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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 TRANSACTIONS  
IN RELATION TO**

**(I) TERMINATION OF THE TENANCY AGREEMENT; AND  
(II) ENTERING INTO OF THE NEW TENANCY AGREEMENT**

**THE TERMINATION OF THE TENANCY AGREEMENT AND THE  
ENTERING INTO OF THE NEW TENANCY AGREEMENT**

Reference is made to the Announcement in relation to the entering into of the Tenancy Agreement.

On 30 September 2022 (after trading hours), Planetree Financial (as tenant) and the Landlord (as landlord) entered into the Termination Deed pursuant to which the parties agreed to early terminate the Tenancy Agreement with effect from 30 September 2022. All rights and obligations under the Tenancy Agreement shall cease on 30 September 2022.

On 30 September 2022 (after trading hours), Planetree Financial (as tenant) and the New Landlord (as landlord) entered into the New Tenancy Agreement in respect of the lease of the New Premises.

## **LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 “Leases”, the Company will recognise the value of the right-of-use assets in connection with the leases of premises in its consolidated statement of financial position. The termination of the Tenancy Agreement will result in a decrease in the amount of right-of-use asset recognised by the Company, and thus be regarded as a disposal of asset by the Group for the purpose of the Listing Rules. On the other hand, the transaction contemplated under the New Tenancy Agreement resulting in an increase in the amount of right-of-use asset recognised by the Company 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 New Landlord is an associate of the Substantial Shareholder and is therefore a connected person of the Company. Accordingly, each of the transactions contemplated under the Termination Deed and the New Tenancy Agreement 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 contemplated under the Termination Deed are more than 0.1% but less than 5%, the entering into of the Termination Deed is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios in respect of the transaction contemplated under the New Tenancy Agreement are more than 0.1% but less than 5%, the entering into of the New 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 requirements under Chapter 14A of the Listing Rules.

Reference is made to the Announcement in relation to the entering into of the Tenancy Agreement.

## **THE TERMINATION OF THE TENANCY AGREEMENT**

On 30 September 2022 (after trading hours), Planetree Financial (as tenant) and the Landlord (as landlord) entered into the Termination Deed pursuant to which the parties agreed to early terminate the Tenancy Agreement with effect from 30 September 2022.

The principal terms of the Termination Deed are as follows:

- Date : 30 September 2022
- Parties : (1) Planetree Financial, as tenant; and  
(2) the Landlord, as landlord.
- Premises : the Premises situated at 26<sup>th</sup> Floor of China United Centre, No. 28 Marble Road, North Point, Hong Kong, with a gross area of approximately 11,187 sq. ft.
- Early termination : The Tenancy Agreement with a lease term of two (2) years commencing from 21 September 2022 and expiring on 20 September 2024 (both days inclusive) shall be early terminated with effect from 30 September 2022. Planetree Financial shall surrender the Premises on 30 September 2022.

All rights and obligations under the Tenancy Agreement shall cease with effect on 30 September 2022. Pursuant to the Termination Deed, it is mutually agreed by the Landlord and Planetree Financial hereto as follows: -

- a. The Landlord and Planetree Financial have agreed to terminate the Tenancy Agreement with effect from 30<sup>th</sup> September 2022;
- b. None of the Landlord and Planetree Financial shall have any further obligations and liabilities to each other pursuant to or arising directly or indirectly from the Tenancy Agreement; and
- c. The Landlord and Planetree Financial hereby forever release and discharge the others from any and all actions, claims and demands for damages, indemnity, costs, interest, loss or injury of every nature and kind by reason of or arising directly or indirectly from the Tenancy Agreement.

**THE ENTERING INTO OF THE NEW TENANCY AGREEMENT**

On 30 September 2022 (after trading hours), Planetree Financial (as tenant) and the New Landlord (as landlord) entered into the New Tenancy Agreement in respect of the lease of the New Premises.

The principal terms of the New Tenancy Agreement are as follows:

- Date : 30 September 2022
- Parties : (1) Planetree Financial, as tenant; and  
(2) the New Landlord, as landlord.
- New Premises : the New Premises situated at 23<sup>rd</sup> 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 the 1st day of November 2022 to the 31st day of October 2024 both days inclusive (or such time the Tenant receives approval to be obtained from the SFC for a licensed corporation to keep records or documents under Section 130 of the SFO in which case the term will be extended accordingly).
- 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 New 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 TERMINATION DEED AND THE NEW TENANCY AGREEMENT**

The decrease in the value of right-of-use asset recognised by the Company under the Termination Deed amounted to approximately HK\$7,787,000. Compared with the recognised outstanding balance of approximately HK\$7,787,000 of the lease liability under the Tenancy Agreement, it is expected that no gain or loss on early termination of the Tenancy Agreement will be recorded by the Group.

