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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: 613)

DISCLOSEABLE TRANSACTION IN RELATION TO REPURCHASE OF SHARES OF A SUBSIDIARY

THE REPURCHASE

The Board announces that, on 21 December 2023 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Purchaser has agreed to repurchase, and the Vendor has agreed to sell, the Repurchase Shares (representing approximately 5.32% of the share capital of PSL) at the Consideration of HK\$50 million payable in cash.

Immediately prior to the entering into of the Sale and Purchase Agreement, PSL was owned as to approximately 94.68% by the Purchaser and approximately 5.32% by the Vendor respectively. Completion has taken place simultaneously upon signing of the Sale and Purchase Agreement. Upon Completion, all the issued shares of PSL are owned by the Purchaser and PSL has become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio under the Listing Rules in respect of the Repurchase is more than 5% but less than 25%, the Repurchase constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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SALE AND PURCHASE AGREEMENT

Date

21 December 2023

Parties

- (1) the Vendor; and
- (2) the Purchaser.

To the best knowledge, information and belief of the Board after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The Repurchase

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to repurchase, and the Vendor has agreed to sell, the Repurchase Shares (representing approximately 5.32% of the share capital of PSL) at the Consideration of HK\$50 million.

Consideration

The Consideration is HK\$50 million, which has been settled by the Company in cash by its internal resources. The Consideration was determined and agreed between the parties to the Sale and Purchase Agreement after arm's length negotiations and having taken into account the net assets value of PSL.

Completion

The Sale and Purchase Agreement is unconditional. Completion has taken place simultaneously upon signing of the Sale and Purchase Agreement.

Upon Completion, all the issued shares of PSL are owned by the Purchaser and PSL has become an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE PARTIES

Information of the Vendor

The Vendor is a company incorporated in the British Virgin Islands and is an investment holding company. The Vendor subscribed for the Repurchase Shares from PSL on 6 June 2022 at a cash consideration of HK\$50 million. As at the date of this announcement, the Vendor is wholly-owned by Mr. Chan, who is a businessman experienced in finance, retail and distribution businesses.

Information of Company, the Purchaser and PSL

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in (i) financial services with operations licensed under the Securities and Futures Ordinance, (ii) credit and lending services with operations licensed under Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong), (iii) other financial services, (iv) property investment and leasing, and (v) tactical and strategic investment.

The Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company.

PSL is a company incorporated in Hong Kong with limited liability. It is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities. Immediately prior to the entering into of the Sale and Purchase Agreement, PSL was owned as to approximately 94.68% by the Purchaser and approximately 5.32% by the Vendor respectively.

Set out below is the financial information of PSL for the two financial years ended 31 December 2021 and 2022 and the six months ended 30 June 2023 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the six months ended 30 June 2023 (unaudited) HK\$'000	For the year ended 31 December 2022 (audited) HK\$'000	2021 (audited) HK\$'000
Profit / (Loss) before tax	(2,487)	12,343	21,380
Profit / (Loss) after tax	(2,487)	10,655	17,794

The latest unaudited consolidated net assets value of PSL as at 30 November 2023 was approximately HK\$975.8 million.

REASONS FOR AND BENEFITS OF THE REPURCHASE

The integrated financial services business has been one of the principal core businesses of the Group. The Company has been devoting extensive resources for PSL to develop its businesses, especially the new pre-IPO platform allowing its retail and corporate clients to trade new stocks before the official listings in Hong Kong. The pre-IPO matching system has rolled out to the clients in September 2023. The Group intends to expand its offering services online and leverage the synergistic benefits derived from its comprehensive range of regulated activities under the SFO, with an aim to facilitate the growth of the integrated financial services business and broaden the client base of the Group.

Given the business potential of PSL and its synergistic benefits to the Group, the Company believes that the Repurchase represents an opportunity for the Group to unify its ownership over PSL and enhance operational efficiency. By acquiring the remaining non-controlling interests of PSL, the Group can fully capitalize on the business prospects of PSL with the pre-IPO platform. The Directors consider that the terms of the Sale and Purchase Agreement, negotiated on arm's length basis, are on normal commercial terms and fair and reasonable and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio under the Listing Rules in respect of the Repurchase is more than 5% but less than 25%, the Repurchase constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Planetree International Development Limited (stock code: 613), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Repurchase pursuant to the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Repurchase Shares payable by the Purchaser under the Sale and Purchase Agreement, being HK\$50 million
“Director(s)”	director(s) of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Chak Kai Kenneth
“PSL”	Planetree Securities Limited, a company incorporated in Hong Kong and an indirect non wholly-owned subsidiary of the Company before Completion
“Purchaser”	Planetree Financial Group Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“Repurchase”	the repurchase of the Repurchase Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Repurchase Shares”	the 45,508,328 ordinary shares of PSL, representing approximately 5.32% of the share capital of PSL
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 December 2023 entered into between the Purchaser and the Vendor in relation to the Repurchase
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Polymate Investments Limited, a company incorporated in the British Virgin Islands
“%”	per cent.

By order of the Board
Planetree International Development Limited
Cheung Ting Kee
Acting Chairman and Executive Director

Hong Kong, 21 December 2023

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

Executive Directors:
Mr. Cheung Ting Kee
(Acting Chairman)
Ms. Cheung Ka Yee
Mr. Lam Hiu Lo

Independent Non-executive Directors:
Mr. Chan Sze Hung
Mr. Chung Kwok Pan
Mr. Ma Ka Ki
Mr. Zhang Shuang