

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Planetree International Development Limited

梧桐國際發展有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00613)

2021 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 2021 together with the comparative figures for the corresponding year in 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue			
Fee and commission income		1,861	1,216
Asset management service income		18,821	51,735
Corporate advisory service income		27,943	16,759
Financial advisory service income		7,882	4,736
Net (loss) gain on disposal of financial assets at fair value through profit or loss (“FVPL”)		(2,347)	3,497
Interest income from margin clients, loan receivables and debt investments at amortised cost		132,255	88,631
Dividend income from financial assets at FVPL		–	659
Gross rental income		8,901	9,543
Total revenue	4	195,316	176,776

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other income and gains	4	10,514	66,880
Net (loss) gain on disposal of debt investments at amortised cost		(2,998)	155
Gain on bargain purchase of a subsidiary		–	683
(Impairment loss) Reversal of impairment loss on loan and interest receivables		(41,141)	495
Impairment loss on margin loan receivables		(24,113)	–
Reversal of impairment loss on promissory note receivable		–	3,184
Reversal of impairment loss (Impairment loss) on trade receivables		468	(613)
Depreciation of property and equipment and rights-of-use assets		(15,041)	(11,981)
Administrative expenses		(61,159)	(103,962)
Other losses	5	(9,683)	(121,811)
Finance costs	6	(5,241)	(7,062)
Share of result of an associate		(55,232)	46,563
(Loss) Profit before taxation	7	(8,310)	49,307
Income tax expense	8	(6,949)	(8,464)
(Loss) Profit and total comprehensive (loss) income for the year		<u>(15,259)</u>	<u>40,843</u>
(Loss) Profit for the year attributable to:			
Owners of the Company		(22,153)	41,762
Non-controlling interests		6,894	(919)
		<u>(15,259)</u>	<u>40,843</u>
Total comprehensive (loss) income attributable to:			
Owners of the Company		(22,153)	41,762
Non-controlling interests		6,894	(919)
		<u>(15,259)</u>	<u>40,843</u>
		<i>HK cents</i>	<i>HK cents</i>
(Losses) Earnings per share	10		
Basic		<u>(2.35)</u>	<u>4.47</u>
Diluted		<u>(2.37)</u>	<u>4.46</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property and equipment		208,104	217,128
Investment properties		349,300	358,200
Intangible assets		12,767	12,817
Goodwill		6,115	6,115
Investment in an associate		126,134	181,366
Debt investments at amortised cost		–	8,030
Other receivables		1,822	1,503
Other assets		3,205	3,205
		707,447	788,364
Current assets			
Trade, loan and other receivables	<i>11</i>	977,912	1,062,642
Financial assets at FVPL		125,933	27,922
Bank balances — trust and segregated accounts		3,307	179,617
Bank balances and cash		431,073	250,579
		1,538,225	1,520,760
Current liabilities			
Trade and other payables	<i>12</i>	27,586	169,822
Lease liabilities — current portion		3,848	1,886
Interest-bearing borrowings		265,390	275,664
Income tax payable		6,442	11,262
		303,266	458,634
Net current assets		1,234,959	1,062,126
Total assets less current liabilities		1,942,406	1,850,490
Non-current liabilities			
Other payables		1,562	1,690
Lease liabilities — non-current portion		3,924	3,886
Deferred taxation		836	1,185
		6,322	6,761
NET ASSETS		1,936,084	1,843,729
Capital and reserves			
Share capital		94,253	93,953
Reserves		1,651,324	1,671,467
Equity attributable to owners of the Company		1,745,577	1,765,420
Non-controlling interests		190,507	78,309
TOTAL EQUITY		1,936,084	1,843,729

NOTES:

1. General

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

The Company and its subsidiaries (together the “**Group**”) principally engages in (i) financial services with operations under the Securities and Futures Ordinance (“**SFO**”) licences, (ii) credit and lending services with operations under Money Lenders Ordinance (the “**MLO**”) licences, (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 2020 consolidated financial statements 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 HKAS 39, HKFRSs 4, 7, 9 and 16: Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “**Reform**”). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows — a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;

- hedge accounting — a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and
- disclosures — a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

