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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)

2022 ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Planetree International Development Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2022 together with the comparative figures for the corresponding year in 2021 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	<i>Note</i>	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Revenue			
Fee and commission income		435	1,861
Asset management service income		4,510	18,821
Corporate advisory service income		19,508	27,943
Financial advisory service income		9,785	7,882
Net loss on disposal of financial assets at fair value through profit or loss (“ FVPL ”)		(1,221)	(2,347)
Interest income from margin clients, loan receivables and debt investments at amortised cost		112,927	132,255
Dividend income from financial assets at FVPL		7	—
Gross rental income		9,376	8,901
Total revenue	4	155,327	195,316

	<i>Note</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Other income and gains	4	13,278	10,514
Net loss on disposal of debt investments at amortised cost		–	(2,998)
Reversal of impairment loss (Impairment loss) on loan and interest receivables		4,893	(41,141)
Reversal of impairment loss (Impairment loss) on margin loan receivables		7,786	(24,113)
(Impairment loss) Reversal of impairment loss on trade receivables		(231)	468
Depreciation of property and equipment and rights-of-use assets		(13,474)	(15,041)
Administrative expenses		(58,170)	(61,159)
Other losses	5	(6,613)	(9,683)
Finance costs	6	(8,580)	(5,241)
Share of result of associates		(87,786)	(55,232)
Profit (Loss) before taxation	7	6,430	(8,310)
Income tax expense	8	(7,962)	(6,949)
Loss for the year		(1,532)	(15,259)
Other comprehensive income (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Property revaluation reserve upon transfer from property and equipment to investment properties		11,111	–
Share of other comprehensive loss of an associate		(44)	–
Total other comprehensive income for the year		11,067	–
Total comprehensive income (loss) for the year		9,535	(15,259)
Loss for the year attributable to:			
– Owners of the Company		(17,172)	(22,153)
– Non-controlling interests		15,640	6,894
		(1,532)	(15,259)
Total comprehensive income (loss) attributable to:			
– Owners of the Company		(6,105)	(22,153)
– Non-controlling interests		15,640	6,894
		9,535	(15,259)
		HK cents	HK cents
Losses per share	<i>10</i>		
– Basic		(1.82)	(2.35)
– Diluted		(1.82)	(2.37)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property and equipment		43,117	208,104
Investment properties		513,800	349,300
Intangible assets		12,717	12,767
Goodwill		6,115	6,115
Investment in associates		161,707	126,134
Financial assets at FVPL		17,080	–
Other receivables		1,286	1,822
Other assets		3,205	3,205
		<u>759,027</u>	<u>707,447</u>
Current assets			
Trade, loan and other receivables	<i>11</i>	1,274,942	977,912
Financial assets at FVPL		144,496	125,933
Income tax recoverable		1,899	–
Bank balances – trust and segregated accounts		3,070	3,307
Bank balances and cash		229,308	431,073
		<u>1,653,715</u>	<u>1,538,225</u>
Current liabilities			
Trade and other payables	<i>12</i>	22,158	27,586
Lease liabilities – current portion		7,632	3,848
Interest-bearing borrowings		252,555	265,390
Income tax payable		4,887	6,442
		<u>287,232</u>	<u>303,266</u>
Net current assets		<u>1,366,483</u>	<u>1,234,959</u>
Total assets less current liabilities		<u>2,125,510</u>	<u>1,942,406</u>
Non-current liabilities			
Other payables		1,562	1,562
Lease liabilities – non-current portion		3,275	3,924
Deferred taxation		436	836
		<u>5,273</u>	<u>6,322</u>
NET ASSETS		<u><u>2,120,237</u></u>	<u><u>1,936,084</u></u>
Capital and reserves			
Share capital		94,553	94,253
Reserves		1,647,229	1,651,324
Equity attributable to owners of the Company		1,741,782	1,745,577
Non-controlling interests		378,455	190,507
TOTAL EQUITY		<u><u>2,120,237</u></u>	<u><u>1,936,084</u></u>

NOTES:

1. GENERAL

Planetree International Development Limited (the “**Company**”) is a limited liability company incorporated in Bermuda as an exempted company and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company and its subsidiaries (collectively, the “**Group**”) is principally engaged in (i) financial services with operations licensed under the Securities and Futures Ordinance (“**SFO**”), (ii) credit and lending services with operations under Money Lenders Ordinance (the “**MLO**”), (iii) other financial services, (iv) property investment and leasing and (v) tactical and strategic investment.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 December 2021 except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

Amendments to HKFRS 16: COVID-19-Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 16: Proceeds before Intended Use

The amendments clarify the accounting requirements for proceeds received by an entity from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss and measures the cost of those items applying the measurement requirements of HKAS 2.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 3: Reference to the Conceptual Framework

The amendments update a reference in HKFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to HKFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying HKFRS 3 should instead refer to HKAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Annual Improvements Project – 2018-2020 Cycle

HKFRS 1: Subsidiary as a First-time Adopter

This amendment simplifies the application of HKFRS 1 for a subsidiary that becomes a first-time adopter of HKFRSs later than its parent – i.e. if a subsidiary adopts HKFRSs later than its parent and applies HKFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to HKFRSs.

HKFRS 9: Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

This amendment clarifies that – for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

HKFRS 16: Lease Incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, Example 13 is not clear as to why such payments are not a lease incentive.

HKAS 41: Taxation in Fair Value Measurements

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The operating segments and measurement of segment profit of the Group are determined based on the internal reports to executive directors, the Group’s chief operating decision makers, for the purposes of resource allocation and performance assessment.

