

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of the Company.*



## **PLANETREE INTERNATIONAL DEVELOPMENT LIMITED**

### **梧桐國際發展有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00613)**

### **DISCLOSEABLE TRANSACTION: ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

#### **THE ACQUISITION**

The Board is pleased to announce that on 14 May 2020 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Company in respect of the Acquisition, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares representing the entire issued share capital of the Target Company at a consideration of HK\$6,000,000.

The Consideration will be satisfied by allotting and issuing the Consideration Shares by the Company to the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement.

The Consideration Shares, when issued, would represent approximately 0.645% of the existing issued share capital of the Company as at the date of this announcement and approximately 0.641% of the issued share capital of the Company as enlarged by issue of the Consideration Shares. The Consideration Shares will be issued under the General Mandate and will rank pari passu in all respects with each other and with the other Shares then in issue.

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios under Rules 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to the Listing Rules.

**Shareholders and potential investors should note that the Acquisition is subject to satisfaction of certain conditions precedent pursuant to the Sale and Purchase Agreement and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 14 May 2020 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Company in respect of the Acquisition, pursuant to which the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares representing the entire issued share capital of the Target Company at a consideration of HK\$6,000,000. The Consideration will be satisfied by allotting and issuing the Consideration Shares by the Company to the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement.

## **THE SALE AND PURCHASE AGREEMENT**

Principal terms of the Sale and Purchase Agreement are set out below:

**Date:** 14 May 2020

**Parties:** (i) JRDA Limited as the Vendor;  
(ii) Planetree Treasury Limited as the Purchaser; and  
(iii) the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor and its ultimate beneficial owner are Independent Third Parties of the Company and its connected persons.

### **Assets to be Acquired**

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company.

## **Consideration**

The consideration of HK\$6,000,000 shall be satisfied by allotting and issuing the Consideration Shares by the Company to the Vendor at the Issue Price pursuant to the terms and conditions of the Sale and Purchase Agreement.

## **Issue of the Consideration Shares under the General Mandate**

Pursuant to the Sale and Purchase Agreement, the Company shall allot and issue the Consideration Shares to the Vendor as settlement of the Consideration. The Issue Price of HK\$1.00 per Consideration Share was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to the recent level of market price of the Shares.

The Consideration Shares will be issued under the General Mandate and will rank pari passu in all respects with the Shares then in issue on the relevant issue date.

At the annual general meeting of the Company held on 12 June 2019, the General Mandate was granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with up to 1,861,055,351 Pre-Consolidation Shares, being 20% of the number of issued Pre-Consolidation Shares as at the date of passing of the resolution by the Shareholders in relation to the General Mandate. As a result of the Share Consolidation becoming effective on 12 May 2020 as disclosed in the announcement of the Company on 8 May 2020, the number of the Shares being granted under the General Mandate has been adjusted to 186,105,535 Shares.

As at the date of this announcement, no Shares have been issued under the General Mandate. The Consideration Shares to be allotted and issued will utilize approximately 3.22% of the General Mandate. Accordingly, the issue of the Consideration Shares will not be subject to the approval of the Shareholders.

## **Issue Price**

The Issue Price of HK\$1.00 per Share represents:

- (i) a premium of approximately 29.9% over the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately 10.1% over the average closing price of HK\$0.908 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately preceding the Last Trading Day.

## **Basis for the Consideration**

The Consideration was determined after arm's length negotiation between the parties to the Sale and Purchase Agreement after taking into consideration of: (i) the net assets value of the Target Company; (ii) the valuation of 100% equity interest of the Target Company of HK\$6.6 million as at 30 April 2020 (the "Valuation") prepared by an independent valuer based on market approach; and (iii) the financial performance and position of the Target Company.

The Consideration represents a discount of approximately 9.1% to the Valuation.

The Directors consider that the Consideration and the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **Conditions Precedent**

Completion is conditional upon the fulfilment (and continuation of the same up to Completion) of the following conditions:

- (a) the Company having complied with the relevant requirements under the Listing Rules regarding the acquisition of the Sale Shares under the Sale and Purchase Agreement;
- (b) the SFC Approval having been obtained;
- (c) the warranties set out in the Sale and Purchase Agreement remain true, correct and accurate in all material respects;
- (d) the Target Company's licence from the SFC to carry out Type 6 Regulated Activity not having been revoked; and
- (e) the Listing Committee having granted approval for the listing of, and permission to deal in, the Consideration Shares.

The Purchaser may waive the condition set out in (c) above at its discretion. If the conditions set out above have not been satisfied (or, as the case may be, waived by Purchaser) on or before 2:00 p.m. on the Long Stop Date, the Purchaser shall not be bound to proceed with the purchase of the Sale Shares and the Sale and Purchase Agreement shall from the Long Stop Date, become void and of no further effect, save in respect of any antecedent breaches.

## **Completion**

Completion shall take place on the Completion Date upon compliance with or fulfilment (or waiver, if applicable) of all the conditions precedent set out above.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's financial information.

