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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION ISSUANCE OF NEW SHARES BY A SUBSIDIARY IN EXCHANGE FOR THE SUBSCRIBER'S SHARES

Reference is made to the announcement of Planetree International Development Limited (the “**Company**”) dated 17 September 2025 (the “**Announcement**”) in relation to issuance of new shares by a subsidiary in exchange for the Subscriber’s shares. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide additional information in relation to the reasons for and benefits of the Subscription below.

Value Creation through Cross-Ownership

The following are the potential benefits of cross holdings that the Directors of the Company examined:

1. **Aligned Interests:** By holding shares in each other, both companies have a vested interest in each other’s success. This alignment of interests can lead to more cooperative behavior and a focus on mutual benefits.
2. **Resource Sharing:** The cross holdings between the Subscriber and PCL facilitate the sharing of resources, leading to substantial savings in both time and costs. By working together, the Subscriber and PCL can achieve economies of scale, reducing the cost by their collective bargaining power with service providers, such as jointly negotiating with the same service providers to provide IT security equipment or trading systems (e.g. algo trading system) at more

competitive prices. By pooling financial resources at normal commercial terms (ensuring arm's-length fairness), the companies can pursue larger projects that they otherwise could not tackle alone, such as the case of jointly underwriting any sizeable fund raising exercises to reduce the risk exposure.

The complementary nature of the licenses is such that PCL holds certain licenses which the Subscriber does not possess, such as advising in corporate finance. PCL will refer clients to the Subscriber in cases where clients seek margin financing for underlying stocks specifically, when PCL offers a relatively lower margin value for those stocks than the Subscriber. Conversely, The Subscriber will refer clients to PCL when the Subscriber's margin value for the underlying stocks is lower than PCL's. Both parties will receive a fee for any successful referral of clients. The cross ownership promotes the companies to introduce clients to each other and satisfies their needs. Conversely, PCL can benefit from Subscriber's expertise in AI supercomputing and financial services to work on dealing services related to virtual assets. This synergy strengthens the relationship and positions the companies to better compete in the market, ultimately driving growth and innovation for both companies.

3. **Strategic Alliances:** Companies with cross holdings are more likely to form strategic alliances, which can enhance their competitive positions in the market. These alliances can lead to joint ventures, co-development of products, and shared marketing efforts.
4. **Enhanced Communication:** With a financial stake in each other, companies may improve communication channels, leading to better coordination and faster decision-making.
5. **Risk Mitigation:** Cross holdings can help mitigate risks by diversifying the companies' investments. This can provide a buffer against market volatility and economic downturns.
6. **Innovation and Growth:** By working closely together, companies can foster innovation and explore new growth opportunities that they might not have pursued independently.

In the Announcement, it was specifically stated that amongst others, the Subscriber is engaged in money lending services, provision of asset management, securities brokerage, and other financial service, additionally, the Subscriber is also involved in the operation of AI supercomputing centres and has the intention to introduce dealing services related to virtual assets. In that respect, certain Subscriber's businesses are similar, though may have different clientele, to that of PCL. PCL's full

SFC licenses can also complement that of the Subscriber. Similar to the Subscriber, PCL is also contemplating to engage in virtual assets under its license. The cross holding can facilitate the sharing of resources which can lead to a substantial savings on both time and cost.

In summary, the cross holdings can create a strong foundation for collaboration, leading to synergies that benefit both companies. This can result in increased efficiency, reduced costs, and enhanced competitive advantage.

While the Company has not acquired the rights to nominate any director to serve on the Subscriber's board under the Subscription Agreement, the Company is the single largest shareholder of the Subscriber with approximately 14.8% voting rights upon completion. Under the agreement, the Subscriber has the right to nominate director(s) to the board of PCL. This arrangement is characterized by frequent and open communication, joint strategic initiatives, and shared goals. This lays a strong foundation for collaboration between the two companies to enhance operational efficiencies, develop new products, and expand market reach. The cross holdings facilitate the sharing of resources, leading to substantial savings in both time and cost. Additionally, the similarities in the business operations and the potential for complementary services further strengthen their relationship.

Enhancing Investment Portfolio Quality

It should also be noted that the Subscriber has been accepted into Stock Connect. The advantages of being accepted into Stock Connect program as stated by the Stock Exchange are (i) the increase in liquidity, (ii) Broader Investor Base, (iii) Enhanced Market Visibility, (iv) Diversification Opportunities, (v) Trusted Platform for Trading. By holding an approximately 14.8% stake in the Subscriber, the Directors are of the opinion that the investment can enhance the Company's investment portfolio and at the same time, open the Company to a broader investment public.

The Board additionally offers detailed information regarding the composition of PCL's board of directors.

Subsequent to publication of the Announcement, PCL and the Subscriber have agreed that following the Completion (which occurred on 22 October 2025), the Subscriber is entitled to nominate three directors to the board of PCL. With PCL currently has three incumbent directors, this entitlement would constitute 50% of PCL's board. As of the date of this announcement, the Subscriber holds approximately 29.8% shareholding in PCL.

The Board considers this directorship arrangement as fair and reasonable, taking into account of the following factors:

(a) Strategic alliance

This arrangement incentivizes the Subscriber to contribute an additional director, enabling PCL to benefit from their unique knowledge and experience, thereby fostering a stronger strategic alliance.

(b) Maintenance of control

The Group retains control over PCL, as the board chairman, who will be a Group-nominated director, holds a casting vote in the event of a tie. Furthermore, the Group holds approximately 70.2% of the voting rights in PCL's shareholders meetings.

(c) Consolidation as a subsidiary

The Company has confirmed with its independent auditor that, due to the Group's retained control, PCL's financial results will continue to be consolidated into the Group's financial statements as a non-wholly-owned subsidiary following the Completion.

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

Hong Kong, 31 October 2025

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

Executive Directors:

Mr. Cheung Ting Kee (*Vice Chairman*)
Ms. Cheung Ka Yee
Mr. Dai Bin
Mr. Lam Hiu Lo
Mr. Wong Kin Chun, Gilbert

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*)