The Group’s reportable and operating segments are as follows:

- (a) Financial services – operations under SFO licences, which engages in the provision of dealing in securities, dealing in futures contracts, advising on corporate finance, automated trading services, securities margin financing services and asset management services with Type 1, Type 2, Type 6, Type 7, Type 8 and Type 9 licences granted under the SFO;
- (b) Credit and lending services – operations under MLO licences, which engages in the provision of money lending services for interest income with licences granted under the MLO;
- (c) Other financial services – engages in the provision of corporate advisory related services;
- (d) Property investment and leasing – engages in leasing of properties directly owned by the Group for rental income and/or capital appreciation potential; and
- (e) Tactical and strategic investment – engages in trading and holding of debt and equity securities, which earns interest and dividend income from the relevant securities investments.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2022

	Financial services – operations under SFO licences <i>HK\$'000</i>	Credit and lending services – operations under MLO licences <i>HK\$'000</i>	Other financial services <i>HK\$'000</i>	Property investment and leasing <i>HK\$'000</i>	Tactical and strategic investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue						
Fee and commission income	435	–	–	–	–	435
Asset management service income	4,510	–	–	–	–	4,510
Corporate advisory service income	–	–	19,508	–	–	19,508
Financial advisory service income	9,785	–	–	–	–	9,785
Net loss on disposal of financial assets at FVPL	–	–	–	–	(1,221)	(1,221)
Interest income from margin clients and loan receivables	59,510	53,271	–	–	146	112,927
Dividend income from financial assets at FVPL	–	–	–	–	7	7
Gross rental income	–	–	–	9,376	–	9,376
Total revenue	74,240	53,271	19,508	9,376	(1,068)	155,327
Other income and gains	800	564	342	2	6,941	8,649
Segment revenue	75,040	53,835	19,850	9,378	5,873	163,976
Segment profit (loss)	66,669	57,718	9,065	(6,213)	(84,311)	42,928
Unallocated other income and gains						4,629
Corporate and unallocated expenses, net						(41,127)
Profit before taxation						6,430
Taxation						(7,962)
Loss for the year						(1,532)

For the year ended 31 December 2021

	Financial services – operations under SFO licences HK\$'000	Credit and lending services – operations under MLO licences HK\$'000	Other financial services HK\$'000	Property investment and leasing HK\$'000	Tactical and strategic investment HK\$'000	Consolidated HK\$'000
Revenue						
Fee and commission income	1,861	–	–	–	–	1,861
Asset management service income	18,821	–	–	–	–	18,821
Corporate advisory service income	–	–	27,943	–	–	27,943
Financial advisory service income	7,882	–	–	–	–	7,882
Net loss on disposal of financial assets at FVPL	–	–	–	–	(2,347)	(2,347)
Interest income from margin clients, loan receivables and debt investments at amortised cost	81,519	50,205	–	–	531	132,255
Gross rental income	–	–	–	8,901	–	8,901
Total revenue	110,083	50,205	27,943	8,901	(1,816)	195,316
Other income and gains	1,343	1	17	–	(292)	1,069
Segment revenue	<u>111,426</u>	<u>50,206</u>	<u>27,960</u>	<u>8,901</u>	<u>(2,108)</u>	<u>196,385</u>
Segment profit (loss)	<u>72,984</u>	<u>8,400</u>	<u>13,984</u>	<u>(4,745)</u>	<u>(62,088)</u>	28,535
Unallocated other income and gains						9,445
Corporate and unallocated expenses, net						<u>(46,290)</u>
Loss before taxation						(8,310)
Taxation						<u>(6,949)</u>
Loss for the year						<u><u>(15,259)</u></u>

Segment revenue includes revenue from financial services – operations under SFC licences, credit and lending services – operations under the MLO licences, other financial services, property investment and leasing and tactical and strategic investment. In addition, the chief operating decision makers also consider interest income on promissory note receivable and exchange gain as segment revenue.

Segment results represent the profit earned or loss incurred by each segment without allocation of the central corporate expenses. On the other hand, the chief operating decision makers consider share of result of associates as segment results under the tactical and strategic investment segment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

At 31 December 2022

	Financial services – operations under SFO licences <i>HK\$'000</i>	Credit and lending services – operations under MLO licences <i>HK\$'000</i>	Other financial services <i>HK\$'000</i>	Property investment and leasing <i>HK\$'000</i>	Tactical and strategic investment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets	<u>672,272</u>	<u>750,008</u>	<u>32,094</u>	<u>518,498</u>	<u>338,773</u>	<u>101,097</u>	<u>2,412,742</u>
Liabilities	<u>(6,800)</u>	<u>(3,847)</u>	<u>(957)</u>	<u>(222,044)</u>	<u>(43,750)</u>	<u>(15,107)</u>	<u>(292,505)</u>

At 31 December 2021

	Financial services – operations under SFO licences <i>HK\$'000</i>	Credit and lending services – operations under MLO licences <i>HK\$'000</i>	Other financial services <i>HK\$'000</i>	Property investment and leasing <i>HK\$'000</i>	Tactical and strategic investment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets	<u>793,433</u>	<u>586,810</u>	<u>26,933</u>	<u>351,909</u>	<u>252,638</u>	<u>233,949</u>	<u>2,245,672</u>
Liabilities	<u>(8,343)</u>	<u>(3,747)</u>	<u>(2,503)</u>	<u>(143,500)</u>	<u>(51,321)</u>	<u>(100,174)</u>	<u>(309,588)</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than corporate assets including certain property and equipment, other receivables and bank balances and cash.
- all liabilities are allocated to operating and reportable segments other than corporate liabilities including certain other payables, lease liabilities, interest-bearing borrowings, income tax payable and deferred taxation.

