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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 DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

From 26 April 2024 to 2 May 2024, the Vendor disposed of an aggregate of 200,000,000 Auto Italia Shares on the open market at an aggregate consideration of HK\$30.38 million (exclusive of transaction costs) at an average price of HK\$0.1519 per Auto Italia Share.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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The 200,000,000 Auto Italia Shares represented approximately 3.8% of the issued share capital of Auto Italia as at the date of this announcement. Upon settlement of the Disposal, the Group would cease to hold any Auto Italia Shares.

As the Disposal was made through open market, the Company is not aware of the identities of the purchasers of the Auto Italia Shares. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the purchasers of the Auto Italia Shares and their respective ultimate beneficial owners are Independent Third Parties.

The aggregate gross sale proceeds from the Disposal amount to HK\$30.38 million (exclusive of transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the prevailing market price of Auto Italia at the time of the Disposal.

INFORMATION OF AUTO ITALIA

Auto Italia Holdings 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: 720).

The principal activity of Auto Italia is investment holding, and the principal activities of its subsidiaries are property investment, car dealership, financial investment and services, and life sciences investment.

The following financial information is extracted from the 2023 annual report of Auto Italia:

	Year ended 31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total revenue	47,504	29,479
Loss before tax	(206,798)	(86,134)
Loss after tax	(205,897)	(85,590)
Net assets	211,283	390,926

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal forms part of the Group's principal business activities in tactical and strategic investment, and was conducted in its ordinary and usual course of business.

Given the volatility of market conditions, the Disposal provides the Group with an opportunity to realise its investment in Auto Italia. As the Disposal was made on the open market at prevailing market price, the Directors consider that the Disposal was conducted on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

It is expected that the Group will recognise a gain of approximately HK\$780,000 as a result of the Disposal, being the difference between the consideration (HK\$30.38 million) received from the Disposal and the aggregated book value (HK\$29.60 million) as at 31 December 2023 of the 200,000,000 Auto Italia Shares sold (exclusive of transaction costs), subject to auditors' review.

The proceeds from the Disposal (exclusive of transaction costs), which amounting to HK\$30.38 million, will be used as general working capital of the Group.

INFORMATION OF THE GROUP AND THE VENDOR

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 Vendor is an indirect wholly-owned subsidiary of the Company. It is incorporated in Hong Kong with limited liability and is principally engaged in dealing in securities. It is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Auto Italia”	Auto Italia Holdings Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 720)
“Auto Italia Share(s)”	the ordinary share(s) of Auto Italia
“Board”	the board of Directors of the Company
“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: 613)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of an aggregate of 200,000,000 Auto Italia Shares on the open market conducted from 26 April 2024 to 2 May 2024 at an aggregate consideration of HK\$30.38 million (exclusive of transaction costs)
“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
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons (has the meaning ascribed thereto under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Planetree Securities Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent

By order of the Board
Planetree International Development Limited
Mack Andrew Kar Lung
Managing Director

Hong Kong, 3 May 2024

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

Executive Directors:

Mr. Cheung Ting Kee (*Vice Chairman*)
Dr. Mack Andrew Kar Lung
(*Managing Director*)
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

Non-executive Director:

Dr. Chuang Henry Yueheng (*Chairman*)