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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 SHARES BUYBACKS BY A NON-WHOLLY OWNED SUBSIDIARY

SHARES BUYBACKS

Through three shares buybacks, Liberty, an indirect non-wholly owned subsidiary of the Company, repurchased a total of 1,000 shares in Liberty at an aggregate consideration of HK\$127,200,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Shares Buybacks, on aggregated basis, are more than 5% but less than 25%, the Shares Buybacks in aggregate constituted a notifiable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement (the “**Announcement**”) of Planetree International Development Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 22 January 2020 in relation to the Group’s capital injection into a non-wholly owned subsidiary of the Company — Liberty Capital Limited (“**Liberty**”) after three shares buybacks conducted by Liberty. After receiving guidance from The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) from a recent discussion between the Company’s legal adviser and the Stock Exchange about the applicability of Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the board of directors (the “**Board**”) of the Company would like to provide further information about the three shares buybacks conducted by Liberty.

SHARES BUYBACKS

Through three shares buybacks, Liberty repurchased a total of 1,000 shares in Liberty at an aggregate consideration of HK\$127,200,000.

Dates

13 December 2019 – for the First Shares Buyback (as defined below)

20 December 2019 – for the Second Shares Buyback and the Third Shares Buyback (as defined below)

(these three shares buybacks together, the “**Shares Buybacks**”)

Parties

- (1) Liberty Capital Limited, a company incorporated in the Cayman Islands and an indirect non-wholly owned subsidiary of the Company, offered the Shares Buybacks to Great Panorama International Limited (“**GP**”), Roxxon Limited (“**Roxxon**”) and Violet Fame Limited (“**Violet Fame**”) respectively;
- (2) GP, a company incorporated in the British Virgin Islands and a shareholder of Liberty accepted shares buyback of 330 shares in Liberty (the “**First Shares Buyback**”), representing approximately 8.68% shareholding in Liberty immediately before completing the First Shares Buyback. As at 13 December 2019, those 330 shares in Liberty were beneficially owned by Mr. Kitchell Osman Bin;
- (3) Roxxon, a company incorporated in the British Virgin Islands and a shareholder of Liberty accepted shares buyback of 335 shares in Liberty (the “**Second Shares Buyback**”), representing approximately 9.65% shareholding in Liberty immediately before completing the Second Shares Buyback and the Third Shares Buyback. As at 20 December 2019, those 335 shares in Liberty were beneficially owned by Mr. David Ki; and
- (4) Violet Fame, a company incorporated in the British Virgin Islands and a shareholder of Liberty accepted shares buyback of 335 shares in Liberty (the “**Third Shares Buyback**”), representing approximately 9.65% shareholding in Liberty immediately before completing the Second Shares Buyback and the Third Shares Buyback. As at 20 December 2019, the ultimate beneficial owner of Violet Fame was CST Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange with stock code: 985.

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, the shareholders of GP, Roxxon, Violet Fame and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Subject Matter

Pursuant to a letter dated 13 December 2019, Liberty agreed to repurchase and GP accepted the repurchase of 330 shares in Liberty at the consideration of HK\$42,000,000. Pursuant to two separate letters dated 20 December 2019, Liberty agreed to repurchase, and each of Roxxon and Violet Fame respectively accepted the repurchase of 335 shares in Liberty at the consideration of HK\$42,600,000 for the Second Shares Buyback and the Third Shares Buyback respectively. Immediately before completion of the Shares Buybacks, Liberty's total number of shares in issue was 3,800. Immediately after completion of the Shares Buybacks and cancellation of the shares thereunder, Liberty's total number of shares in issue was reduced to 2,800.

Consideration

The aggregate consideration for the Shares Buybacks conducted by Liberty in December 2019 was HK\$127,200,000, equivalent to an average price of HK\$127,200 per share repurchased by Liberty. This repurchase price was agreed between Liberty and each of the accepting parties respectively with reference to the then latest unaudited net asset value per share of Liberty.

The consideration for the Shares Buybacks was settled by internal resources of Liberty.

Completion

Completion of the Shares Buybacks took place within December 2019 when Liberty had paid the consideration for the Shares Buybacks by cheques.

INFORMATION OF LIBERTY

Liberty is an investment holding company incorporated in the Cayman Islands and an indirect non-wholly owned subsidiary of the Company but it is not a "connected subsidiary" as defined in Chapter 14A of the Listing Rules. Its subsidiaries (together with Liberty, the "**Liberty 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 Liberty Group is in the process of applying for licences to carry out Type 7 regulated activity (providing automated trading services) and Type 8 regulated activity (securities margin financing).

Set out below is the financial information of the Liberty Group for the two years ended 31 December 2017 and 2018 respectively:

	For the year ended	
	31 December	
	2017	2018
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before tax	(1,997)	(10,836)
Loss after tax	(1,998)	(10,836)

The unaudited consolidated net assets value of the Liberty Group as at 30 November 2019 was approximately HK\$229.3 million, representing approximately HK\$127,400 per share in Liberty.

OTHER INFORMATION

Immediately before completion of the Shares Buybacks, Planetree Cayman Limited (a direct wholly-owned subsidiary of the Company) held 2,000 shares of the total 3,800 issued shares of Liberty, representing approximately 52.63% thereof. Immediately after completion of the Shares Buybacks, Planetree Cayman Limited held 2,000 shares of the total 2,800 issued shares of Liberty, representing approximately 71.43% thereof. Following completion of the capital injection by Planetree Cayman Limited into Liberty as mentioned in the Announcement, the shareholding of Planetree Cayman Limited in Liberty has further increased to approximately 82.22% as Planetree Cayman Limited currently holds 3,700 shares of the total 4,500 issued shares of Liberty.

REASONS FOR AND BENEFITS OF THE SHARES BUYBACKS

The Board is of the view that the Shares Buybacks, which was financed by the internal resources of Liberty, will consolidate the Company's control in Liberty, and is therefore in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Shares Buybacks, on aggregated basis, are more than 5% but less than 25%, the Shares Buybacks in aggregate constituted a notifiable 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, 12 March 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

Independent Non-Executive Directors:

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