Other segment information

For the year ended 31 December 2022

	Financial services – operations under SFO licences <i>HKS'000</i>	Credit and lending services – operations under MLO licences <i>HKS'000</i>	Other financial services <i>HKS'000</i>	Property investment and leasing <i>HKS'000</i>	Tactical and strategic investment <i>HKS'000</i>	Unallocated <i>HKS'000</i>	Consolidated <i>HKS'000</i>
Amounts included in the measure of segment profit or segment assets:							
Capital expenditure	(84)	-	-	-	-	(112)	(196)
Interest income included in other income and gains	37	-	-	-	-	13	50
Interest expenses	-	-	-	(6,607)	(1,787)	(186)	(8,580)
Reversal of impairment loss on loan and interest receivables	-	4,893	-	-	-	-	4,893
Reversal of impairment loss on margin loan receivables	7,786	-	-	-	-	-	7,786
Impairment loss on trade receivables	(231)	-	-	-	-	-	(231)
Loss on futures trading	-	-	-	-	-	(316)	(316)
Loss on deemed disposal of an associate	-	-	-	-	-	(397)	(397)
Net fair value losses on investment properties	-	-	-	(5,900)	-	-	(5,900)
Gain on disposal of a subsidiary	-	-	-	-	-	3,999	3,999
Depreciation of property and equipment and right-of-use assets	(630)	-	(99)	(425)	-	(12,320)	(13,474)
Amortisation of intangible assets	(50)	-	-	-	-	-	(50)
Share-based payment expenses	-	-	-	-	-	(2,310)	(2,310)
Share of result of associates	-	-	-	-	(87,786)	-	(87,786)

For the year ended 31 December 2021

	Financial services – operations under SFO licences <i>HK\$'000</i>	Credit and lending services – operations under MLO licences <i>HK\$'000</i>	Other financial services <i>HK\$'000</i>	Property investment and leasing <i>HK\$'000</i>	Tactical and strategic investment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amounts included in the measure of segment profit or segment assets:							
Capital expenditure	(107)	–	(52)	–	–	(86)	(245)
Interest income included in other income and gains	15	–	–	–	–	–	15
Interest expenses	–	–	–	(2,651)	(940)	(1,650)	(5,241)
Impairment loss on loan and interest receivables	–	(41,141)	–	–	–	–	(41,141)
Impairment loss on margin loan receivables	(24,113)	–	–	–	–	–	(24,113)
Loss on futures trading	–	–	–	–	(355)	–	(355)
Net fair value losses on investment properties	–	–	–	(8,900)	–	–	(8,900)
Reversal of impairment loss on trade receivables	468	–	–	–	–	–	468
Gain on disposal of a subsidiary	–	–	–	–	–	523	523
Depreciation of property and equipment and right-of-use assets	(628)	–	(94)	(10)	–	(14,309)	(15,041)
Amortisation of intangible assets	(50)	–	–	–	–	–	(50)
Share-based payment expenses	–	–	–	–	–	(2,310)	(2,310)
Share of result an associate	–	–	–	–	(55,232)	–	(55,232)

4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

	<i>Note</i>	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers within HKFRS 15			
Fee and commission income		435	1,861
Financial advisory service income		<u>9,785</u>	<u>7,882</u>
Revenue recognised at point in time		<u>10,220</u>	<u>9,743</u>
Asset management service income		4,510	18,821
Corporate advisory service income		<u>19,508</u>	<u>27,943</u>
Revenue recognised over time		<u>24,018</u>	<u>46,764</u>
		<u>34,238</u>	<u>56,507</u>
Revenue from other sources			
Net loss on disposal of financial assets at FVPL	<i>(a)</i>	<u>(1,221)</u>	<u>(2,347)</u>
Interest income from:			
– margin clients		59,510	81,519
– loan receivables		53,417	50,205
– debt investments at amortised cost		<u>–</u>	<u>531</u>
		<u>112,927</u>	<u>132,255</u>
Dividend income from financial assets at FVPL		<u>7</u>	<u>–</u>
Gross rental income		<u>9,376</u>	<u>8,901</u>
		<u>121,089</u>	<u>138,809</u>
Total revenue		<u><u>155,327</u></u>	<u><u>195,316</u></u>

	<i>Note</i>	2022 HK\$'000	2021 HK\$'000
Other income and gains			
Interest income on:			
– bank deposits		38	15
– others		12	–
		<u>50</u>	<u>15</u>
Gain on disposal of a subsidiary		3,999	523
Government subsidies	<i>(b)</i>	560	–
Management fee income		–	640
Net exchange gain		340	–
Net fair value gain on financial assets at FVPL		6,941	7,961
Others		1,388	1,375
		<u>13,228</u>	<u>10,499</u>
Total other income and gains		<u>13,278</u>	<u>10,514</u>

Notes:

- (a) The amount represented the proceeds from the disposal of financial assets at FVPL of HK\$4,136,000 (2021: HK\$19,953,000) less relevant costs and carrying value of the investments sold of HK\$5,357,000 (2021: HK\$22,300,000).
- (b) For the year ended 31 December 2022, the Group recognised government subsidies of HK\$560,000 in respect of the Employment Support Scheme under Anti-epidemic Fund of the Hong Kong SAR Government due to the COVID-19 pandemic.

5. OTHER LOSSES

	2022 HK\$'000	2021 HK\$'000
Loss on deemed disposal of an associate	397	–
Loss on futures trading	316	355
Net exchange loss	–	428
Net fair value losses on investment properties	5,900	8,900
	<u>6,613</u>	<u>9,683</u>

6. FINANCE COSTS

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on interest-bearing borrowings	7,615	4,727
Interest on margin account	779	326
Imputed interest on lease liabilities	186	188
	<u>8,580</u>	<u>5,241</u>

7. PROFIT (LOSS) BEFORE TAXATION

This is stated after (crediting) charging:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Employee benefits expenses (including directors' emoluments)		
Salaries and other benefits	29,597	32,236
Retirement benefit scheme contributions	722	696
Share-based payment expenses – grant of share award to an employee	2,310	2,310
	<u>32,629</u>	<u>35,242</u>
Auditor's remuneration	1,570	1,517
Amortisation of intangible assets – included in administrative expenses	50	50
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	1,828	1,704
Net exchange (gain) loss	<u>(340)</u>	<u>428</u>

8. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime, the profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the years ended 31 December 2022 and 2021, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
– Current year	8,345	6,975
– Under provision in prior year	17	323
	<u>8,362</u>	<u>7,298</u>
Deferred taxation		
Origination and reversal of temporary difference	<u>(400)</u>	<u>(349)</u>
Income tax expense	<u><u>7,962</u></u>	<u><u>6,949</u></u>

9. DIVIDEND

The Board of Directors does not recommend the payment of a dividend for the years ended 31 December 2022 and 2021.