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

3. Operating segment information

The Group determines its operating segment and measurement of segment profit 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 segment, which engages in the provision of dealing in securities, dealing in futures contracts, advising on corporate finance, margin financing services and asset management services under Type 1, Type 2, Type 6, Type 8 and Type 9 licences granted under the SFO;
- (b) Credit and lending services — operations under MLO licences segment, which generates interest income from money lending activities 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 — trades and holds debt and equity securities, 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 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>	Consolidated <i>HK\$'000</i>
Revenue						
Fee and commission income	1,861	—	—	—	—	1,861
Assets management service income	18,821	—	—	—	—	18,821
Corporate advisory service income	—	—	27,943	—	—	27,943
Financial advisory income	7,882	—	—	—	—	7,882
Net loss on disposal of financial assets at FVPL	—	—	—	—	(2,347)	(2,347)
Interest income	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>69,169</u>	<u>8,400</u>	<u>11,676</u>	<u>(4,360)</u>	<u>(63,471)</u>	21,414
Unallocated other income and gains						9,445
Corporate and unallocated expenses, net						<u>(46,118)</u>
Loss for the year						<u>(15,259)</u>

For the year ended 31 December 2020

	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	1,216	–	–	–	–	1,216
Assets management service income	51,735	–	–	–	–	51,735
Corporate advisory service income	–	–	16,759	–	–	16,759
Financial advisory income	4,736	–	–	–	–	4,736
Net gain on disposal of financial assets at FVPL	–	–	–	–	3,497	3,497
Interest income	59,548	26,883	–	–	2,200	88,631
Dividend income from financial assets at FVPL	–	–	–	–	659	659
Gross rental income	–	–	–	9,543	–	9,543
Total revenue	117,235	26,883	16,759	9,543	6,356	176,776
Other income and gains	794	14	3	3	15,918	16,732
Segment revenue	<u>118,029</u>	<u>26,897</u>	<u>16,762</u>	<u>9,546</u>	<u>22,274</u>	<u>193,508</u>
Segment profit (loss)	<u>99,891</u>	<u>21,714</u>	<u>7,029</u>	<u>(21,264)</u>	<u>(34,849)</u>	72,521
Unallocated other income and gains						50,148
Gain on bargain purchase of a subsidiary						683
Corporate and unallocated expenses, net						<u>(82,509)</u>
Profit for the year						<u>40,843</u>

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

Segment result represents 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 an associate as segment result under 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 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>

At 31 December 2020

	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>943,319</u>	<u>431,036</u>	<u>21,450</u>	<u>360,497</u>	<u>229,294</u>	<u>323,528</u>	<u>2,309,124</u>
Liabilities	<u>(168,316)</u>	<u>(4,322)</u>	<u>(3,736)</u>	<u>(149,236)</u>	<u>(36,661)</u>	<u>(103,124)</u>	<u>(465,395)</u>

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

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

Other segment information

For the year ended 31 December 2021

	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	(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 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 of an associate	-	-	-	-	(55,232)	-	(55,232)

For the year ended 31 December 2020

	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	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:							
Capital expenditure	(746)	–	(403)	(61,500)	–	(42,606)	(105,255)
Interest income included in other income and gains	36	–	–	–	13,407	322	13,765
Interest expenses	–	–	–	(4,035)	(1,075)	(1,952)	(7,062)
Gain on bargain purchase of a subsidiary	–	–	–	–	–	683	683
Gain on futures trading	–	–	–	–	1,487	–	1,487
Reversal of impairment loss on loan receivables	–	495	–	–	–	–	495
Reversal of impairment loss on promissory note receivable	–	–	–	–	3,184	–	3,184
Net fair value losses on investment properties	–	–	–	(24,600)	–	–	(24,600)
Impairment loss on trade receivables	(468)	–	(145)	–	–	–	(613)
Gain on disposal of subsidiaries	–	–	–	–	–	48,187	48,187
Depreciation of property and equipment and right-of-use assets	(4,301)	–	(82)	(11)	–	(7,587)	(11,981)
Amortisation of intangible assets	(8)	–	–	–	–	–	(8)
Share-based compensation expenses	–	–	–	–	–	(53,246)	(53,246)
Share of result of an associate	–	–	–	–	46,563	–	46,563

