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## **Newtree Group Holdings Limited**

## **友川集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1323)**

### **(I) DISCLOSEABLE TRANSACTION IN RESPECT OF THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SINO-SINGAPORE (OFFSHORE) CHEMICAL RESOURCES TRADING COMPANY LIMITED; AND (II) CHANGE OF USE OF PROCEEDS**

**Financial Advisor to the Company**



**INCUB Corporate Finance Limited**

Reference is made to the Announcement.

#### **THE AGREEMENT**

On 15 November 2011 (after trading hours), Greenstar (as purchaser) entered into the Agreement with the Vendor, of which Greenstar agreed to acquire and the Vendor agreed to sell the Sale Share for a total consideration of HK\$25,000,000.

The Consideration shall be settled by Greenstar in the following manner: (i) a deposit of HK\$5,000,000, which has already been paid by Greenstar to the Escrow Agent upon signing of the MOU; (ii) the balance of HK\$20,000,000 shall be payable in cash at Completion. In addition to the Consideration, the Group has undertaken to settle the Capital Commitment of US\$2,750,000 (equivalent to approximately HK\$21,450,000). The Consideration and the Capital Commitment will be funded by the proceeds from the Global Offering.

As the applicable percentage ratios in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## CHANGE OF USE OF PROCEEDS

The Board has decided to re-allocate approximately HK\$47 million of the net proceeds from the Global Offering originally designated for the Expansion Plan to the Acquisition and the Capital Commitment. Save for such changes, there is no other change of the use of proceeds from Global Offering and the future plan of the Group as disclosed in the Prospectus and the Allotment Announcement.

Reference is made to the announcement of the Company (the “Announcement”) dated 31 October 2011 in respect of the entering into the MOU for possible Acquisition.

### I. THE AGREEMENT

Date: 15 November 2011 (after trading hours)

Parties:

Purchaser: Greenstar, a wholly-owned subsidiary of the Company

Vendor: Mr. Woo Man Wai, David

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Vendor is interested in 100,000 Shares, representing approximately 0.015% of the issued share capital of the Company, other than that, he is an Independent Third Party.

#### *Assets to be acquired*

Pursuant to the Agreement, Greenstar has agreed to acquire and the Vendor has agreed to sell the Sale Share, representing the entire issued share capital of the Target as at the date of this announcement.

#### *Consideration*

The total consideration for the Sale Share is HK\$25,000,000 and shall be settled by Greenstar in the following manner:

- (i) a deposit of HK\$5,000,000, which has already been paid by Greenstar to the Escrow Agent upon signing of the MOU; and
- (iii) the balance of HK\$20,000,000 shall be payable in cash at Completion.

In addition to the Consideration, the Target Group has a capital commitment of US\$2,750,000 (equivalent to approximately HK\$21,450,000) (the “**Capital Commitment**”) to pay the Supplier Deposit pursuant to the Supplier Agreement (as supplemented by the Supplemental Supplier Agreement). The Group has undertaken to settle the Capital Commitment pursuant to the Agreement. The Consideration and the Capital Commitment will be funded by the proceeds from the Global Offering.

The Consideration for the Acquisition is arrived at after arm’s length negotiations between the Vendor and Greenstar based on: (i) the price to earnings ratio of approximately 9.26 times on the Guaranteed Profit as provided by the Vendor which is

at the lower range other price to earning ratio reference of other market comparables, which include the listed companies in Hong Kong and in the PRC which engaging in M.T.B.E. production or M.T.B.E. trading in China, ranging from 8.38 times to 23.96 times; (ii) the Guaranteed Profit; (iii) the draft valuation report prepared by Greater China Appraisal Limited, an independent valuer; (iv) the future business opportunities under the Supplier Agreement and the Customer Agreement entered into by the Subsidiary; (v) the demand of M.T.B.E. from China; and (vi) the additional income sources from the Target Group contributing directly to the financial results of the Group after Completion.

The Capital Commitment is for the commencement of the trading business and will be refunded to the Group in the event the Supplier Deposit is returned to the Subsidiary.

In view of the above, the Directors (including the independent non-executive Directors) consider the Consideration and the Capital Commitment to be fair and reasonable and that the Agreement is on normal commercial terms and its terms are fair and reasonable and the entering into of the Agreement is in the interests of the Group and the Shareholders as a whole.