10. LOSSES PER SHARE

The calculation of the basic and diluted losses per share is based on loss attributable to the owners of the Company and the weighted average number ordinary shares in issue during the year.

For the year ended 31 December 2022, diluted loss per share is the same as basic loss per share. The Company did not have any dilutive potential ordinary shares during the year ended 31 December 2022.

Diluted loss per share for the year ended 31 December 2021 did not assume the exercise of share award since their assumed exercise would have an anti-dilutive effect on the basic loss per share amount presented. Diluted loss per share for the year ended 31 December 2021 is calculated by assuming the exercise of options granted to the minority shareholder of the subsidiary as it has dilutive effect on the basic losses per share of the Company. The loss attributable to owners for the purpose of diluted losses per share was adjusted by the Group's proportionate interest in subsidiary's earnings attributable to owners of the Company.

The calculations of basic and diluted losses per share are based on:

Losses

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company, for the purpose of basic losses per share	<u>(17,172)</u>	<u>(22,153)</u>
Loss for the year attributable to owners of the Company, for the purpose of diluted losses per share	<u>(17,172)</u>	<u>(22,285)</u>

Number of shares

	2022	2021
Issued ordinary shares at 1 January	942,527,675	939,527,675
Shares vested under the share award scheme	<u>1,906,849</u>	<u>1,906,849</u>
Weighted average number of ordinary shares in issue for the purpose of basic and diluted losses per share	<u>944,434,524</u>	<u>941,434,524</u>

11. TRADE, LOAN AND OTHER RECEIVABLES

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables			
Trade receivables arising from the business of securities brokerage	<i>(a)</i>		
– margin clients	<i>(b)</i>	563,402	677,610
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	<i>(c)</i>	237	250
Trade receivables from futures clearing house arising from the business of dealing in futures contracts	<i>(a)</i>	3,424	3,643
		567,063	681,503
Less: Loss allowance		(530)	(24,113)
		566,533	657,390
Trade receivables from provision of corporate advisory service		9,676	16,177
Trade receivables from provision of financial advisory service		2,892	917
Trade receivables from provision of assets management service			
– from independent third parties		177	235
– from an associate		99	160
	<i>(d)</i>	12,844	17,489
Less: Loss allowance		(376)	(145)
		12,468	17,344
Loan and interest receivables			
Loan and interest receivables from independent third parties	<i>(e)</i>	687,289	345,720
Less: Loss allowance		(575)	(48,441)
		686,714	297,279
Other receivables			
Prepayments		3,169	2,250
Deposits		1,727	1,219
Other receivables		5,178	4,227
Due from an associate	<i>(f)</i>	439	25
		10,513	7,721
		1,276,228	979,734
Less: Non-current portion Other receivables		(1,286)	(1,822)
Current portion		1,274,942	977,912

Notes:

- (a) No ageing analysis by invoice date is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of financial services business of the Group. The Group offsets certain trade receivables and trade payables when the Group has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.
- (b) Trade receivables from margin clients are repayable on demand and bear interest rates ranging from 8% to 20% (2021: 10% to 24%) per annum for the year ended 31 December 2022. The loans are secured by pledged marketable securities with a total fair value of approximately HK\$1,945,249,000 (2021: HK\$2,509,866,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group. Included in trade receivables from margin clients of HK\$74,337,000 at 31 December 2021 was amount due from an associate.

As at 31 December 2022, allowance for impairment loss of HK\$530,000 (2021: HK\$24,113,000) is recognised for the trade receivables from margin clients.

- (c) The settlement terms of trade receivables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date.
- (d) Trade receivables from the provision of corporate advisory service, financial advisory service and assets management service are unsecured, interest-free and repayable within 30 days upon presentation of invoices.

As at 31 December 2022, allowance for impairment loss of HK\$376,000 (2021: HK\$145,000) is recognised for the trade receivables from provision of corporate advisory service, financial advisory service and asset management service.

Ageing analysis of trade receivables from the provision of corporate advisory service, financial advisory service and asset management service other than due from an associate (net of loss allowance) prepared based on invoice date is as follows:

	2022	2021
	HK\$'000	HK\$'000
Less than 1 month	2,584	6,829
1 to 3 months	9,785	10,355
At the end of the reporting period	<u>12,369</u>	<u>17,184</u>

- (e) Loan receivables represent receivables arising from the Group's credit and lending business and are stated at amortised cost.

As at 31 December 2022, the loan receivables are related to twenty-five (2021: seventeen) customers. Loan receivables include fixed rate loan advances to independent third parties of approximately HK\$105,510,000 (2021: HK\$15,036,000) which are secured by the pledge of a Hong Kong property and unlisted equity securities, bearing interest rate from 7.5% to 10% (2021: 10% to 12%) per annum and have contractual loan period of between 1 year and 1.5 years (2021: 6 months). The remaining balance includes fixed rate loan advances to independent third parties of approximately HK\$581,204,000 (2021: HK\$282,243,000) which are unsecured, bearing interest rates ranging from 4% to 36% (2021: 7% to 36%) per annum and not overdue as at the end of reporting period. The contractual loan period for majority of the remaining balance is between 1 month and 1 year (2021: between 1 month and 1 year).