4. Revenue, other income and gains

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

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers within HKFRS 15			
Fee and commission income		1,861	1,216
Financial advisory service income		7,882	4,736
Revenue recognised at point in time		9,743	5,952
Asset management service income		18,821	51,735
Corporate advisory service income		27,943	16,759
Revenue recognised over time		46,764	68,494
		56,507	74,446
Revenue from other sources			
Net (loss) gain on disposal of financial assets at FVPL	<i>(a)</i>	(2,347)	3,497
Interest income from:			
— margin clients		81,519	59,548
— loan receivables		50,205	26,883
— debt investments at amortised cost		531	2,200
		132,255	88,631
Dividend income from financial assets at FVPL		—	659
Gross rental income		8,901	9,543
		138,809	102,330
Total revenue		195,316	176,776

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Other income and gains			
Interest income on:			
— bank deposits		15	310
— other receivable from an ex-shareholder of a subsidiary		—	48
— promissory note receivable		—	13,407
		<u>15</u>	<u>13,765</u>
Gain on disposal of subsidiaries		523	48,187
Gain on futures trading		—	1,487
Government subsidies	<i>(b)</i>	—	1,260
Management fee income		640	1,120
Net exchange gain		—	31
Net fair value gain on financial assets at FVPL		7,961	—
Others		<u>1,375</u>	<u>1,030</u>
		<u>10,499</u>	<u>53,115</u>
Total other income and gains		<u><u>10,514</u></u>	<u><u>66,880</u></u>

Notes:

- (a) The amount represented the proceeds from the disposal of financial assets at FVPL of HK\$19,953,000 (2020: HK\$25,763,000) less relevant costs and carrying value of the investments sold of HK\$22,300,000 (2020: HK\$22,266,000).
- (b) For the year ended 31 December 2020, the Group recognised government subsidies of HK\$1,260,000 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

	2021 HK\$'000	2020 HK\$'000
Loss on disposal of property and equipment	—	40
Loss on futures trading	355	—
Fair value loss on contingent consideration receivable	—	3,000
Net exchange loss	428	—
Net fair value losses on financial assets at FVPL	—	94,171
Net fair value losses on investment properties	<u>8,900</u>	<u>24,600</u>
	<u><u>9,683</u></u>	<u><u>121,811</u></u>

6. Finance costs

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on interest-bearing borrowings	4,727	5,911
Interest on margin account	326	1,075
Imputed interest on lease liabilities	188	76
	<u>5,241</u>	<u>7,062</u>

7. (Loss) Profit before taxation

This is stated after charging (crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Employee benefits expenses (including directors' emoluments)		
Salaries and other benefits	32,236	24,580
Retirement benefit scheme contributions	696	454
Share-based compensation expenses — grant of share options to employees and directors	—	43,620
Share-based compensation expenses — grant of share award to an employee	2,310	2,310
	<u>35,242</u>	<u>70,964</u>
Auditor's remuneration	1,517	1,496
Amortisation of intangible assets — included in administrative expenses	50	8
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	1,704	2,032
Net exchange loss (gain)	428	(31)
Lease payments in respect of rented premises	124	277
Share-based compensation expenses — grant of share options to consultants	—	7,316
	<u>—</u>	<u>7,316</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 continue 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 2021 and 2020, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
Current year	6,975	11,529
Under provision in prior year	323	–
	<u>7,298</u>	<u>11,529</u>
Deferred taxation		
Origination and reversal of temporary difference	<u>(349)</u>	<u>(3,065)</u>
Income tax expense	<u><u>6,949</u></u>	<u><u>8,464</u></u>

9. Dividend

The Board of Directors does not recommend the payment of a dividend for the years ended 31 December 2021 and 2020.

10. (Losses) Earnings per share

The calculation of the basic and diluted (losses) earnings per share is based on the (loss) profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

Diluted losses per share for the year ended 31 December 2021 did not assume the exercise of share award since their assumed exercise during the years would have an anti-dilutive effect on the basic losses per share amount presented. Diluted losses per share 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 equity holders for the purpose of diluted losses per share was adjusted by the Group's proportionate interest in subsidiary's earnings attributable to ordinary shares.