#### *Conditions precedent*

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

- (a) Greenstar being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of Target Group;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Group in respect of this Agreement and the transactions contemplated hereby having been obtained and remain in full force and effect;
- (c) the obtaining of a PRC legal opinion (in form and substance satisfactory to Greenstar) from a PRC legal adviser appointed by Greenstar in relation to the Ancillary Documents;
- (d) the obtaining of the Valuation report from a firm of independent professional valuers appointed by Greenstar showing the Valuation to be not less than HK\$25,000,000;
- (e) the Vendor's warranties remaining true and accurate in all respects; and
- (f) Greenstar's warranties remaining true and accurate in all respects.

Conditions (a), (c), (d) and (e) above are waivable by Greenstar under the Agreement. Greenstar has no current intention to waive such conditions. Condition (f) above is waivable by the Vendor under the Agreement. Condition (b) is incapable of being waived by both parties.

#### *Long stop date*

If any of the conditions has not been satisfied (or, as the case may be, waived by the Vendor or Greenstar) on or before 4:00 p.m. on 30 December 2011 (the "**Long Stop Date**") or such later date as the Vendor and Greenstar may agree, the Agreement shall cease and determine. The Vendor and Greenstar shall forthwith jointly instruct the

Escrow Agent in writing to refund the Deposit (with interest accrued thereon up to the date of the notice) to Greenstar and thereafter, neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

### *Completion*

Completion shall take place at 4:00 p.m. within three Business Days after all the conditions of the Agreement have been fulfilled or waived or such later date as may be agreed between the Vendor and Greenstar.

In the event after all the conditions as stated above are fulfilled or waived (to the extent they are capable of being waived) but Completion does not take place as stipulated, the Vendor and Greenstar shall forthwith jointly instruct the Escrow Agent in writing to refund the Deposit (with interest accrued thereon up to the date of the notice) to Greenstar, and thereafter neither party shall have any obligations and liabilities towards each other save for any antecedent breaches of the terms thereof.

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company and the Subsidiary will become an indirect non wholly-owned subsidiary of the Company, in which the Group will be interested in 90% equity interests. The accounts of the Target Group will be consolidated into the consolidated financial statements of the Group.

### **Guaranteed Profit**

The Vendor has irrevocably guaranteed to Greenstar that the actual audited net profit (“**Actual Profit**”) after tax and before any extraordinary items or exceptional items (as defined in the HKGAAP, where applicable) and before all non-cash items (as defined in the HKGAAP) of the Subsidiary for the period from 1 January 2012 to December 2012 shall in aggregate be not less than HK\$2,700,000 (the “**Guaranteed Profit**”).

The Guaranteed Profit was based on the expected profit to be generated from the secured Supplier Agreement and Customer Agreement, taken into account (i) the expected quantity of M.T.B.E. to be purchased and delivered under the Supplier Agreement and the Customer Agreement; (ii) the expected margin of M.T.B.E. sold as indicated therein and the current price level of M.T.B.E.; and (iii) the estimation of cost involved in running the business.

In the event the Actual Profit is less than the Guaranteed Profit, the Vendor shall pay to Greenstar the shortfall on a dollar to dollar basis in an amount calculated as follows:

$$A = (\text{Guaranteed Profit} - \text{Actual Profit})$$

Where A is the amount (the “**Guaranteed Profit Shortfall Amount**”) the Vendor shall pay to Greenstar in case there is a shortfall in the Actual Profit.

The Vendor shall pay to Greenstar in cash the Guaranteed Profit Shortfall Amount within seven days after the delivery of the guarantee certificate regarding the Actual Profit provided that the total amount payable by the Vendor shall not exceed HK\$2,700,000. If the Subsidiary records an actual audited net loss after tax and before any extraordinary or exceptional items and before all non-cash items as stated in the said guarantee certificate regarding the Actual Profit, the Actual Profit shall be deemed zero.

Further announcement will be made by the Company regarding the status of the Guaranteed Profit.

### **Information on the Target Group**

The Target is a company incorporated in the British Virgin Islands on 23 May 2011. It is an investment holding company.

According to the unaudited management accounts of the Target Group, which were prepared in accordance with the HKGAAP, the unaudited consolidated net asset value of the Target Group as at 30 September 2011 was approximately HK\$79,000; and the unaudited consolidated net loss before and after income tax of the Target Group for the period from 23 May 2011 (date of incorporation) to 30 September 2011 was approximately HK\$20,000.

The Subsidiary is a company incorporated in Hong Kong on 28 April 2011 with limited liability. As at the date of the Agreement, the issued share capital of which is owned as to 90% by the Target and 10% by the Vendor. The Subsidiary is currently an investment holding company, which will soon commence the business of M.T.B.E. trading. In relation to such M.T.B.E. business, the Subsidiary has entered into the following agreements:

#### **1. Exclusivity Agreement (as supplemented by the Supplemental Exclusivity Agreement)**

*Date:*

1 July 2011

*Parties:*

The Subsidiary as the grantee; and  
The Customer as the grantor

*Subject matter:*

The Customer has agreed to grant to the Subsidiary an exclusive procurement right in respect of supply of M.T.B.E. from the Subsidiary for a term of one year commencing from 1 July 2011 to 30 June 2012.