The amount granted to individuals and corporates depends on the management's assessment on credit risk of the customers by evaluation on background check (such as their profession, salaries and current job position for individual borrowers and their industry and financial position for corporate borrowers) and repayment abilities. As at 31 December 2022, allowance for impairment loss of HK\$575,000 (2021: HK\$48,441,000) is recognised for the loan receivables.

Ageing analysis of loan and interest receivables (net of loss allowance) prepared based on contractual due date is as follows:

	2022	2021
	HK\$'000	HK\$'000
Not yet past due	686,714	297,131
1 – 90 days past due	—	148
	<u>686,714</u>	<u>297,279</u>

- (f) The amount due is unsecured, interest-free and has no fixed repayment term.

12. TRADE AND OTHER PAYABLES

	<i>Note</i>	2022 HK\$'000	2021 HK\$'000
Trade payables			
Trade payables arising from the business of securities brokerage	<i>(a)</i>		
– cash clients		663	1,367
– margin clients		3,402	2,076
– HKSCC		–	1
Trade payables arising from the business of options broking	<i>(a)</i>	209	209
Trade payables arising from the business of dealing in futures contract	<i>(b)</i>	1,320	1,256
Secured margin loans from securities broker	<i>(c)</i>	10,514	16,513
		<u>16,108</u>	<u>21,422</u>
Other payables			
Other payables and accrued charges		6,050	6,164
Rental deposits received		1,562	1,562
		<u>7,612</u>	<u>7,726</u>
Less: non-current portion		<u>(1,562)</u>	<u>(1,562)</u>
Current portion		<u>6,050</u>	<u>6,164</u>
Total current portion		<u>22,158</u>	<u>27,586</u>

Notes:

- (a) Trade payables to cash, margin and option clients are repayable on demand. The settlement terms of trade payables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date. No ageing analysis is disclosed as, in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of securities brokerage business. The Group offsets certain trade receivable and trade payable when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.
- (b) Trade payables to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited (the “HKFE”). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand.
- (c) For secured margin loans provided by the securities brokers to the Group, the loans are repayable on demand (except certain balance arising from trades pending settlement or margin deposits) and are interest-bearing at a range from 9% to 15% per annum (2021: 12% to 20% per annum). The total market value of debt and equity securities pledged as collateral in respect of the loans was approximately HK\$117,158,000 as at 31 December 2022 (2021: 68,189,000).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS

During the year under review, the Group's total revenue of approximately HK\$155.3 million and other income of approximately HK\$13.3 million aggregated to approximately HK\$168.6 million, representing a reduction of approximately HK\$37.2 million or 18.1% as compared to that for the preceding financial year. The Group recorded a consolidated loss after tax of approximately HK\$1.5 million (2021: loss of HK\$15.3 million). After allocating the profit attributable to non-controlling interests for approximately HK\$15.6 million, the loss attributable to shareholders of the Company for the financial year ended 31 December 2022 (the "Year") was approximately HK\$17.2 million (2021: loss of HK\$22.2 million).

The decrease in loss for the Year when compared to the previous year is mainly attributable to the combined effects of: (i) the increase in fair value gain on financial assets by approximately HK\$6.9 million; and (ii) the reversal of impairment loss on loan and interest receivables and margin loan receivables of approximately HK\$4.9 million and HK\$7.8 million respectively recorded in 2022 as compared to the impairment loss on loan and interest receivables and margin loan receivables of approximately HK\$41.1 million and HK\$24.1 million respectively as recorded in the 2021. The aforementioned factors were partially offset by (i) the decrease in margin loan interest income, asset management service income and corporate advisory service income by approximately HK\$22.0 million, HK\$14.3 million and HK\$8.4 million respectively; and (ii) increase in share of loss from associates principally engaged in holding listed equity investments by approximately HK\$32.6 million. To better assess the profitability of the Group's core businesses, the share of loss/profit from the associate can be excluded to show the Group's profit before tax arising from its core businesses, which would amount to HK\$94.2 million for the Year when compared to that of HK\$46.9 million for the previous year.

The basic and diluted losses per share for the Year were HK1.82 cents and HK1.82 cents respectively, whereas the basic and diluted losses per share of HK2.35 cents and HK2.37 cents respectively were recorded for the last corresponding year.

FINAL DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil). No interim dividend was declared for the financial years of 2022 and 2021.

BUSINESS REVIEW

At the beginning of 2022, the conflict between Russia and Ukraine has sparked a new spree of fears across the financial markets and has weighted adversely on global economic conditions throughout 2022. The rapid increase in global inflation rates triggered the decline in global economy in the first half of 2022. Moreover, the Federal Reserve's unprecedented interest rate hikes in order to tame inflation had cast a great shadow over the recovery of the global economy. These discouraging factors had caused substantial volatility in capital markets and asset prices and had a negative impact on overall investor sentiments.

The principal activities of the Group are classified into the following business segments:

(1) Financial services – operations under SFO licences

The Group has been engaging in the provision of dealing in securities (including the provision of margin loans to clients), dealing in futures contracts and asset management services with Type 1, Type 2 and Type 9 licences granted under the Securities and Futures Ordinance (the "SFO", Chapter 571 of the laws of Hong Kong) for years. It has further stepped into the businesses for the provision of corporate finance advisory services, automated trading services and securities margin financing with Type 6, Type 7 and Type 8 licences granted under the SFO.

Business of this segment has become more mature after the Group's dedicated development in this segment for several years. Investment atmosphere during the second half of the Year remained weak as reflected by the drop in Hang Seng Index from the level of around 23,274 points at the beginning of 2022 to the level of around 19,781 points by the end of 2022. The Hang Seng Index even reached its 13-year lowest level of around 14,597 on 31 October 2022. The Group's asset management service income (especially the contribution from performance fee income based on the appreciation in the value of clients' net assets) was inevitably affected by the lackluster stock market performance. Such asset management service income dropped to approximately HK\$4.5 million during the Year (2021: HK\$18.8 million). A large part of such reduced service income was recouped by higher margin loan interest income scored by the Group, thanks to a loyal clientele of high net worth individual and corporate clients built up by the use of the Group's financial resources, business network and management efforts. Margin loan interest income reached approximately HK\$59.5 million during the Year (2021: HK\$81.5 million).

