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PLANETREE INTERNATIONAL DEVELOPMENT LIMITED

梧桐國際發展有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00613)

PROPOSED SHARE CONSOLIDATION

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The Board proposes that every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.1 each in the share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM.

GENERAL

A circular containing, among other things, details of the Share Consolidation and a notice of the SGM is expected to be despatched to the Shareholders on or before 17 April 2020.

PROPOSED SHARE CONSOLIDATION

Reference is made to the 2019 annual results announcement of the Company dated 30 March 2020 where it was announced, among other things, that the Board intends to put forward a share consolidation scheme. The Board proposes that every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.1 each in the share capital of the Company.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 9,305,276,756 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or repurchased from the date hereof until the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of par value of HK\$0.1 each, of which 930,527,675 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of the ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with the relevant procedures and requirements under the Bermuda laws (where applicable) and the Listing Rules to effect the Share Consolidation.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Reasons for the Share Consolidation

The Company's shares are currently traded on-market around HK\$0.106 per share, representing a discount of about 45% to the Company's consolidated net asset value of approximately HK\$0.191 per share as at 31 December 2019. It would be beneficial to the Company's share price and in the interests of the Company's shareholders as a whole if the Company's shares can be made more attractive to institutional and professional investors. However, certain brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced shares or tend to discourage individual brokers from recommending low-priced shares to their customers. Investment banks such as UBS or other financial institutions have internal guidelines stipulating that listed securities within a trading price of HK\$0.5 or less will have no margin credit. Accordingly, potential investors will find investing in the Existing Shares which are currently traded around HK\$0.106 less attractive. Therefore, with a higher trading price of the Consolidated Shares under the upward adjustment brought about by the Share Consolidation together with a reduction of the transaction and handling costs as a proportion of the market value of each board lot, the Board believes that the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

The Share Consolidation is not related to any fund raising intention. As at the date of this announcement, apart from the granting of the Share Options as disclosed in the Company's announcement dated 2 April 2020, the Board does not have any plan or intention of future fund raising activities.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the shares of the Company regardless of the number of share certificates held by such holder.

Board lot size

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 2,000 Consolidated Shares.

Based on the closing price of HK\$0.106 per Existing Share (equivalent to the theoretical closing price of HK\$1.06 per Consolidated Share) as at the date of this announcement, the value of each board lot of the Existing Shares is HK\$212 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$2,120.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Exchange of share certificate

Subject to the Share Consolidation becoming effective, the Shareholders may during the period from Tuesday, 12 May 2020 to Wednesday, 17 June 2020 (both days inclusive) submit existing share certificates in the colour of green for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for exchange for new share certificates in the colour of blue for the Consolidated Shares at the expense of the Company.

Thereafter, certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:10 p.m. on Monday, 15 June 2020, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Adjustments to the outstanding options, warrants or other securities

As at the date of this announcement, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 380,000,000 new Existing Shares. Under the relevant terms and conditions thereof, the Share Consolidation may lead to adjustments to the exercise price and the number of shares falling to be issued upon exercise of the Share Options pursuant to the terms thereof. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, the Company has no warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

GENERAL

A circular containing, among other things, further details of the Share Consolidation and a notice of the SGM is expected to be despatched to the Shareholders on or before 17 April 2020. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is as follows:

Despatch date of circular with notice of the SGM	Friday, 17 April 2020
Latest date and time for lodging forms of proxy for the SGM	10:45 a.m. on Wednesday, 6 May 2020
Date and time of the SGM	10:45 a.m. on Friday, 8 May 2020
Announcement of voting results of the SGM	Friday, 8 May 2020
Effective date of the Share Consolidation	Tuesday, 12 May 2020
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 12 May 2020
Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 12 May 2020
Original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 12 May 2020
Temporary counter for trading in the Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 12 May 2020
Original counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 26 May 2020

“Company”	Planetree International Development Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 613)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares into one (1) Consolidated Share
“Share Options”	share options to subscribe for new shares of the Company granted under the share option scheme of the Company adopted on 21 May 2015
“Shareholder(s)”	holder(s) of the Existing Share(s) or the Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Planetree International Development Limited
Cheung Ka Yee
Executive Director

Hong Kong, 7 April 2020

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

Executive Directors:

Mr. Lam Hiu Lo
Mr. Liang Kang
Ms. Cheung Ka Yee
Ms. Tsang Wing Man
Mr. Wong Hung Wai

Non-Executive Director:

Mr. Kwong Kai Sing, Benny (*Acting Chairman*)

Independent Non-Executive Directors:

Mr. Chan Sze Hung
Mr. Ha Kee Choy, Eugene
Mr. Zhang Shuang
Mr. Chung Kwok Pan