*Renewal and termination:*

Except for special circumstances or exceptional cases, the Exclusivity Agreement will be renewed automatically upon its expiration and the parties' responsibilities, terms and conditions of the renewal term of the Exclusivity Agreement will remain unchanged.

After the parties mutually agree or the parties performed an annual review, the terms and conditions of the Exclusivity Agreement can be adjusted accordingly.

The Exclusivity Agreement is supplemented by the Supplemental Exclusivity Agreement which set out the governing law of the Exclusivity Agreement is to be the laws of the PRC.

## **2. Supplier Agreement (as supplemented by the Supplemental Supplier Agreement)**

*Date:*

1 July 2011

*Parties:*

The Subsidiary as the purchaser; and  
The Supplier as the seller

*Subject matter:*

The Supplier has agreed to sell and the Subsidiary has agreed to source from the Supplier 2,000 tonnes of M.T.B.E. from Singapore, or other countries in ASEAN or other countries agreed by the parties, every five weeks and at least 20,000 tonnes of M.T.B.E. per year for a term of one year commencing from 1 July 2011 to 30 June 2012. After the parties mutually agree or the parties performed an annual review, the purchase amount can be adjusted accordingly.

The Subsidiary shall pay in advance the Supplier Deposit to the Supplier before the first purchase transaction for the M.T.B.E. is made, and such Supplier Deposit shall be refunded within three working days upon the Subsidiary's request in writing to the Supplier or in the event the Supplier Agreement is terminated.

*Renewal and termination:*

Except for special circumstances or exceptional cases, the Supplier Agreement will be renewed automatically upon its expiration and the parties' responsibilities, terms and conditions of the renewal term of the Supplier Agreement will remain unchanged.

In the event of either party's failure to comply with any of the terms and conditions of the Supplier Agreement or to perform or observe the obligations imposed on it, either party shall be entitled to terminate the Supplier Agreement. If any party intends to terminate the Supplier Agreement, both parties have to negotiate first and then duly signed by authorized representatives of both parties on written instrument.

## **3. Customer Agreement (as supplemented by the Supplemental Customer Agreement)**

*Date:*

1 July 2011

*Parties:*

The Subsidiary as the seller; and  
The Customer as the purchaser

*Subject matter:*

The Customer has agreed to buy and the Subsidiary has agreed to sell 2,000 tonnes of M.T.B.E. from Singapore, or other countries in ASEAN or other countries agreed by the parties, every five weeks, and at least 20,000 tonnes of M.T.B.E. per year for a

term of one year commencing from 1 July 2011 to 30 June 2012. After the parties mutually agree or the parties performed an annual review, the purchase amount can be adjusted accordingly.

*Renewal and termination:*

Except for special circumstances or exceptional cases, the Customer Agreement will be renewed automatically upon its expiration and the parties' responsibilities, terms and conditions of the renewal term of the Customer Agreement will remain unchanged.

**4. Customer Guarantee**

*Date:*

1 November 2011

*Party:*

The Customer as the guarantor in favour of the Subsidiary

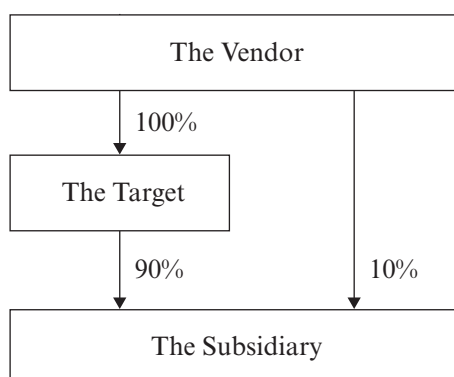
*Subject matter:*

The Customers has given a guarantee in favour of the Subsidiary that in any event that the Supplier Deposit was not refunded by the Supplier pursuant to the Supplier Agreement (as supplemented by the Supplemental Supplier Agreement), the Customer shall be responsible to pay the Subsidiary an amount equivalent to the Supplier Deposit within three working days upon written request by the Subsidiary.

