholas Peter Etches
Fung Yue Ming, Eugene Michael

By Order of the Board
Or Suk Ying, Stella
Company Secretary

Hong Kong, 9 January 2020

** For identification purposes only*