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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO CAPITAL INJECTION IN RESPECT OF A NON-WHOLLY OWNED SUBSIDIARY**

### **THE CAPITAL INJECTION**

The Board hereby announces that on 22 January 2020 (after trading hours), Planetree Cayman Limited, a direct wholly-owned subsidiary of the Company, entered into a subscription agreement with Liberty Capital Limited, an indirect non-wholly owned subsidiary of the Company, to subscribe for 1,700 new shares at a total consideration of HK\$227.8 million (which will be equivalent to HK\$134,000 per share). As at the date of this announcement, Liberty Capital Limited's total number of shares in issue is 2,800 before completion of the Capital Injection, of which 2,000 shares (equivalent to approximately 71.43%) are being held by Planetree Cayman Limited. Upon completion, Planetree Cayman Limited will hold approximately 82.22% of the enlarged (as enlarged by the subscription) share capital of Liberty Capital Limited, which will remain as an indirect non-wholly owned subsidiary of the Company.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Capital Injection are more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **THE CAPITAL INJECTION**

The board of directors (the “Board”) of Planetree International Development Limited (the “Company”) hereby announces that on 22 January 2020 (after trading hours), Planetree Cayman Limited, a direct wholly-owned subsidiary of the Company, entered into a subscription agreement with Liberty Capital Limited, an indirect non-wholly owned subsidiary of the Company, to subscribe for 1,700 new shares at a total consideration of HK\$227.8 million (which will be equivalent to HK\$134,000 per share) (the “Capital Injection”). As at the date of this announcement, Liberty Capital Limited’s total number of shares in issue is 2,800, of which 2,000 shares (equivalent to approximately 71.43%) are being held by Planetree Cayman Limited. Upon completion, Planetree Cayman Limited will hold approximately 82.22% of the enlarged (as enlarged by the subscription) share capital of Liberty Capital Limited.

## **SUBSCRIPTION AGREEMENT**

### **Date**

22 January 2020 (after trading hours)

### **Parties**

- (1) Planetree Cayman Limited, a company incorporated in the Cayman Islands and a direct wholly-owned subsidiary of the Company; and
- (2) Liberty Capital Limited, a company incorporated in the Cayman Islands and an indirect non-wholly owned subsidiary of the Company

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, the shareholders of Liberty Capital Limited other than Planetree Cayman Limited and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### **Subject Matter**

Pursuant to the subscription agreement, Liberty Capital Limited agreed to issue and Planetree Cayman Limited agreed to subscribe 1,700 new shares of Liberty Capital Limited at the consideration of HK\$227,800,000. As at the date of this announcement, Liberty Capital Limited’s total number of shares in issue is 2,800 before completion of the Capital Injection.

### **Consideration**

The consideration is equivalent to HK\$134,000 per share. The price of the new shares and the aggregate consideration of HK\$227,800,000 were agreed between the parties with reference to the unaudited net asset value per share of Liberty Capital Limited as at 31 December 2019.

The consideration for that 1,700 new shares will be settled by means of capitalization of the shareholder loans granted by Planetree Cayman Limited to Liberty Capital Limited to the extent of the above-mentioned amount of HK\$227.8 million. The said shareholder loans originally comprise two loans with an aggregate amount of HK\$245 million bearing interest at 0.25% per annum above the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited.

## **Completion**

Completion shall take place within 2 business days from the date of the subscription agreement (or such other date as the parties may agree). Upon completion, Planetree Cayman Limited will hold approximately 82.22% of the enlarged (as enlarged by the subscription) share capital of Liberty Capital Limited, which will remain as an indirect non-wholly owned subsidiary of the Company.

## **INFORMATION OF THE PARTIES**

### **Information of Planetree Cayman Limited**

Planetree Cayman Limited is a company incorporated in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of the Company.

### **Information of Liberty Capital Limited**

Liberty Capital Limited is an investment holding company incorporated in the Cayman Islands with limited liability and an indirect non-wholly owned subsidiary of the Company but it is not a “connected subsidiary” as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Its subsidiaries (together with Liberty Capital Limited, the “Target Group”) principally engage in the business of investment holding, property investment, providing financial services with licences to carry out Type 1 (Dealing in securities), Type 2 (Dealing in futures contracts) and Type 9 (Asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Target Group is in the process of applying for licences to carry out Type 7 regulated activity (provision of automated trading services) and Type 8 regulated activity (securities margin financing).

Set out below is the financial information of the Target Group for the two years ended 31 December 2019 respectively:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2018</b>	<b>2019</b>
	<b>(audited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss before tax	(10,836)	(12,413)
Loss after tax	(10,836)	(12,413)

The latest available unaudited consolidated net assets value of the Target Group as at 31 December 2019 was approximately HK\$375.4 million.

## **OTHER INFORMATION**

Planetree Cayman Limited first acquired 2,000 shares in Liberty Capital Limited on 12 December 2019 at a consideration of HK\$270 million by subscription of new shares pursuant to a subscription agreement between the parties dated 20 May 2019 (the “First Subscription”). Details of the First Subscription have been set out in the circular and the announcement of the Company dated 31 October 2019 and 12 December 2019 respectively.

