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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 DEEMED DISPOSAL OF THE TARGET COMPANY**

#### **THE DEEMED DISPOSAL**

The Board announces that, on 6 June 2022 (after trading hours), the Target Company, an indirect wholly-owned subsidiary of the Company, and the Subscriber entered into a Subscription Agreement pursuant to which, subject to the fulfillment of the Conditions, the Subscriber has agreed to subscribe for and the Target Company has agreed to allot and issue the Subscription Shares at the aggregate subscription price of HK\$50 million. The Consideration will be settled by the Subscriber in cash upon Completion.

As at the date of this announcement, the Target Company's total number of shares in issue is 491,005,000 before Completion, which are indirectly wholly owned by the Company. Upon Completion, the Subscriber will hold approximately 8.482% of the enlarged (as enlarged by the Subscription) share capital of the Target Company, and the Target Company will become an indirect non-wholly owned subsidiary of the Company.

#### **LISTING RULES IMPLICATION**

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

## **THE DEEMED DISPOSAL**

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As at the date of this announcement, the Target Company's total number of shares in issue is 491,005,000 before Completion, which are indirectly wholly-owned by the Company. Upon Completion, the Subscriber will hold approximately 8.482% of the enlarged (as enlarged by the Subscription) share capital of the Target Company, and the Target Company will become an indirect non-wholly owned subsidiary of the Company.

## **SUBSCRIPTION AGREEMENT**

### **Date**

6 June 2022

### **Parties**

- (1) the Subscriber; and
- (2) the Target Company.

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, the Subscriber 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 Subscription**

Pursuant to the Subscription Agreement, the Target Company conditionally agrees to issue and the Subscriber conditionally agrees to subscribe for 45,508,328 Subscription Shares of the Target Company at the Consideration of HK\$50 million.

## **Consideration**

The Consideration will be HK\$50 million. The subscription price per Subscription Share is HK\$1.0987 and the Consideration was determined and agreed between the parties to the Subscription Agreement after arm's length negotiations and taking into account the unaudited net asset value of the Target Group and the financial performance and position of the Target Company as at 30 April 2022.

Upon fulfillment of the Conditions, the Subscriber shall pay the Consideration, being HK\$50 million in cash to the Target Company upon Completion.

## **Conditions**

The Completion is conditional upon the Subscriber having conducted and completed due diligence on all business, assets and liabilities, legal and financial matter in respect of the Target Company and all such other matters as deemed necessary to its reasonable satisfaction.

If the Conditions have not been fulfilled within one months from the date of the Subscription Agreement (or such later date as may be agreed in writing between the Target Company and the Subscriber) ("**Long Stop Date**"), the Subscription Agreement shall lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof.

## **Completion**

Completion shall take place within 3 business days after the satisfaction of all the conditions precedent or such other date as the parties may agree in writing. Upon Completion, the Subscriber will hold approximately 8.482% of the enlarged (as enlarged by the Subscription) share capital of the Target Company, and the Target Company will become an indirect non-wholly owned subsidiary of the Company.

## **INFORMATION OF THE PARTIES**

### **Information of the Subscriber**

The Subscriber is a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of CST Group Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 00985). CST Group Limited and its subsidiaries are principally engaged in (i) exploration, development and mining of mineral resources, (ii) investment in financial instruments, (iii) property investment and (iv) money lending.

## Information of 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 under the Securities and Futures Ordinance licenses, (ii) credit and lending services with operations under Money Lenders Ordinance licenses (Chapter 163 of the laws of Hong Kong), (iii) other financial services, (iv) property investment and leasing and (v) tactical and strategic investment.

As at the date of this announcement, the Target Company's total number of shares in issue is 491,005,000, which are indirectly wholly-owned by the Company.

The Target Company is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 (dealing in securities) regulated activities.

Set out below is the financial information of the Target Group for the two financial years ended 31 December 2020 and 31 December 2021 respectively:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2020</b>	<b>2021</b>
	<i>(audited)</i>	<i>(audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before tax	27,459	21,380
Profit after tax	26,174	17,794

The latest available audited consolidated net assets value of the Target Company as at 31 December 2021 was approximately HK\$528.68 million.

## **REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL**

As the integrated financial services business is one of the principal core business of the Company, the Company has been providing extensive resources for the Target Company to develop its businesses including but not limited to providing new capital and recruiting human resources. It has been the stated intention of the Company to look for strategic partners to further grow the business and this subscription is fully in line with the aforementioned strategy. The Subscription will generate HK\$50 million in new capital for the Target Company to further strengthen its capital base and financial resources. The Board considers that the terms of the Subscription Agreement are negotiated at arm's length basis and on normal commercial terms and are fair and reasonable and that it is in the interest of the Company and the Shareholders as a whole to enter into the Subscription Agreement for the Target Company to issue the Subscription Shares to the Subscriber pursuant to the Subscription Agreement.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Deemed Disposal are more than 5% but less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company and is subject to the notification 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
“business day”	a day (excluding Saturday, Sunday or any other public holidays) on which banks in Hong Kong are generally open for settlement 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”	completion of the Subscription pursuant to the Subscription Agreement
“Conditions”	the conditions precedent as set out in the Subscription Agreement

“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the aggregate subscription price of the Subscription Shares payable by the Subscriber under the Subscription Agreement, being HK\$50 million
“Deemed Disposal”	the deemed disposal of the shareholding in the Target Company as a result of the issuance of the Subscription Shares to the Subscriber pursuant to the Subscription Agreement
“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
“Shareholder(s)”	the holder of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Polymate Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of CST Group Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 00985)
“Subscription”	The subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 6 June 2022 entered into between the Subscriber and the Target Company in relation to the Deemed Disposal
“Subscription Share(s)”	the 45,508,328 ordinary share(s) of the Target Company, representing approximately 8.482% of the enlarged share capital of the Target Company, to be allotted and issued by the Target Company to the Subscriber pursuant to the Subscription Agreement

“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Target Company”	Planetree Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board  
**Planetree International Development Limited**  
**Dr. Leung Wing Cheung, William**  
*Executive Chairman*

Hong Kong, 6 June 2022

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

*Executive Directors:*

Dr. Leung Wing Cheung, William  
*(Executive Chairman)*  
Mr. Lam Hiu Lo  
Ms. Cheung Ka Yee

*Independent Non-executive Directors:*

Mr. Chan Sze Hung  
Mr. Zhang Shuang  
Mr. Chung Kwok Pan  
Ms. Liu Yan