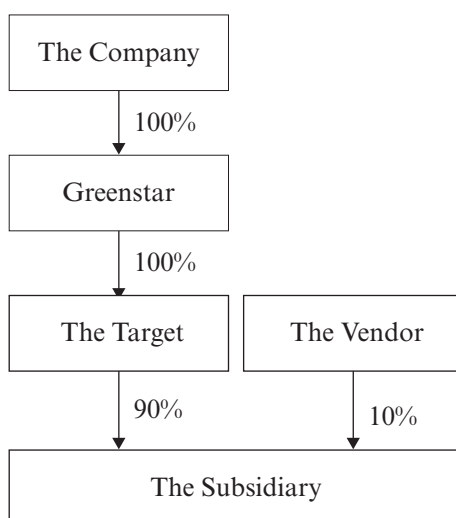
**Structure of the Target Group**

The following charts show the group structure of the Target Group immediately before and immediately after the Completion:

*Structure of the Target Group immediately before the Completion*



## *Structure of the Target Group immediately after Completion*



### **Reasons for the Acquisition**

The Group is principally engaged in the manufacture and trading of hygienic disposables for household and clinical uses, products consist mainly of clinical waste bags, general waste bags, disposable film bags and aprons.

Subsequent to the Global Offering, the Company has been actively looking for different suitable investment to broaden the income source of the Group, such as the entering into a non-legally binding memorandum of understanding for a possible acquisition in a company in the United Kingdom which is principally engaged in wholesale and retail of wide range of household consumables to broaden the Group's distribution channels and implement its marketing and promotional strategies in Europe.

In addition, the Board considers it is appropriate to look for some profitable business opportunities which will reduce the Group's reliance on the weakening Europe and United States market. For the latest financial year ended 31 March 2011, more than 90% of the revenue of the Group is generated from the sales of household application and clinical application in the United Kingdom, United States and Norway. Recently, the downturn in the economic condition of the Europe and the United States unavoidably affect the business result of the Group. Therefore, with a view for a more diversified business in terms of products we offered and our target market in order to maximize the return of the Group, the Company views the Acquisition as a good opportunity.

Even it is expected that there will be slower economy growth in the global economy, China still enjoys a comparatively higher pace of growth generated from its internal demand. The raising of income of the people in the PRC continues to drive the demand and number of automobile. It is expected that the growth in the number of automobiles will support the demand and use of fuel additive M.T.B.E. in gasoline. The Directors are optimistic on the future prospects of the business of the Target Group and consider the Acquisition represents a good investment opportunity of the Group.

The Directors consider that the Acquisition (i) provides the Group with a stable income source from the secured legally binding Supplier Agreement and Customer Agreement to make direct contribution to the Company in the future; (ii) represents an opportunity to gain access to and benefit from new business in M.T.B.E. trading; and (iii) benefits from the business potential in the PRC thereby reduces the overall reliance of business in the



Europe and United State market; therefore, the Directors believe that the Acquisition would further enhance the future growth of the Group in order to maximise returns to Shareholders.

Taking into account the benefits of the Acquisition, the Board is of the view that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

### **Listing Rules Implications**

As the applicable percentage ratios in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **II. CHANGE OF USE OF PROCEEDS**

As set out in the section headed “Offer Price and Use of Net Proceeds from the Global Offering” of the Allotment Announcement that, among others, the Company intends to apply HK\$142.8 million of the net proceeds from the Global Offering (representing 60% of the net proceeds) for the construction of new production premises in the PRC and the purchase of manufacturing equipment for the new production facility for the manufacture of clinical disposables for the PRC market (the “**Expansion Plan**”). As at the date of this announcement, none of the proceeds from the Global Offering has been applied for such intended use.

As stated in the Prospectus and the Allotment Announcement, the first phase of the construction of production facility was scheduled to be completed before 31 March 2012 and is planned to produce Category I medical devices for the sale in the PRC market or where such demand fall below the Group’s expectation, the products will also be sold to the overseas market. It is further set out under the Prospectus that if the Group encounters any difficulty or obstruction in obtaining the relevant certificates, permits, licenses or regulatory approval for the production, the Group intends to negotiate with other market players who obtained such certificates for acquisition.

As at the date of this announcement, the Group has identified certain market players and has started negotiation with them but no agreements have been reached. As there is delay in obtaining the certificates for the production and facing the downturn of economic condition in the United States and Europe, the Board is prudent in completing the Expansion Plan as scheduled. Such amount of proceeds of approximately HK\$142.8 million from the Global Offering reserved for such Expansion Plan has been deposited into the bank as short-term demand deposit. The Board has decided to re-allocate approximately HK\$47 million of such reserved proceeds to the Acquisition and the Capital Commitment. Save for such changes of use of proceeds from the Global Offering there is no other change of the use of proceeds and the future plan of the Group as disclosed in the Prospectus and the Allotment Announcement.