Diluted earnings per share for the year ended 31 December 2020 is calculated by adjusting the weighted average number of ordinary shares in issue during the year with the weighted average number of ordinary shares deemed to be issued assuming the dilutive impact on the shares under the share award and share option scheme.

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

(Losses) Earnings

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
(Loss) Profit for the year attributable to the equity holders of the Company, for the purpose of basic (losses) earnings per share	<u>(22,153)</u>	<u>41,762</u>
(Loss) Profit for the year attributable to the equity holders of the Company, for the purpose of diluted (losses) earnings per share	<u>(22,285)</u>	<u>41,762</u>

Number of shares

	2021	2020
Issued ordinary shares at 1 January	939,527,675	9,305,276,756
Effect of share consolidation	–	(8,374,749,081)
Shares vested under the share award scheme	1,906,849	1,901,639
Equity-settled share-based payments on acquisition of a subsidiary	<u>–</u>	<u>1,032,786</u>
Weighted average number of ordinary shares in issue for the purpose of basic (losses) earnings per share	941,434,524	933,462,100
Effect of dilutive potential shares from share award scheme	–	1,095,466
Effect of dilutive potential shares from share option scheme	<u>–</u>	<u>823,042</u>
Weighted average number of ordinary shares in issue for the purpose of diluted (losses) earnings per share	<u>941,434,524</u>	<u>935,380,608</u>

11. Trade, loan and other receivables

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables			
Trade receivables arising from the business of securities brokerage	<i>(a)</i>		
— cash clients		—	36
— margin clients	<i>(b)</i>	677,610	673,832
— Hong Kong Securities Clearing Company Limited (“HKSCC”)	<i>(c)</i>	250	478
Trade receivables from futures clearing house arising from the business of dealing in futures contracts	<i>(a)</i>	3,643	4,665
		681,503	679,011
Less: Loss allowance		(24,113)	—
		657,390	679,011
Trade receivables from provision of corporate advisory service	<i>(d)</i>	16,177	11,404
Trade receivables from provision of financial advisory service	<i>(d)</i>	917	3,222
Trade receivables from provision of assets management service			
— from independent third parties	<i>(d)</i>	235	36,782
— from an associate	<i>(d)</i>	160	14,820
Trade receivables from provision of underwriting service		—	126
		17,489	66,354
Less: Loss allowance		(145)	(613)
		17,344	65,741
Loan and interest receivables			
Loan and interest receivables from independent third parties		345,720	319,114
Less: Loss allowance		(48,441)	(7,300)
	<i>(e)</i>	297,279	311,814
Other receivables			
Deposits with securities brokers		—	77
Prepayments		2,250	2,607
Deposits		1,219	2,246
Other receivables		4,227	2,637
Due from an associate	<i>(f)</i>	25	12
		7,721	7,579
		979,734	1,064,145
Less: Non-current portion			
Other receivables		(1,822)	(1,503)
Current portion		977,912	1,062,642

Notes:

- (a) No aging analysis by invoice date is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of financial services business. The Group offsets certain trade receivable and trade payable upon the Group exercising 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 ranging from 10% to 24% (2020: 15% to 24%) per annum for the year ended 31 December 2021. The loans are secured by pledged marketable securities with a total fair value of approximately HK\$2,509,866,000 (2020: HK\$4,009,170,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group.

As at 31 December 2021, allowance for impairment loss of HK\$24,113,000 (2020: Nil) is recognised for the trade receivables from margin clients. The movement in the loss allowance for margin loan receivables during the year is summarised below.

	2021			Total HK\$'000
	12-month ECL Performing HK\$'000	Lifetime ECL Under- performing HK\$'000	Lifetime ECL Not- performing HK\$'000	
At the beginning of the reporting period	–	–	–	–
Increase in allowance	<u>1,272</u>	<u>22,841</u>	<u>–</u>	<u>24,113</u>
At the end of the reporting period	<u><u>1,272</u></u>	<u><u>22,841</u></u>	<u><u>–</u></u>	<u><u>24,113</u></u>

During year ended 31 December 2021, one of the margin clients had a significant increase in credit risk and was classified as Under-Performing for which the Lifetime ECL was recognised. The significant increase in credit risk refers to increase in rate for exposure at default due to the deterioration of personal liquidity position of the margin client. At 31 December 2021, a loss allowance of HK\$22,841,000 was made for the margin client.

