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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)

DISCLOSEABLE TRANSACTIONS IN RELATION TO GRANT OF LOAN FACILITIES

GRANT OF LOAN FACILITIES

On 30 September 2020, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the SSSL Loan Agreement with SSSL (as borrower), pursuant to which the Lender agreed to grant the SSSL Loan Facility in a principal amount of HK\$30,000,000 for a term of six months, bearing interest rate of 12% per annum.

On 21 June 2021, the Lender entered into the CKKC 1st Loan Agreement with CKKC (as borrower), pursuant to which the Lender agreed to grant the CKKC 1st Loan Facility in a principal amount of HK\$20,000,000 for a term of one year and nine days, bearing interest rate of 18% per annum.

On 28 June 2021, the Lender entered into the CKKC 2nd Loan Agreement with CKKC (as borrower), pursuant to which the Lender agreed to grant the CKKC 2nd Loan Facility in a principal amount of HK\$6,000,000 for a term of one year and two days, bearing interest rate of 18% per annum.

All principal amounts and accrued interests under the above Loan Facilities have been subsequently repaid in full to the Lender.

RELATIONSHIP BETWEEN SSSL AND CKKC

At the time of the grant of the SSSL Loan Facility, the CKKC 1st Loan Facility and the CKKC 2nd Loan Facility, CKKC was a substantial shareholder of SSSL and were therefore parties connected or otherwise associated with one another within the meaning of Rule 14.23 of the Listing Rules.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the entering of each of the SSHL Loan Agreement and the CKKC 1st Loan Agreement, on a standalone basis, exceeded 5% but were all less than 25%, the grant of each of the SSHL Loan Facility and the CKKC 1st Loan Facility constituted a discloseable transaction for the Company and was subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The grant of the CKKC 2nd Loan Facility, on a standalone basis, did not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

At the time of granting the CKKC 1st Loan Facility on 21 June 2021 to CKKC, as: (i) CKKC was connected or otherwise associated with SSHL; and (ii) the CKKC 1st Loan Facility was granted within a 12-month period from the date when the SSHL Loan Facility was granted by the Lender on 30 September 2020, both transactions should be aggregated within the meaning of Rule 14.22 of the Listing Rules, as if they were one transaction given that the transactions contemplated thereunder were all entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period.

At the time of granting the CKKC 2nd Loan Facility on 28 June 2021 to CKKC, as: (i) CKKC was connected or otherwise associated with SSHL; (ii) CKKC was the same borrower of the CKKC 1st Loan Facility; (iii) the CKKC 2nd Loan Facility was granted within a 12-month period from the date when the SSHL Loan Facility was granted by the Lender on 30 September 2020; and (iv) the CKKC 2nd Loan Facility was granted within a 12-month period from the date when the CKKC 1st Loan Facility was granted by the Lender on 21 June 2021, all three transactions contemplated under the Loan Agreements should be aggregated within the meaning of Rule 14.22 of the Listing Rules, as if they were one transaction given that the transactions contemplated thereunder were all entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period.

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules for the CKKC 1st Loan Facility, when aggregated with the SSHL Loan Facility, exceeded 5% but were all less than 25%, the grant of the CKKC 1st Loan Facility and the SSHL Loan Facility, on an aggregate basis, constituted a discloseable transaction for the Company and were subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules for the CKKC 2nd Loan Facility, when aggregated with the SSHL Loan Facility and the CKKC 1st Loan Facility, exceeded 5% but were all less than 25%, the grant of the CKKC 2nd Loan Facility, the CKKC 1st Loan Facility and the SSHL Loan Facility, on an aggregate basis, constituted a discloseable transaction for the Company and were subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

However, the grant of each of the SSHL Loan Facility, the CKKC 1st Loan Facility and the CKKC 2nd Loan Facility had not been notified and announced by the Company in a timely manner in accordance with the Listing Rules.

To prevent the recurrence of similar incidents in the future, the Company has implemented certain remedial measures as set out in the paragraph headed “Remedial Measures” in this announcement.

GRANT OF LOAN FACILITIES

On 30 September 2020, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the SSHL Loan Agreement with SSHL (as borrower), pursuant to which the Lender agreed to grant the SSHL Loan Facility in a principal amount of HK\$30,000,000 for a term of six months, bearing interest rate of 12% per annum.

