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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)

CONNECTED TRANSACTION IN RELATION TO ENTERING INTO OF THE TENANCY AGREEMENT

TENANCY AGREEMENT

The Board announces that on 19 January 2024 (after trading hours), PML, an indirect wholly-owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement with the Landlord in respect of the lease of the Premises.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction contemplated under the Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules.

As at the date of this announcement, the Landlord is an associate of the Substantial Shareholder and is therefore a connected person of the Company. Accordingly, the entering into of the Tenancy Agreement with the Landlord constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the lease transaction contemplated under the Tenancy Agreement is more than 0.1% but less than 5%, the entering into of the Tenancy Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 19 January 2024 (after trading hours), PML, an indirect wholly owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement with the Landlord in respect of the lease of the Premises.

THE TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are as follows:

- Date : 19 January 2024 (after trading hours)
- Parties : (1) PML, as the tenant; and
(2) the Landlord, as the landlord.
- Premises : the office premises situated at 8th Floor of China United Centre, No. 28 Marble Road, North Point, Hong Kong, with a gross floor area of approximately 10,963 sq. ft.
- Tenancy term : Three (3) years commencing from 1 January 2024 and expiring on 31 December 2026 (both days inclusive)
- Break clause : PML has the right to early terminate the Tenancy Agreement by serving a one month's notice to the Landlord and the earliest date which the said notice can be served is 1 January 2026
- Rent : HK\$330,000 per month, equivalent to HK\$3,960,000 per annum, exclusive of management fee, air-conditioning charge, government rent and rates and other outgoings and payable in advance on the first day of each month
- The rent was determined after taking into account the prevailing market conditions and the prevailing market rent for similar properties in the vicinity of the Premises. The rent payable will be financed by the internal resources of the Group.
- Deposit : HK\$660,000, equivalent to two months' rent
- Usage : Office

RIGHT-OF-USE ASSET UNDER THE TENANCY AGREEMENT

The value of the right-of-use asset recognised by the Group under the Tenancy Agreement amounted to approximately HK\$10,964,798.06, which is the present value of total rent payable for the entire three years' term of the Tenancy Agreement in accordance with HKFRS 16 "Leases".

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in (i) financial services with operations under the Securities and Futures Ordinance licenses (Chapter 571 of the laws of Hong Kong), (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.

PML is a wholly-owned subsidiary of the Company and its principal business activity is the provision of administrative services to the Group.

The Landlord

The Landlord is an investment holding company and the registered owner of the Premises. The Landlord is an indirect subsidiary of Future Capital Group Limited, an investment holding company incorporated in the Cayman Islands, and is owned as to 82.19% by the Substantial Shareholder. The Substantial Shareholder holds approximately 67.00% of the total issued share capital of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

The Group has been occupying the Premises as its head office and principal place of business in Hong Kong since 2019. Pursuant to a tenancy agreement made between PML and the Landlord on 30 December 2020 (the "**2020 Tenancy Agreement**"), the lease term of the Premises thereunder expired on 31 December 2023. Having regard to the Group's need for the office, the rental amount under the Tenancy Agreement, the location of the Premises and the potential costs of relocation to another office, the Company decided to continue to rent the Premises as its head office and entered into the Tenancy Agreement with the Landlord.

The terms of the Tenancy Agreement were arrived at after arm's length negotiation between the parties with reference to the prevailing market conditions and the prevailing market rent for similar properties in the vicinity of the Premises. The monthly rent for the Tenancy Agreement remains the same as that under the 2020 Tenancy Agreement and is slightly below the prevailing market rent of the Premises as assessed by an independent valuer appointed by the Company. The monthly rent for the Tenancy Agreement represents a discount of approximately 9.24% to the prevailing market rent of the Premises of HK\$363,600 as assessed by an independent professional valuer.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Tenancy Agreement are fair and reasonable and that the entering into of the Tenancy Agreement is in the interests of the Group and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Tenancy Agreement or is required to abstain from voting on the resolution to approve the transactions contemplated under the Tenancy Agreement.

LISTING RULES IMPLICATIONS

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As at the date of this announcement, the Landlord is an associate of the Substantial Shareholder and is a connected person of the Company. Accordingly, the entering into of the Tenancy Agreement with the Landlord constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the lease transaction contemplated under the Tenancy Agreement is more than 0.1% but less than 5%, the entering into of the Tenancy Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standard
“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
“Landlord”	Good Develop Limited, a company incorporated in Hong Kong and the registered owner of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PML”	Planetree Management Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Premises”	the office premises situated at 8 th Floor of China United Centre, No. 28 Marble Road, North Point, Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	Ms. Lo Ki Yan Karen, a substantial Shareholder as at the date of this announcement

“Tenancy Agreement”

the tenancy agreement dated 19 January 2024 entered into between PML as tenant and the Landlord as landlord in respect of the lease of the Premises

“%”

per cent.

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

Hong Kong, 19 January 2024

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