The management closely monitors the credit quality of the margin loans and there are no indications that the margin loan receivables neither past due nor impaired will be uncollectible.

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

At the end of the reporting period, the loan receivables are related to seventeen (2020: *fourteen*) customers. Loan receivables include fixed rate loan advances to independent third parties of approximately HK\$15,036,000 (2020: *HK\$46,662,000*) which are secured by the pledge of a Hong Kong property and personal guarantees, bearing interest ranging from 10% to 12% (2020: *12% to 15%*) per annum and have contractual loan period of 6 months (2020: *between 3 months and 2 years*) under the Group's credit and lending operation. The remaining balance includes both fixed and variable rate loan advances to independent third parties of approximately HK\$282,243,000 (2020: *HK\$265,152,000*) which are unsecured, bearing interest ranging from 7% to 36% (2020: *5% 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 (2020: *between 1 month and 2 years*).

The amount granted to individuals and corporates depends on management's assessment of credit risk of the customers by evaluation on background check (such as their profession, salaries and current working position for individual borrowers and their industry and financial position for corporate borrowers) and repayment abilities. As at 31 December 2021, allowance for impairment loss of HK\$48,441,000 (2020: *HK\$7,300,000*) is recognised for the loan receivables.

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

	2021	2020
	HK\$'000	HK\$'000
Not yet past due	297,131	311,814
1-90 days past due	148	—
	297,279	311,814

As at 31 December 2021, the Group recognised loss allowance of HK\$48,441,000 (2020: HK\$7,300,000) on its loan receivables. The movement in the loss allowance for loan receivables during the year is summarised below.

	2021				2020		
	12-month ECL	Lifetime ECL	Lifetime ECL	Total	12-month ECL	Lifetime ECL	Total
Performing	Under-performing	Not-performing	Performing		Under-performing	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At the beginning of the reporting period	7,300	—	—	7,300	804	6,991	7,795
Transfer between performing to under-performing and Not-performing	(3,463)	252	3,211	—	—	—	—
Increase in allowance	713	16,527	27,684	44,924	6,537	—	6,537
Reversal of allowance upon recovery of loan	(3,783)	—	—	(3,783)	(41)	(6,991)	(7,032)
At the end of the reporting period	<u>767</u>	<u>16,779</u>	<u>30,895</u>	<u>48,441</u>	<u>7,300</u>	<u>—</u>	<u>7,300</u>

During year ended 31 December 2021, two of the loans had a significant increase in credit risk and were classified as Under-Performing and Not-Performing for which the Lifetime ECL was recognised. The significant increase in credit risk refers to increase in rate for exposure at default due to the deterioration of personal liquidity position and financial performance of the borrower. At 31 December 2021, a loss allowance of HK\$16,779,000 and HK\$30,895,000 was made due to deterioration of personal liquidity position of the borrower and as a result of provisional liquidation of a borrower respectively.

The management closely monitor the credit quality of the loans and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

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

12. Trade and other payables

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables			
Trade payables arising from the business of securities brokerage	<i>(a)</i>		
— cash clients		1,367	1,456
— margin clients		2,076	154,106
— HKSCC		1	4,409
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>	1,256	3,018
Secured margin loans from securities broker	<i>(c)</i>	16,513	—
		21,422	163,198
Other payables			
Other payables and accrued charges		6,164	6,624
Rental deposits received		1,562	1,690
		7,726	8,314
Less: non-current portion		(1,562)	(1,690)
Current portion		6,164	6,624
Total current portion		27,586	169,822

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 aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of securities brokerage business.
- (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 broker 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 12% to 20% per annum (2020: Nil). The total market value of debt and equity securities pledged as collateral in respect of the loans was approximately HK\$69,189,000 as at 31 December 2021 (2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS

During the year under review, the Group's total revenue of HK\$195.3 million and other income of HK\$10.5 million aggregated to HK\$205.8 million, representing a reduction of HK\$37.8 million or 16% as compared to last year. The Group recorded a consolidated loss after tax of HK\$15.3 million (2020: profit of HK\$40.8 million). After allocating the profit attributable to non-controlling interests for HK\$6.9 million, the loss attributable to shareholders of the Company for the year ended 31 December 2021 (the "Year") was HK\$22.2 million (2020: profit of HK\$41.8 million).

