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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 ACQUISITION OF SHARES OF THE TARGET COMPANY

THE ACQUISITION

The Board announces that, on 28 December 2023 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares (representing approximately 16.47% of the total issued share capital of the Target Company) at the Consideration of HK\$80.0 million.

Immediately prior to the entering into of the Sale and Purchase Agreement, the Target Company was owned as to approximately 31.37% by the Purchaser. Completion has taken place simultaneously upon signing of the Sale and Purchase Agreement. Upon Completion, the Purchaser is the single largest shareholder of the Target Company holding approximately 47.84% of the total issued share capital of the Target Company and the Target Company remains as an associate of the Company.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio under 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 subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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Immediately prior to the entering into of the Sale and Purchase Agreement, the Target Company was owned as to approximately 31.37% by the Purchaser. Completion has taken place simultaneously upon signing of the Sale and Purchase Agreement. Upon Completion, the Purchaser is the single largest shareholder of the Target Company holding approximately 47.84% of the total issued share capital of the Target Company and the Target Company remains as an associate of the Company.

THE SALE AND PURCHASE AGREEMENT

Date

28 December 2023 (after trading hours)

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 is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

The Acquisition

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares (representing approximately 16.47% of the total issued share capital of the Target Company) at the Consideration of HK\$80.0 million.

Consideration

The Consideration is HK\$80.0 million, which has been settled with internal resources of the Company. 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 the Target Company.

Completion

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

Upon Completion, the Purchaser is the single largest shareholder of the Target Company holding approximately 47.84% of the total issued share capital of the Target Company and the Target Company remains as an associate of the Company.

INFORMATION OF THE PARTIES

Information of the Vendor

The Vendor is a businessman experienced in investment in financial business.

Information of the Company, the Purchaser and the Target Company

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 the Republic of Marshall Islands with limited liability and is a direct wholly-owned subsidiary of the Company.

The Target Company is a company incorporated in the Republic of Marshall Islands with limited liability and is engaged in investment holding business. The Target Company holds investment portfolio in both listed and unlisted securities across different industry sectors including financial services, natural resources, logistics and property. Immediately prior to the entering into of the Sale and Purchase Agreement, the Target Company was owned as to approximately (i) 31.37% by the Purchaser; (ii) 16.47% by the Vendor; (iii) 29.02% by Ms. Yu Man Fung, Alice; and (iv) 23.14% by other three corporate investors.

Set out below is the consolidated financial information of the Target Company 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 (unaudited) HK\$'000	31 December 2021 (unaudited) HK\$'000
Loss before tax	56,023	244,214	138,079
Loss after tax	56,023	244,214	138,079

The latest unaudited consolidated net assets value of the Target Company as at 31 October 2023 was approximately HK\$483.6 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has been holding equity interest in the Target Company as one of its significant long-term investments since late 2020 which is in line with the principal businesses of the Group. The investment business of the Target Company focuses on the Hong Kong stock market with its investment portfolio currently consisting of, among others, over 13 equity securities listed on the Stock Exchange. It is the intention of the Company to take advantage of the general downturn of the stock market in Hong Kong with an expectation for a growth in portfolio value of the Target Company in the future.

An imminent end to global interest rate hikes is expected, as indicated by the median projection of the federal funds rate at 4.6% and 3.6% by the end of 2024 and 2025 as disclosed in the latest “Summary of Economic Projections” released by the Federal Reserve of the United States of America in December 2023, as compared to the current effective federal funds rate at 5.33%. With the market anticipation on potential interest rate cuts, the Board is optimistic about the improvement on the investor sentiment and the long-term prospect of the Hong Kong stock market. Accordingly, the Board considers the Acquisition as a good opportunity for further investment in the Target Company so as to maximize the potential returns from such investment.

In light of the above, the Board considers that the Acquisition and the terms of the Sale and Purchase Agreement including the Consideration are on normal commercial terms, fair and reasonable and 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 Acquisition is more than 5% but less than 25%, the Acquisition 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:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“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 Acquisition pursuant to the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the cash consideration for the Sale Shares payable by the Purchaser under the Sale and Purchase Agreement, being HK\$80 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

“Purchaser”	Planetree International Limited, a direct wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 December 2023 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Sale Shares”	the 42 ordinary shares of the Target Company, representing approximately 16.47% of the total issued share capital of the Target Company
“Shareholder(s)”	the holder of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Green River Associates Limited, a company incorporated in the Republic of Marshall Islands with limited liability
“Vendor”	Mr. Au-Yeung Kai Wah
“%”	per cent.

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

Hong Kong, 28 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