## EFFECT ON THE SHAREHOLDING STRUCTURE

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company: (i) as at the date of this announcement; and (ii) immediately upon the allotment and issue of the Consideration Shares (assuming there is no other change in the shareholding structure of the Company before the allotment and issue of the Consideration Shares) is set out as follows:

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares (assuming that there is no other change in the existing shareholding of the Company)	
	<i>No. of shares</i>	<i>Shareholding (Approximately)</i>	<i>No. of shares</i>	<i>Shareholding (Approximately)</i>
Shareholders				
Future Capital Group Limited <sup>Note</sup>	628,263,640	67.517%	628,263,640	67.084%
Ms. Lo Ki Yan Karen	5,271,800	0.567%	5,271,800	0.563%
The Vendor	0	0%	6,000,000	0.641%
Other public shareholders	296,992,235	31.917%	296,992,235	31.712%
Total	<u>930,527,675</u>	<u>100%</u>	<u>936,527,675</u>	<u>100%</u>

*Note:* Future Capital Group Limited is 100% beneficially owned by Ms. Lo Ki Yan Karen.

## INFORMATION OF THE PARTIES

### The Vendor

The Vendor is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding.

## The Target Company

The Target Company is a company incorporated in Hong Kong with limited liability and is a licensed corporation carrying on business in Type 6 Regulated Activity (advising on corporate finance) in Hong Kong. Its principal business includes providing financial services such as advising on the Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong to clients and acting as a financial adviser to listed companies in Hong Kong in relation to the Listing Rules.

## Financial information of the Target Company

The financial information of the Target Company for the year ended 31 December 2018 and 2019 are set out below:

	For the year ended	
	31 December	
	2018	2019
	(audited)	(audited)
	HK\$	HK\$
Net profits (before taxation)	4,231,884	1,297,600
Net profits (after taxation)	3,730,362	1,192,561

Based on the audited financial statements of the Target Company, the net assets value of the Target Company was HK\$4,652,379 as at 31 December 2019.

## The Company and the Purchaser

The Company is a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the principal activities of the Group are: (i) financial services – brokerage and related services covering the provision of dealing in securities, dealing in futures contracts and asset management services; (ii) financial services – money lending; (iii) treasury management; and (iv) property leasing.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding and investment in securities.

## REASONS FOR THE ACQUISITION

As disclosed in the 2019 annual report of the Group, the Company intends to focus on developing its financial services business. In addition, as disclosed in the announcement of the Company dated 12 March 2020, the Group currently holds 82.22% equity interest in Liberty Capital Limited (together with its subsidiaries, the “**Liberty Group**”). The Liberty Group principally engages in the business of investment holding, property investment and provision of financial services with licenses to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 9 (asset management) regulated activities under the SFO. Moreover, the Liberty Group is applying for a licence to carry out Type 7 (providing automated trading services) and Type 8 (securities margin financing) regulated activities. Liberty Capital Limited has recently been renamed as Planetree (Cayman) Capital Limited.

The Directors believe the Acquisition will provide a strong foothold for the Group to extend its business presence in the financial service industry and enable the Group to diversify its business scope and further broaden its source of income. Together with the Liberty Group, upon completion of the Acquisition, the Group would attain a more comprehensive profile of licenses under the SFO which could create a synergy effect and complement the growth of the Group’s existing financial services business.

The Group is expected to take advantage of the future growth in capital markets and continuous products development, by diversifying its business further within the financial services business and to broaden the Group’s revenue base which, going forward, is expected to increase the Company’s value and benefit the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition exceeds 5% and all of such ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

**Shareholders and potential investors should note that the Acquisition is subject to satisfaction of certain conditions precedent pursuant to the Sale and Purchase Agreement and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

## DEFINITIONS:

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday and days on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“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: 00613)
“Completion Date”	Completion shall take place on the date within 10 Business Days after the Purchaser’s receipt of the SFC Approval
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration Shares”	an aggregate of 6,000,000 new Shares to be allotted and issued by the Company to the Vendor pursuant to the Sale and Purchase Agreement as settlement of the Consideration
“Consideration”	the consideration of HK\$6,000,000 pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors on 12 June 2019 to exercise the powers of the Company to allot, issue and otherwise deal with up to 1,861,055,351 Pre-Consolidation Shares and as adjusted to 186,105,535 Shares as a result of the Share Consolidation
“Group”	the Company and its subsidiaries



“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
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons
“Issue Price”	the issue price of HK\$1.00 per Consideration Share
“Last Trading Day”	14 May 2020, being the last trading day of the Shares same as the date of the Sale and Purchase Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2020, or any other later date as agreed between the parties to the Sale and Purchase Agreement in writing
“Pre-Consolidation Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately prior to the Share Consolidation becoming effective
“Purchaser”	Planetree Treasury Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 May 2020 entered into amongst the Vendor, the Purchaser and the Company in relation to the sale and purchase of the Sale Shares
“Sale Shares”	the entire issued share capital of the Target Company
“SFC Approval”	the approval from the SFC in relation to: (a) the transfer of the Sale Shares to the Purchaser; and (b) the approval of the Purchaser as the substantial shareholder of the Target Company
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consolidation”	the consolidation of the Share(s) which took effect on 12 May 2020

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Akron Corporate Finance Limited 亞貝隆資本有限公司, a company incorporated in Hong Kong with limited liability which engages in Type 6 Regulated Activity
“Type 6 Regulated Activity”	the regulated activity of advising on corporate finance as defined in the SFO with certain conditions
“Vendor”	JRDA Limited, a company incorporated in the Cayman Islands with limited liability, shares of which were wholly owned by Mr. Cheung Ting Kee, being an Independent Third Party
“%”	per cent.

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

Hong Kong, 14 May 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