On 21 June 2021, the Lender entered into the CKKC 1st Loan Agreement with CKKC (as borrower), pursuant to which the Lender agreed to grant the CKKC 1st Loan Facility in a principal amount of HK\$20,000,000 for a term of one year and nine days, bearing interest rate of 18% per annum.

On 28 June 2021, the Lender entered into the CKKC 2nd Loan Agreement with CKKC (as borrower), pursuant to which the Lender agreed to grant the CKKC 2nd Loan Facility in a principal amount of HK\$6,000,000 for a term of one year and two days, bearing interest rate of 18% per annum.

THE LOAN AGREEMENTS

The principal terms of the Loan Agreements are summarised as follows:

SSHL Loan Agreement

Date of the loan agreement: 30 September 2020

Lender: Planetree Finance Limited

Borrower: SSHL

Loan facility: HK\$30,000,000 (term loan)

Term: six months from the date of drawdown when the loan and all the outstanding accrued interest are due to be re-paid in full by SSHL to the Lender

Repayment: SSHL shall repay the loan amount, outstanding accrued interest and other monies outstanding in respect of the SSHL Loan Facility in full on the maturity date

Interest rate: 12% per annum, and interest payment was payable monthly in arrears from the date of drawdown

Security: a personal guarantee executed by CKKC

CKKC 1st Loan Agreement

Date of the loan agreement: 21 June 2021

Lender: Planetree Finance Limited

Borrower: CKKC

Loan facility: HK\$20,000,000 (term loan)

Term: One year and nine days from the date of drawdown when the loan and all the outstanding accrued interest are due to be re-paid in full by CKKC to the Lender

Repayment: CKKC shall repay the loan amount, outstanding accrued interest and other monies outstanding in respect of the CKKC 1st Loan Facility in full on the maturity date

Interest rate: 18% per annum, and interest payment was payable quarterly in arrears from the date of drawdown

CKKC 2nd Loan Agreement

Date of the loan agreement:	28 June 2021
Lender:	Planetree Finance Limited
Borrower:	CKKC
Loan facility:	HK\$6,000,000 (term loan)
Term:	One year and two days from the date of drawdown when the loan and all the outstanding accrued interest are due to be re-paid in full by CKKC to the Lender
Repayment:	CKKC shall repay the loan amount, outstanding accrued interest and other monies outstanding in respect of the CKKC 2 nd Loan Facility in full on the maturity date
Interest rate:	18% per annum, and interest payment was payable quarterly in arrears from the date of drawdown

The loans drawn under the Loan Facilities were all funded by internal resources of the Group and all principal amounts and accrued interests under these loan facilities have been subsequently repaid in full to the Lender.

INFORMATION OF THE GROUP AND THE LENDER

The Group is principally engaged in (i) financial services with operations under the Securities and Futures Ordinance licenses (Chapter 571 of the laws of Hong Kong), (ii) credit and lending services with operations under the Money Lenders Ordinance licenses (Chapter 163 of the laws of Hong Kong), (iii) other financial services, (iv) property investment and leasing, and (v) tactical and strategic investment.

The Lender is an indirect wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong).

INFORMATION OF THE BORROWERS

SSHL is a company incorporated in Bermuda. According to the annual report of SSHL for the year ended 31 March 2020 (“**South Shore 2020 Annual Report**”), South Shore was a hospitality, entertainment and construction group that combined a unique ultra-luxury hotel and entertainment development on Macau’s Cotai Strip with the Hong Kong-based legacy business of Paul Y. Engineering Group Limited

(p.4 of the South Shore 2020 Annual Report). As at the date of the SSSL Loan Agreement, its shares were listed on the Main Board of the Stock Exchange (previous stock code: 577). SSSL was subsequently delisted from the Stock Exchange on 9 February 2023.