Notwithstanding the Group's core business operations in financial services performed steadily during the Year, the decline in the Group's profitability when compared to the previous year is mainly attributable to the combined effects of: (i) the year-on-year reduction of other income from the non-recurring gain on disposal of subsidiaries by HK\$47.7 million; and (ii) the share of loss for HK\$55.2 million in the Year from an associate principally engaged in holding listed equity investments vis-à-vis the share of profit for HK\$46.6 million from that associate in the previous year. 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 for core businesses, which would be HK\$46.9 million for the Year when compared to HK\$2.7 million for the previous year.

The basic and diluted losses per share for the Year were HK2.35 cents and HK2.37 cents respectively, whereas the basic and diluted earnings per share of HK4.47 cents and HK4.46 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 2021 (2020: Nil). No interim dividend was declared for the financial years of 2021 and 2020.

BUSINESS REVIEW

The first half of 2021 brought hope for economic recovery following economic downturn caused by coronavirus (COVID-19) in 2020. During most of that period, the investment atmosphere was largely positive while the Group's core businesses fared well. However, some negative factors have cropped out since June 2021 to weaken the local economy, such as the world-wide spread of COVID-19 persisted longer than expected. Moreover, the tightened measures introduced by the central government to regulate certain business activities in the Mainland have aroused investors' concerns and affected local investment atmosphere since mid-2021.

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

(1) Financial services – operations under SFO licences

The Group has carried on its business activities 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).

Business of this segment has become more mature after the Group’s dedicated development in this segment for more than one year. Investment atmosphere during the second half of the Year was weak as reflected by the drop in Hang Seng Index from the level around 27,000 points at the beginning of 2021 to the level around 23,000 points by the end of 2021. The Group’s asset management fee 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 fee income dropped to HK\$18.8 million during the Year (2020: HK\$51.7 million). A large part of such reduced fee 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 use of the Group’s financial resources, business network and management efforts. Margin loan interest income reached HK\$81.5 million during the Year (2020: HK\$59.5 million). In order to prepare for further development of the Group’s margin loan business, the Group successfully obtained a separate licence granted by the SFC to carry on Type 8 regulated activity, i.e. securities margin financing, during the Year.

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 HK\$7.9 million to the Group (2020: HK\$4.7 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 HK\$111.4 million, slightly smaller than the corresponding figure of HK\$118.0 million during the previous year. The segment profit dropped from HK\$99.9 million during the previous year to HK\$69.2 million during the Year after providing for impairment loss on margin loan receivables of HK\$24.1 million (2020: Nil). Despite the need to face deteriorating economic conditions, this segment is still able to remain as the most profitable core business of the Group.

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

The Group conducts its money lending business with two money lender 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 acquired through business referrals and introductions from the Company’s senior management, business partners or clients. Besides in 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 conducting the money lending operations. The loan terms would be arrived at after considering a combination of factors including prevalent market interest rates, the financial strength of the borrower, the collaterals offered as 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 HK\$50.2 million during the Year (2020: HK\$26.9 million). The segment profit decreased to HK\$8.4 million (2020: HK\$21.7 million). As at 31 December 2021, a total principal amount and accrued interest of approximately HK\$297.3 million remain outstanding of which the amount of loans receivable due from the largest borrower and the five largest borrower in aggregate were approximately 10% and 42% thereof respectively. The Company retained an independent professional valuer to conduct impairment assessment on the outstanding loans for each reporting period end date, approximately HK\$48.4 million impairment allowances were provided on the outstanding loans receivable as at 31 December 2021 (2020: HK\$7.3 million) in view of the deteriorated financial status of certain borrowers during the Year. Further details of loans receivable are disclosed in note 11 to the financial information.