Immediately after completion of the First Subscription, Planetree Cayman Limited held 2,000 shares of the total 3,800 issued shares of Liberty Capital Limited, representing approximately 52.63% thereof. Subsequently, in December 2019 Liberty Capital Limited conducted three shares buybacks of an aggregate of 1,000 of its issued shares from its three other shareholders for cancellation (the “Shares Buybacks”). The average price under the Shares Buybacks was approximately HK\$127,200 per share which was agreed between the parties with reference to the then latest net asset value per share of Liberty Capital Limited.

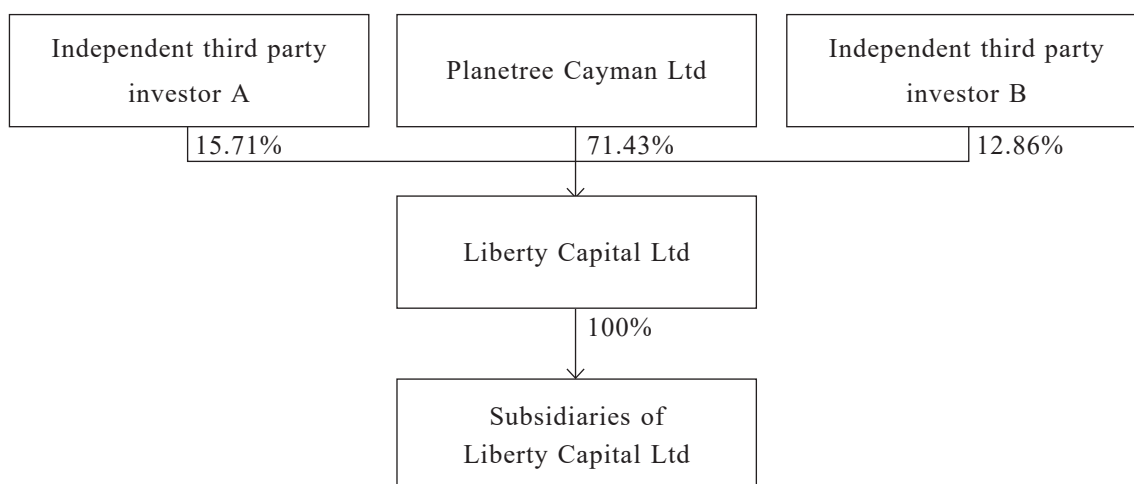
Following the Shares Buybacks, the total issued shares of Liberty Capital Limited have been reduced to 2,800 shares of which 2,000 shares (equivalent to approximately 71.43%) are being held by Planetree Cayman Limited. Subsequent to completion of the Capital Injection, the shareholding of Planetree Cayman Limited in Liberty Capital Limited will further increase to approximately 82.22% as Planetree Cayman Limited will then be holding 3,700 of the total 4,500 issued shares of Liberty Capital Limited.

## REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

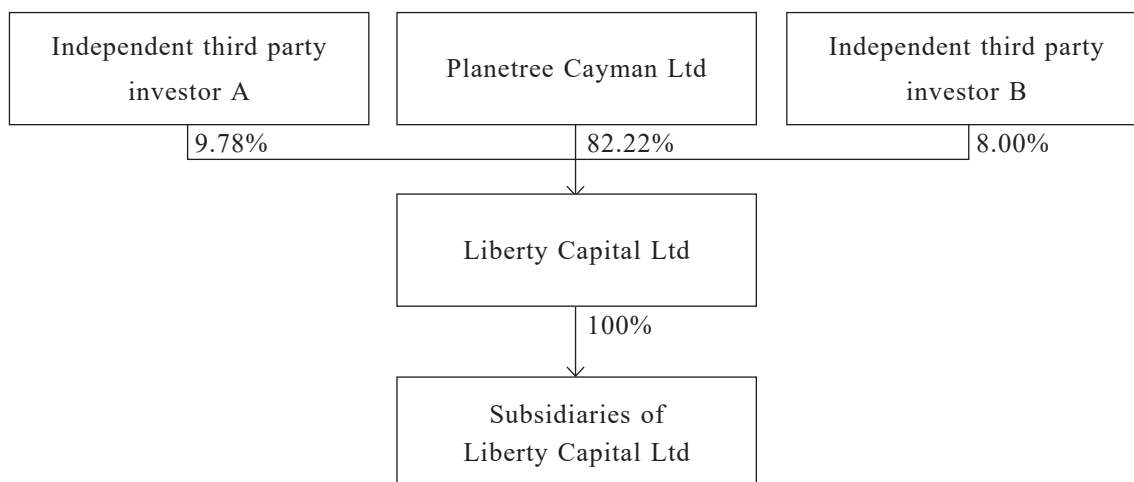
The Board is of the view that the Capital Injection, which is to be financed by the internal resources of the Company and its subsidiaries, will consolidate the Company's control in Liberty Capital Limited as well as strengthen the financial position of Liberty Capital Limited for its business development with enhanced profitability, and is therefore in the interests of the Company and its shareholders as a whole.

## ORGANISATION STRUCTURE

### Before the Capital Injection



### Upon completion of the Capital Injection



## IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Capital Injection are more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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

Hong Kong, 22 January 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

*Independent Non-Executive Directors:*

Mr. Chan Sze Hung  
Mr. Ha Kee Choy, Eugene  
Mr. Kwong Kai Sing, Benny