CKKC is a businessman residing in Hong Kong. He was a substantial shareholder of SSSL at the material times. A disclosure of interest filing was made on 21 January 2020, which showed CKKC was interested in 26% of the issued shares of the listed company Television Broadcasts Limited (“TVB”) (stock code: 511) (“TVB Shares”). According to p.70 of the annual report of TVB for the year ended 31 December 2018: (i) CKKC was appointed as a non-executive director of TVB on 1 April 2011 and served as its chairman since January 2015; and (ii) CKKC had over 38 years of international corporate management experience in the construction and the property sectors, as well as in strategic investments. According to p.98 of the annual report of TVB for the year ended 31 December 2020, CKKC resigned as chairman and non-executive director of TVB on 4 February 2020. A disclosure of interest filing was made on 27 August 2020, which showed CKKC ceased to have any interest in the TVB Shares. A disclosure of interest filing was made on 27 May 2019, which showed CKKC was a substantial shareholder (interested in 53.02% of the issued shares) of the listed company ITC Properties Group Limited (stock code: 199).

Each of SSSL and CKKC is a third party independent of, and not connected with, the Company and/or its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE GRANT OF THE LOAN FACILITIES

The grant of the Loan Facilities was in the Lender’s ordinary and usual course of business to generate interest income.

SSHL was a hospitality, entertainment and construction group (p.4 of the South Shore 2020 Annual Report). SSSL’s construction business continued with steady revenue growth by 17% to HK\$11 billion and the management contracting division secured new construction contracts with an aggregate value of approximately \$15,681 million (p.3 and 6 of the South Shore 2020 Annual Report). SSSL recorded a loss of HK\$1,022 million for the year (compared to 2019: \$5,848 million). The outbreak of COVID-19 contributed to the loss of SSSL in that year (p.3 of the South Shore 2020 Annual Report). The board of SSSL was taking measures with a view to strengthening SSSL’s balance sheet (p.3 of the South Shore 2020 Annual Report). Since SSSL was an investment holding company (p.66 of South Shore 2020 Annual Report), the Lender’s attention was also focused on the creditworthiness of the guarantor. The factor about the recorded loss was mitigated by a personal guarantee provided by CKKC in favour of the Lender as primary obligor who owed a primary

obligation to pay the Lender any debt due upon demand if SSSL failed to pay. After the credit assessment was conducted, the Lender imposed an interest rate at 12% per annum for the SSSL Loan Facility, which was high for a corporate loan in order to compensate the risk.

CKKC was a seasoned businessman with years of experience in strategic investments (please refer to the details in the section entitled “INFORMATION OF THE BORROWERS” above). He was a substantial shareholder of the listed company ITC Properties Group Limited and disposed his TVB shares on 27 August 2020. After the credit assessment was conducted, the Lender imposed an interest rate at 18% per annum for the CKKC 1st Loan Facility and the CKKC 2nd Loan Facility respectively, which were high for personal loans.

Based on the aforementioned reasons, the relevant Directors considered that the terms of the Loan Agreements were on normal commercial terms and were fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the entering of each of the SSSL Loan Agreement and the CKKC 1st Loan Facility, on a standalone basis, exceeded 5% but were all less than 25%, the grant of each of the SSSL Loan Facility and the CKKC 1st Loan Facility constituted a discloseable transaction for the Company and was subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The grant of the CKKC 2nd Loan Facility, on a standalone basis, did not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

CKKC was a substantial shareholder of SSSL at the time of granting the CKKC 1st Loan Facility and the CKKC 2nd Loan Facility respectively and was therefore connected or otherwise associated with SSSL.

At the time of granting the CKKC 1st Loan Facility on 21 June 2021 to CKKC, as: (i) CKKC was connected or otherwise associated with SSSL; and (ii) the CKKC 1st Loan Facility was granted within a 12-month period from the date when the SSSL Loan Facility was granted by the Lender on 30 September 2020, both transactions should be aggregated within the meaning of Rule 14.22 of the Listing Rules, as if they were one transaction given that the transactions contemplated thereunder were all entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period.

At the time of granting the CKKC 2nd Loan Facility on 28 June 2021 to CKKC, as: (i) CKKC was connected or otherwise associated with SSSL; (ii) CKKC was the same borrower of the CKKC 1st Loan Facility; (iii) the CKKC 2nd Loan Facility was granted within a 12-month period from the date when the SSSL Loan Facility was granted by the Lender on 30 September 2020; and (iv) the CKKC 2nd Loan Facility was granted within a 12-month period from the date when the CKKC 1st Loan Facility was granted by the Lender on 21 June 2021, all three transactions should be aggregated within the meaning of Rule 14.22 of the Listing Rules, as if they were one transaction given that the transactions contemplated thereunder were all entered into with the same party or with parties connected or otherwise associated with one another within a 12-month period.