The value of the right-of-use asset recognised by the Group under the New Tenancy Agreement amounted to approximately HK\$7,787,000, which is the present value of total rent payable for the entire two years' term of the New 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 SFO, (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 SFO to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities.

### **The New Landlord**

The New Landlord is an investment holding company and the registered owner of the New Premises. The New Landlord is an indirect subsidiary of Future Capital Group Limited, which is an investment holding company incorporated in the Cayman Islands and owned as to 82.19% 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 TERMINATION DEED AND THE NEW TENANCY AGREEMENT**

Having taken into account the interior designs and settings of the Premises may not meet the operational requirements of Planetree Securities and to avoid cash outlay for the substantial renovation costs, the Company has discussed with the Landlord and resolved to terminate the Tenancy Agreement in respect of the Premises and enter into the New Tenancy Agreement in respect of the New Premises with the New Landlord. As the interior designs and settings of the New Premises are considered to be more suitable for the business needs of Planetree Securities while the monthly rent and the size of the New Premises are the same as that of the Premises, the Company considers that the early termination of the Tenancy Agreement and the entering into of the New Tenancy Agreement will enhance the overall business efficiency and avoid unnecessary renovation costs.

The New Landlord agreed to waive the rent from the commencement of the lease term stated in the New Tenancy Agreement until Planetree Securities obtained the approval from the SFC for a licensed corporation to keep records or documents under Section 130 of the SFO.

The terms of the New Tenancy Agreement were arrived at after arm's length negotiation between the parties. The monthly rent for the New Tenancy Agreement represents a discount of 7.7% to the prevailing market rent of the New Premises of HK\$363,600 as assessed by an independent valuer.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Termination Deed and the New Tenancy Agreement are on normal commercial terms and fair and reasonable and that the entering into of the Termination Deed and the New 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 Termination Deed and the New Tenancy Agreement or is required to abstain from voting on the resolution(s) to approve the transactions contemplated under the Termination Deed and the New Tenancy Agreement.

## **LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 "Leases", the Company will recognise the value of the right-of-use assets in connection with the leases of premises in its consolidated statement of financial position. The termination of the Tenancy Agreement will result in a decrease in the amount of right-of-use asset recognised by the Company, and thus be regarded as a disposal of asset by the Group for the purpose of the Listing Rules. On the other hand, the transaction contemplated under the New Tenancy Agreement resulting in an increase in the amount of right-of-use asset recognised by the Company 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 New Landlord is an associate of the Substantial Shareholder and is therefore a connected person of the Company. Accordingly, each of the transactions contemplated under the Termination Deed and the New Tenancy Agreement 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 contemplated under the Termination Deed are more than 0.1% but less than 5%, the entering into of the Termination Deed is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios in respect of the transaction contemplated under the New Tenancy Agreement are more than 0.1% but less than 5%, the entering into of the New 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 requirements 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:

“Announcement”	the announcement of the Company dated 21 September 2022 in relation to a connected transaction relating to the entering into of the Tenancy Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Planetree International Development Limited (Stock Code: 613), 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standard
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“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
“New Landlord”	Poly Logic Limited, a company incorporated in the British Virgin Islands with limited liability and the owner of the New Premises
“New Premises”	the premises situated at 23 <sup>rd</sup> Floor of China United Centre, No. 28 Marble Road, North Point, Hong Kong
“New Tenancy Agreement”	the tenancy agreement dated 30 September 2022 entered into between Planetree Financial as tenant and the New Landlord as landlord in respect of the lease of the New Premises
“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 situated at 26 <sup>th</sup> Floor of China United Centre, No. 28 Marble Road, North Point, Hong Kong
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“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 of the Company as at the date of this announcement
“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 lease of the Premises



“Termination Deed”

the termination deed dated 30 September 2022 entered into between Planetree Financial as tenant and the Landlord as landlord in respect of the termination of the Tenancy Agreement

“%”

per cent.

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

Hong Kong, 30 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