In order to further develop Group's margin loan business, the Group successfully obtained a separate licence granted by the Securities and Futures Commission ("SFC") to carry on Type 8 regulated activity, i.e. securities margin financing, in 2021.

In order to expand the scope of this segment, the Group has engaged in Type 6 regulated activity, i.e. advising on corporate finance, under the SFO since October 2020. The Group's business network has facilitated the growth of this business unit contributing revenue of approximately HK\$9.8 million to the Group (2021: HK\$7.9 million). The Group has paved way to further develop the business of advising on corporate finance by having successfully procured the SFC's approval to conduct initial public offering sponsorship business and relevant regulated activities under the SFO since November 2021.

Overall, this segment performed steadily during the Year with segment revenue of approximately HK\$75.0 million, lower than the corresponding figure of approximately HK\$111.4 million during the previous year though. The segment profit dropped from approximately HK\$73.0 million for the previous year to approximately HK\$66.7 million for the Year. Despite the need to face deteriorating economic conditions, this segment is still able to remain as the most profitable core business of the Group.

After the lengthy application period, on 8 June 2022, the Group was granted licence to carry on Type 7 (providing automated trading services) regulated activity under the SFO. 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 widen the client base, the Group will expand offering services online. By offering a full suite of professional financial services involving Type 1, Type 2, Type 6, Type 7, Type 8 and Type 9 regulated activities under the SFO, the Board expected that a synergy effect favourable to the Group's development of the integrated financial services business will be generated.

(2) Credit and lending services – operations under MLO licences

The Group conducts its money lending business with two money lenders licences held by the Group under the Money Lenders Ordinance (the "MLO", Chapter 163 of the laws of Hong Kong). The Group's clientele primarily consists of niche customers including corporations and high net-worth individuals. These clients mostly have been procured through business referrals and introductions from the Company's senior management, business partners or clients. In addition to the compliance with all rules and regulations imposed under the MLO, the Group has also formulated internal money lending policy to guide its two money lending subsidiaries in their operations of money lending business. The loan terms would be arrived at after considering various factors including prevailing market interest rates, the financial strength of the borrower, the collaterals offered and past credit history of the borrower with the Group and adjusted, if necessary, by arms-length negotiations with the borrower.

With more loans granted by the Group to a broader base of clients at more competitive interest rates, the segment revenue raised to approximately HK\$53.8 million for the Year (2021: HK\$50.2 million). The segment profit increased to approximately HK\$57.7 million (2021: HK\$8.4 million). As at 31 December 2022, a total principal amount and accrued interest of approximately HK\$687.3 million remained outstanding of which the amount of loan receivables due from the largest borrower and the five largest borrowers in aggregate were approximately 13% and 48% thereof respectively. The Company retained an independent professional valuer to conduct impairment assessment on the outstanding loans for each reporting period end date. The impairment allowances of approximately HK\$0.6 million were provided on the outstanding loan receivables as at 31 December 2022 (2021: HK\$48.4 million). Further details of loan receivables are disclosed in note 11 to the financial information.

(3) Other financial services

To diversify the Group's financial services, the Group has commenced its business of providing corporate advisory related services in Hong Kong since October 2020. For the Year, the segment revenue amounted to approximately HK\$19.9 million (2021: HK\$28.0 million) and the segment profit reached approximately HK\$9.1 million (2021: HK\$14.0 million). The decrease in revenue for the Year is mainly due to the drop in number of clients as the COVID-19 pandemic still persisted in the second half of 2022 and the competitiveness is intense.

(4) Property investment and leasing

The performance of this segment was stable during the Year with the segment revenue increased from approximately HK\$8.9 million for the last year to approximately HK\$9.4 million for the Year. There was a segment loss of approximately HK\$6.2 million for the Year versus a loss of approximately HK\$4.7 million in the previous year, mainly due to the combined effects of: (i) the increase of finance costs of approximately HK\$4.0 million due to the reallocation of previously own-used property for leasing to a third-party tenant; and (ii) the decrease in fair value losses on investment properties recorded from HK\$8.9 million in previous year to HK\$5.9 million in current year. As at 31 December 2022, the Group held 4 commercial properties in Hong Kong for leasing to independent third party tenants for rental income with a total fair value at HK\$513.8 million (2021: HK\$349.3 million).

(5) Tactical and strategic investment

Since implementing the strategy of scaling down the portfolio of equity and debt investments held by the Group starting from year 2020, the amount of resources allocated by the Group to this segment (in the form of financial assets at fair value through profit or loss) remained at a relatively low level of approximately HK\$161.6 million at the end of the Year (2021: HK\$125.9 million). The Group recorded a segment revenue of approximately HK\$5.9 million (2021: negative revenue of HK\$2.1 million). The segment loss was approximately HK\$84.3 million for the Year (2021: HK\$62.1 million) mainly due to share of loss of associates (which is principally engaged in holding listed equity investments) amounted to approximately HK\$87.8 million (2021: HK\$55.2 million).

OUTLOOK AND STRATEGY

During the Year, global geopolitical and economic uncertainties brought about by the U. S. interest rate hikes and the lingering Russian-Ukraine conflict to wreak havoc and send ripple effect throughout the financial markets worldwide. The market sentiments in Hong Kong remained volatile in the second half of 2022. Investment atmosphere during the second half of the Year remained weak as reflected by the drop in Hang Seng Index from the level of around 23,274 points at the beginning of 2022 to the level of around 19,781 points by the end of 2022 with the 13-year lowest level of around 14,597 points recorded on 31 October 2022. Nevertheless, the prospect remains optimistic for a gradual resumption of travel with Mainland China and the reopening of the border with the rest of the world.