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules for the CKKC 1st Loan Facility, when aggregated with the SSSL Loan Facility, exceeded 5% but were all less than 25%, the grant of the CKKC 1st Loan Facility and the SSSL Loan Facility, on an aggregate basis, constituted a discloseable transaction for the Company and were subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules for the CKKC 2nd Loan Facility, when aggregated with the SSSL Loan Facility and the CKKC 1st Loan Facility, exceeded 5% but were all less than 25%, the grant of the CKKC 2nd Loan Facility, the CKKC 1st Loan Facility and the SSSL Loan Facility, on an aggregate basis, constituted a discloseable transaction for the Company and were subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

However, the grant of each of the SSSL Loan Facility, the CKKC 1st Loan Facility and the CKKC 2nd Loan Facility had not been notified and announced by the Company in a timely manner in accordance with the Listing Rules.

REMEDIAL MEASURES

The Company deeply regrets its non-timely notification and announcement of the Loan Facilities in compliance with the Listing Rules and would like to stress that such incident was inadvertent. To prevent the recurrence of similar incidents in the future, the Company has implemented the following remedial measures:

- (a) provide guidance materials and training to the responsible staff regarding proper calculation methodology of percentage ratios relating to proposed transactions under Chapter 14 of the Listing Rules;

- (b) strengthen the reporting procedure on proposed transactions such that both (i) the Accounts and Finance Department of the Group, and (ii) the Company Secretary Department of the Group and the Board will consecutively assess proposed transactions to ensure compliance with the Listing Rules (the **“Two-tier Review Mechanism”**);
- (c) arrange ongoing training delivered by external advisers to directors, senior management and employees of the Group on legal and regulatory requirements; and
- (d) include in its money lending policy, (i) particular procedures for the computation of size tests under Chapter 14 of the Listing Rules, and (ii) the Two-tier Review Mechanism.

The Company has already implemented remedial measures (b) and (d) as mentioned above. As regards the above remedial actions (a) and (c), such measures are ongoing and continuing and the Company will request relevant staff or officers to take up the training from time to time as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“CKKC”	Mr. Chan Kwok Keung Charles
“CKKC 1 st Loan Agreement”	a loan agreement dated 21 June 2021 entered into between the Lender and CKKC in relation to the grant of the CKKC 1 st Loan Facility
“CKKC 1 st Loan Facility”	a term loan facility in a principal amount of HK\$20,000,000 for a term of one year and nine days, bearing interest rate of 18% per annum
“CKKC 2 nd Loan Agreement”	a loan agreement dated 28 June 2021 entered into between the Lender and CKKC in relation to the grant of the CKKC 2 nd Loan Facility
“CKKC 2 nd Loan Facility”	a term loan facility in a principal amount of HK\$6,000,000 for a term of one year and two days, bearing interest rate of 18% per annum

“Company”	Planetree International Development Limited (Stock Code: 613), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	Planetree Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	the SSSL Loan Agreement, the CKKC 1 st Loan Agreement and the CKKC 2 nd Loan Agreement
“Loan Facilities”	the SSSL Loan Facility, the CKKC 1 st Loan Facility and the CKKC 2 nd Loan Facility
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“SSHL”	South Shore Holdings Limited, a company incorporated in Bermuda, shares of which were previously listed on the Main Board of the Stock Exchange (previous stock code: 577) and was subsequently delisted on 9 February 2023
“SSHL Loan Agreement”	a loan agreement dated 30 September 2020 entered into between the Lender and SSSL in relation to the grant of the SSSL Loan Facility
“SSHL Loan Facility”	a term loan facility in a principal amount of HK\$30,000,000 for a term of six months, bearing interest rate of 12% per annum

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 24 April 2024

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

Executive Directors:

Mr. Xing Shaonan (*Vice Chairman*)

Mr. Cheung Ting Kee (*Managing Director*)

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

Non-executive Director:

Dr. Chuang Henry Yueheng (*Chairman*)