To implement business expansion in this segment, additional fund amounted to HK\$100 million was raised by the Group’s issuance of new shares in a money lender subsidiary (namely, Maxlord Enterprises Limited) to an independent third party subscriber in March 2021.

(3) Other financial services

To diversify the Group’s financial services, the Group has also carried on the business of providing corporate advisory related services in Hong Kong since October 2020. By utilising the Group’s integrated platform in financial services and the goodwill of being a member of a listed group, this segment has achieved growth in both revenue and profit. During the Year, segment revenue reached HK\$28.0 million (2020: HK\$16.8 million) and segment profit reached HK\$11.7 million (2020: HK\$7.0 million).

(4) Property investment and leasing

To alleviate the impact of COVID-19 on our community, the Group exercised its social responsibility by granting a temporary rent concession to tenants whose business was seriously affected by the pandemic. Segment revenue dropped from HK\$9.5 million during the past year to HK\$8.9 million during the Year. There was a segment loss of HK\$4.4 million versus a loss of HK\$21.3 million in the previous year, mainly due to the decrease in fair value losses on investment properties recorded from HK\$24.6 million in previous year to HK\$8.9 million in current year. As at 31 December 2021, the Group held 3 commercial properties in Hong Kong for leasing to independent third party tenants for rental income with a total fair value at 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 around HK\$125.9 million at the end of the Year (2020: HK\$27.9 million). During the Year, the Group acquired certain listed equity investments with growth potential on the market and through acquisition of a company holding certain listed equity investments at a discount of approximately 17% aiming at creating long-term capital gain to the Group. In view of the deteriorating bond market conditions, the Group disposed of all of its bond investments during the Year. The Group recorded a small realized loss on selling part of the investments and therefore recorded a small negative segment revenue of HK\$2.1 million (2020: positive revenue of HK\$22.3 million). The segment loss was HK\$63.5 million during the Year (2020: HK\$34.8 million) mainly due to share of loss of an associate (which principally engaged in holding listed equity investments) of HK\$55.2 million (2020: profit of HK\$46.6 million).

OUTLOOK AND STRATEGY

With the worsening pandemic situation in Hong Kong in the first quarter of 2022, enterprises in various sectors in Hong Kong have faced business interruptions and financial difficulties. The operating environment of the Group would therefore remain under pressure. Although there are difficulties from time to time, the Board would not underestimate the long-term growth prospect of the financial services industry in Hong Kong.

After expanding the scope of the Group's Type 6 licence to cover conducting initial public offering sponsorship and obtaining Type 8 (securities margin financing) licence in 2021, the Group will keep on steadily developing its integrated financial services platform by continuing its application for a licence to carry on Type 7 (providing automated trading services) regulated activity. The Group's application for the aforesaid Type 7 licence has lasted for more than one year. The lengthy process is due to the complex nature of the trading platform being reviewed by the Securities and Futures Commission meticulously.

Apart from financial services operations, credit and lending services will remain as one of the Group's core businesses. The Board expects the financial performance of this business segment to improve in the coming year with less expected credit loss or even reversal of part of the provision for expected credit loss previously made. The Group will be responsive in adjusting its lending interest rates to remain as competitive in the local money lending market.

The recent downward pressure on property prices and rentals in Hong Kong is anticipated to dampen the performance of the Group's property investment and leasing business in the coming year. To minimize the adverse impact, the Group plans to relocate its securities brokerage arm to a smaller office near the Group's headquarter in North Point so as to release the currently 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 additional rental income.

The plunge of Hang Seng Index to a six-year low below 19,000 points in mid-March this year has reflected various unfavourable factors (such as resurgence of pandemic and the looming rise in interest rates) dragging down the stock market. It is also noted that the Hong Kong Government is rolling out some stimulus measures to boost the local economy. The Group will monitor the stock market sentiment constantly and intends to keep its tactical and strategic investments on a long-term basis.

FINANCIAL REVIEW

Revenue

The revenue of the Group was approximately HK\$195.3 million for the Year, representing an increase of HK\$18.5 million or 10.5% from the last corresponding year. Taking account of other income and gains directly attributable to various segments, the total segment revenue of the Group was approximately HK\$196.4 million for the Year, representing an increase of HK\$2.9 million from the last corresponding year. The increase in revenue and segment revenue was a result of the Group's stable performance of its core businesses.