The Board would not underestimate the long-term growth prospect of the financial industry in Hong Kong. Apart from the provision of professional financial services, the credit and lending services will remain one of the Group's core businesses. The Group will be responsive in adjusting its lending interest rates to remain competitive in the local money lending market.

The gradual upward trend on property prices and rentals in Hong Kong is anticipated to strengthen the performance of the Group's property investment and leasing business in the coming year. In September 2022, the Group has relocated its securities brokerage arm to a smaller office near the Group's headquarter in North Point so as to release the previously own-used property in Wong Chuk Hang with a saleable area of about 7,900 sq. ft. for leasing to a third-party tenant to generate rental income. The Group will monitor the stock market sentiment constantly and intends to keep its tactical and strategic investments on a long-term basis.

After expanding the scope of the Group's Type 6 licence with coverage of initial public offering sponsorship services and obtaining a Type 8 (securities margin financing) licence in 2021, the Group was further granted with a Type 7 (providing automated trading services) licence in June 2022 by the SFC. Going forward, the Group intends to roll out a pre-IPO trading platform (tentatively named "Etreemart") to allow its retail and corporate clients to trade new stocks before the official listings in Hong Kong. In order to further expand the scope of this segment, in the mid of February 2023, the Group applied for the licences to carry on Type 4 (advising on securities) & Type 5 (advising on futures contracts) regulated activities under the SFO. The applications had been accepted by the SFC and pending for its approval.

Given our comprehensive profile of financial services, the Group is poised to widen its horizon and scale new heights in the years to come in order to continue maximizing returns and value for our shareholders.

The management of the Group will continue to review and adjust business strategies of the Group on regular basis with a prudent and balanced approach. The management of the Group remains cautiously optimistic about the business development and the overall performance of the Group in the future. The Group will continue to render comprehensive services to our clients in order to maintain our client confidence and loyalty.

FINANCIAL REVIEW

Revenue

The revenue of the Group was approximately HK\$155.3 million for the Year, representing a decrease of approximately HK\$40.0 million or 20.5% from the last corresponding year. The respective income from the financial services and the other financial services aggregated to approximately HK\$93.7 million (2021: HK\$138.0 million). The interest income from the Group's money lending business increased to approximately HK\$53.3 million (2021: HK\$50.2 million). The rental income from property investment and leasing remained stable at approximately HK\$9.4 million (2021: HK\$8.9 million). The revenue from tactical and strategic business recorded a negative revenue of approximately HK\$1.1 million (2021: HK\$1.8 million).

Net Asset Value

As at 31 December 2022, the consolidated net asset value of the Group was approximately HK\$2,120.2 million (2021: HK\$1,936.1 million). The consolidated net asset value per share of the Group was approximately HK\$2.24 (2021: HK\$2.05). The Group's total assets and total liabilities were approximately HK\$2,412.70 million (2021: HK\$2,245.7 million) and approximately HK\$292.5 million (2021: HK\$309.6 million) respectively.

Capital Structure

On 14 May 2022, the Company completed the issue of 3,000,000 awarded shares granted to an employee under the Company's share award scheme adopted on 14 May 2020. Since then, the Company has 945,527,675 shares in issue.

The Group's capital expenditure and investments were mainly funded by cash on hand, internally-generated funds and bank borrowings. The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in U.S. dollars and Hong Kong dollars. The Group does not use any financial instruments for hedging purpose.

Liquidity and Financial Resources

The Group's cash and cash equivalents, being mainly denominated in Hong Kong dollars, amounted to approximately HK\$229.3 million as at 31 December 2022 (2021: HK\$431.1 million). The cash and cash equivalents and the financial assets at FVPL in aggregate were approximately HK\$373.8 million as at 31 December 2022 (2021: HK\$557.0 million). The liquidity of the Group was very strong with a current ratio of 5.8 as at 31 December 2022 (2021: 5.1).

The Group had bank borrowings in the sum of approximately HK\$252.6 million as at 31 December 2022 (2021: HK\$265.4 million). The Group did not have any available short-term revolving banking facilities as at 31 December 2022 (2021: Nil).

Exposure to Fluctuation in Exchange Rates and Related Hedges

As the Group's major source of income, expenses, major assets and bank deposits were denominated in Hong Kong dollars and U.S. dollars, the Group's exposure to fluctuation in foreign exchange rates was minimal due to the pegged exchange rate. The Group did not have any related hedging instruments.

Gearing Ratio

As at 31 December 2022, the gearing ratio of the Group, as measured by dividing the net debt to Shareholders' equity, was 1.7% (2021: nil). Net debt was calculated as bank borrowings plus other payables and accruals, net of cash and cash equivalents.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2022 (2021: Nil).

Charges on Group Assets

As at 31 December 2022, the Group pledged its investment properties with carrying value of approximately HK\$459.3 million (2021: certain investment properties HK\$294.3 million and an own-used property HK\$162.8 million) as security for general banking facilities granted to the Group.

Deemed Disposal

On 6 June 2022, Planetree Securities Limited (the "PSL", a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company) and Polymate Investments Limited (the "Subscriber", a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of CST Group Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 00985)) entered into a subscription agreement (the "Subscription Agreement"). Pursuant to the Subscription Agreement, 45,508,328 shares of PSL (representing 8.482% of the enlarged share capital of PSL) were issued and allotted to the Subscriber on 7 June 2022 for a cash consideration of HK\$50 million (the "Deemed Disposal"). The proceeds of HK\$50 million from the Deemed Disposal had brought in new capital to the PSL to further strengthen its capital base and financial resources for the development of its integrated financial services. Upon completion of the Deemed Disposal, the Company's shareholding in PSL was diluted from 100% to approximately 91.518% and PSL remains as non-wholly owned subsidiary of the Company. The Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, detailed information regarding the Deemed Disposal was disclosed in the Company's announcement dated 6 June 2022.

