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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)

CONNECTED TRANSACTION IN RELATION TO TENANCY AGREEMENT

TENANCY AGREEMENT

The Board announces that on 21 September 2022 (after trading hours), Planetree Financial, a wholly-owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement with the Landlord in respect 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 Tenancy Agreement. Accordingly, the transaction 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 one or more of the applicable percentage ratios in respect of the transaction under the Tenancy Agreement are 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 exempted from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 21 September 2022, Planetree Financial, a wholly owned subsidiary of the Company, as the tenant, entered into the Tenancy Agreement with the Landlord in respect of the Premises.

THE TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are as follows:

Date	:	21 September 2022
Parties	:	(1) Planetree Financial, as the tenant; and (2) the Landlord, as the landlord.
Premises	:	the premises situate at 26th Floor of China United Centre, No. 28 Marble Road, North Point, Hong Kong, with a gross area of approximately 11,187 sq. ft.
Lease term	:	Two (2) years commencing from 21 September 2022 and expiring on 20 September 2024 (both days inclusive)
Rent	:	HK\$335,610 per month, equivalent to HK\$4,027,320 per annum, exclusive of management fee, air-conditioning charges, 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\$671,220, 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 amounts to approximately HK\$7,787,000, which is the present value of total rent payable for the entire two 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 licensed under the Securities and Futures Ordinance, (ii) credit and lending services with operations licensed under the Money Lenders Ordinance, (iii) other financial services, (iv) property investment and leasing and (v) tactical and strategic investment.

Planetree Financial is a wholly-owned subsidiary of the Company, and Planetree Securities, a subsidiary of Planetree Financial, is a brokerage firm licensed under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities.

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% shareholding by the Substantial Shareholder. The Substantial Shareholder holds approximately 67.00% of the issued share capital of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

Planetree Securities is in need of an office for expansion of its principal place of securities business after it was granted Type 7 license (providing automated trading services) regulated activity under the SFO on 8 June 2022. The Group intends to roll out a pre-IPO platform which will allow its retail and corporate clients to trade new stocks before the official listings in Hong Kong. With an aim to support the business development and grow the client base, the Group will also expand in offering services online. Planetree Securities considers the Premises as appropriate for its intended use having regard to the location, area and rental amount of the Premises.

The terms of the Tenancy Agreement were arrived at after arm's length negotiation between the parties. The monthly rent for the Tenancy Agreement represents a discount of 7.70% to the prevailing market rent of the Premises of HK\$363,600 as assessed by an independent valuer. The Premises are fully furnished and have been completely renovated and available for immediate occupation and utilization.

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.

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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: 00613), a company incorporated in Bermuda with limited liability, whose shares 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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standard
“Landlord”	Wealth Elegant Investments Limited, a company incorporated in the British Virgin Islands with limited liability and the owner of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Planetree Financial”	Planetree Financial Group Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Planetree Securities”	Planetree Securities Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of the Company
“Premises”	the premises situate at 26 th Floor of China United Centre, No. 28 Marble Road, North Point, Hong Kong

“Tenancy Agreement”	the tenancy agreement dated 21 September 2022 entered into between Planetree Financial as tenant and the Landlord as landlord in respect of the Premises
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Substantial Shareholder”	Ms. Lo Ki Yan Karen, a substantial shareholder of the Company as at the date of this announcement
“%”	per cent.

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

Hong Kong, 21 September 2022

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
Ms. Liu Yan
Mr. Zhang Shuang