Net Asset Value

As at 31 December 2021, the consolidated net asset value of the Group was HK\$1,936.1 million (2020: HK\$1,843.7 million). The consolidated net asset value per share of the Group was HK\$2.05 (2020: HK\$1.96). The Group's total assets and total liabilities were HK\$2,245.7 million (2020: HK\$2,309.1 million) and HK\$309.6 million (2020: HK\$465.4 million) respectively.

Capital Structure

On 14 May 2021, the Company issued 3,000,000 awarded shares to an employee under the Company's share award scheme.

The Group's capital expenditure and investments were mainly funded from cash on hand, internally-generated funds and bank borrowings. 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, was HK\$434.4 million as at 31 December 2021 (2020: HK\$430.2 million). The cash and cash equivalents and the financial assets at FVPL in aggregate were HK\$560.3 million as at 31 December 2021 (2020: HK\$458.1 million). The liquidity of the Group was very strong with a current ratio of 5.1 as at 31 December 2021 (2020: 3.3).

The Group had bank borrowing in the sum of HK\$265.4 million as at 31 December 2021 (2020: HK\$275.7 million). The Group did not have any available short-term revolving banking facilities as at 31 December 2021 (2020: 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 2021, the gearing ratio of the Group, as measured by dividing the net debt to Shareholders' equity, was inapplicable as the net debt was negative when cash and cash equivalents could entirely cover the total debt (2020: 1%). 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 2021 (2020: Nil).

Charges on Group Assets

As at 31 December 2021, the Group pledged its investment properties and an own-used property with carrying value of approximately HK\$294.3 million and HK\$162.8 million (2020: HK\$303.2 million and HK\$167.0 million) respectively as security for general banking facilities granted to the Group.

Significant Investments

As at 31 December 2021, the Group held a diversified portfolio of financial assets at FVPL (comprising equity investments in 7 listed companies in Hong Kong) with a total carrying value of HK\$125.9 million (2020: HK\$27.9 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 2021 and therefore was not considered as a significant investment held by the Group.

The Group holds 40% equity interest in Green River Associates Limited (“**Green River Marshall**”) incorporated in Marshall Islands as a long-term investment. As at 31 December 2021, the carrying amount of investment in 40% equity interest in Green River Marshall amounted to HK\$126.1 million (2020: HK\$181.4 million), which represented approximately 5.6% to the Group's total assets. During the reporting period, the Group's share of loss of Green River Marshall was HK\$55.2 million (2020: share of profit of HK\$46.6 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 2021, the Company complied with all code provisions of Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange, except for deviation from the then code provision providing for the nomination committee to be chaired by the chairman of the board or an independent non-executive director. During the Period, the nomination committee of the Company was chaired by Mr. Kwong Kai Sing, Benny (a non-executive director of the Company by that time) from 1 January 2021 to 17 February 2021 and subsequently chaired by Ms. Cheung Ka Yee (an executive director of the Company) from 17 February 2021 to 31 December 2021. The Board considered that the good business network of Mr. Kwong and Ms. Cheung and their in-depth knowledge of the Group’s operations would make them suitable to respectively chair the nomination committee of the Company by that time. From 1 January 2022, the nomination committee of the Company has been chaired by Mr. Chan Sze Hung (an independent non-executive director of the Company).

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 Directors and relevant employees. Following specific enquiry by the Company, each Director confirmed that throughout the accounting 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 are set out in 2021 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 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 46 work forces (inclusive of all the directors of the Company) working for the Group as at 31 December 2021. 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 2021 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 2021 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 2021.

PUBLICATION OF 2021 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 2021 annual report will be dispatched to 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
Man Wai Chuen
Executive Director

Hong Kong, 23 March 2022

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

Executive Directors:

Dr. Leung Wing Cheung, William
(Executive Chairman)
Mr. Lam Hiu Lo
Ms. Cheung Ka Yee
Mr. Man Wai Chuen

Independent Non-Executive Directors:

Mr. Chan Sze Hung
Mr. Zhang Shuang
Mr. Chung Kwok Pan
Ms. Liu Yan