Significant Investments

As at 31 December 2022, the Group held a diversified portfolio of financial assets at FVPL (comprising equity investments in 7 listed companies and 1 unlisted company in Hong Kong) with a total carrying value of approximately HK\$161.6 million (2021: HK\$125.9 million). Each of the equity investments in the said portfolio accounted for less than 5% of the Group's total assets as at 31 December 2022 and therefore was not considered as a significant investment held by the Group.

The Group treated the equity interest in Green River Associates Limited (“**Green River Marshall**”) incorporated in Marshall Islands as a long-term investment. On 9 June 2022, Green River Marshall allotted additional shares for subscription by an independent investor. The shareholding interest in Green River Marshall held by the Group has been accordingly diluted from 40% as at 31 December 2021 to 33% as at 31 December 2022. After the reporting period on 28 February 2023, Green River Marshall allotted additional shares for subscription by another independent investor. The shareholding interest in Green River Marshall held by the Group has thus been further diluted from 33% to 31.37% as at 31 March 2023.

The carrying amount of investment in 33% equity interest in Green River Marshall as at 31 December 2022 amounted to approximately HK\$153.9 million (2021: HK\$126.1 million), which represented approximately 6.4% to the Group's total assets. During the reporting period, the Group's share of loss of Green River Marshall was approximately HK\$87.6 million (2021: share of loss of HK\$55.2 million), which was mainly a result of Green River Marshall's realized and fair value loss on its investments. Given the recent downward trend in the local securities market, Green River Marshall's business of securities investment may still face challenges in the coming year.

Save as disclosed above and elsewhere in this announcement, there was no other significant investment held, nor were there any material acquisitions or disposals of subsidiaries, associates or joint ventures during the year under review. There was no present plan authorised by the Board for material investments or acquisition of material capital assets as at the date of this announcement.

Significant Events since the End of the Reporting Period

No significant events affecting the Group have occurred since the end of the reporting period.

OTHER INFORMATION

Corporate Governance

The Company is committed to achieving and maintaining high standards of corporate governance practice. Throughout the year ended 31 December 2022, the Company complied with all code provisions of Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

The Company will continually review its corporate governance framework to ensure best corporate governance practices. Save as disclosed above, there were no significant changes in the Company's corporate governance practice or from the information disclosed in the Corporate Governance Report in the latest published annual report.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transaction by the Directors and the relevant employees of the Group. Following specific enquiry by the Company, each Director confirmed that throughout the year under review, they have complied with the required standards set out in the Model Code.

Environmental, Social and Governance ("ESG") Performance

The Board is committed to achieving sustainable development and protection of the environment and engaging ESG considerations as an integral part of the business operations and investment of the Company. The Company's strategy in ESG management can be achieved by adopting eco-friendly management practices, making efficient use of resources, and promoting green awareness within the Group. The Company strives to promote awareness on environmental protection and optimises efficient use of energy in daily operation by encouraging employees to recycle office suppliers, plus a series of measures to develop practices to promote energy-saving and emission reduction. The Company will further enhance ESG management by participating in community engagement and ensuring our business development will take into consideration the communities' interest. The Company has complied with all the applicable environmental laws and regulations that have a significant impact on the Company. Details of ESG practice of the Group will be set out in 2022 Annual Report which are prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Listing Rules, and will be available on the website of the Company (www.planetreeintl.com) and the designated issuer website of the Stock Exchange (www.hkexnews.hk) in due course.

Human Resources Practices

The Group's remuneration policy is to ensure fair and competitive packages based on business needs and industry practice. The Company aims to provide incentives to its Directors, senior management and employees to perform at their highest levels as well as to attract, retain and motivate the very best people. Remuneration will be determined by taking into consideration factors such as market and economic situation, inflation, employment conditions elsewhere in the Group and salaries paid by comparable companies. In addition, performance-based assessment such as individual's potential and contribution to the Group, time commitment and responsibilities undertaken will all be considered.

There were 48 work forces (inclusive of all the directors of the Company) working for the Group as at 31 December 2022. The Group also provides other staff benefits including mandatory provident fund, medical insurance and discretionary training subsidy. The Company also operates a discretionary share option scheme and a discretionary share award scheme to motivate employees' performance and loyalty.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Company's auditors, Mazars CPA Limited ("**Mazars**") to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Mazars in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Mazars on this announcement.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the accounting principles and standards adopted by the Group, the risk management and internal control systems and financial reporting matters of the Group. In addition, the consolidated financial statements of the Group for the year ended 31 December 2022 have been reviewed by the audit committee.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2022.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2023 annual general meeting (“AGM”) of the Company is scheduled to be held on Wednesday, 28 June 2023. The notice of AGM will be published on the Company’s website (www.planetreeintl.com) and the designated website of the Stock Exchange (www.hkexnews.hk) in due course. For determining the qualification as members of the Company to attend and vote at the AGM, the Company’s register of members will be closed from Friday, 23 June 2023 to Wednesday, 28 June 2023, both dates inclusive, during which period no transfers of shares will be registered. In order to qualify as members to attend and vote at the AGM, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 21 June 2023.

PUBLICATION OF 2022 ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Company (www.planetreeintl.com) and the designated issuer website of the Stock Exchange (www.hkexnews.hk). The 2022 Annual Report will be dispatched to the Shareholders and made available on the above websites in due course.

APPRECIATION

The Board would like to take this opportunity to extend our gratitude and sincere appreciation to the management team and all staff for their diligence and dedication throughout the Year.

By order of the Board
Planetree International Development Limited
Cheung Ting Kee
Acting Chairman and Executive Director

Hong Kong, 31 March 2023

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