The Board is of the view that the re-allocation of the unutilized net proceeds from the Global Offering would meet the financial needs of the Group more efficiently for the latest development of the Group’s operations and business. The Board believes that such flexibility in financial management is in the best interests of the Company and the Shareholders as a whole.

Notwithstanding the above, the Board is optimistic to obtain the necessary certificates, permits, licenses or regulatory approval for production of Category I medical devices (through obtaining by the Group or through acquiring suitable market players as mentioned above), the Board expects that in the event the Expansion Plan proceeds further and the pre-assigned proceeds of HK\$95.8 million is not sufficient to complete the Expansion Plan, the Company would finance such deficiency through the financial resources to be generated from the existing business and the new business under the Acquisition and/or by other appropriate resources to be determined by the Board from time to time.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

|                          |  |
|--------------------------|--|
| “Acquisition”            | the acquisition of the Sale Share pursuant to the Agreement  |
| “Agreement”              | the conditional sale and purchase agreement dated 15 November 2011 entered into between Greenstar and the Vendor relating to the sale and purchase of the Sale Share   |
| “Allotment Announcement” | the allotment announcement of the Company dated 12 January 2011 relating to the Global Offering  |
| “Ancillary Documents”    | together, the Supplier Agreement, the Customer Agreement, the Supplemental Supplier Agreement, the Supplemental Customer Agreement, the Customer Guarantee, the Exclusivity Agreement and the Supplemental Exclusivity Agreement |
| “ASEAN”                  | the Association of Southeast Asian Nations   |
| “associates”             | has the meaning ascribed to it under the Listing Rules   |
| “Board”                  | board of the Directors from time to time   |
| “Business Day”           | a day other than a Saturday, a Sunday or public holiday on which licensed banks in Hong Kong are open for normal business throughout their normal business hours   |
| “Company”                | Newtree Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 1323)   |
| “Completion”             | completion of the Acquisition in accordance with the terms and conditions of the Agreement   |
| “connected person(s)”    | has the meaning ascribed to it under the Listing Rules   |
| “Consideration”          | the total consideration of HK\$25,000,000 to be paid by the Group to the Vendor pursuant to the Agreement  |
| “Customer”               | a state-owned enterprise of the PRC  |

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|--------------------------------|---|
| “Customer Agreement”           | a legally binding master framework purchase agreement dated 1 July 2011 entered into between the Subsidiary and the Customer for the sale of M.T.B.E.   |
| “Customer Guarantee”           | a guarantee dated 1 November 2011 given by the Customer in favour of the Subsidiary   |
| “Deposit”                      | the sum of HK\$5,000,000 paid by the Group to the Escrow Agent under the MOU, being refundable deposit and part payment of the Consideration  |
| “Director(s)”                  | director(s) of the Company from time to time  |
| “Escrow Agent”                 | the solicitors of Greenstar   |
| “Exclusivity Agreement”        | an exclusivity agreement entered into between the Subsidiary with the Customer regarding an exclusive procurement right between the Customer and the Subsidiary   |
| “Expansion Plan”               | the construction of new production premises in the PRC and the purchase of manufacturing equipment for the new production facility for the manufacture of clinical disposables for the PRC market as set out under the Prospectus   |
| “Global Offering”              | the initial global offering of the Shares in December 2010 which has completed in January 2011  |
| “Greenstar”                    | Greenstar Enviro-Tech Investments Company Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company, and the purchaser to the Agreement  |
| “Group”                        | the Company and its subsidiaries from time to time  |
| “HKGAAP”                       | accounting principles, standards, and practices generally accepted in Hong Kong, including but not limited to Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, as amended from time to time                              |
| “Hong Kong”                    | Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party(ies)” | any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Macau”                        | the Macau Special Administrative Region of the PRC  |

|                                      |   |
|--------------------------------------|---|
| “MOU”                                | the non-legally binding memorandum of understanding dated 31 October 2011 entered into between the Company and the Vendor setting out the preliminary understanding in relation to the possible Acquisition |
| “M.T.B.E.”                           | methyl tertiary butyl ether, a chemical compound used for gasoline blending   |
| “Prospectus”                         | prospectus of the Company dated 31 December 2010 relating to the Global Offering  |
| “PRC/China”                          | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan  |
| “Sale Share”                         | 1 share of US\$1.00, being the entire issued share capital of the Target as at the date of the Agreement which are legally and beneficially owned by the Vendor   |
| “Share(s)”                           | ordinary share(s) of HK\$0.01 each in the share capital of the Company  |
| “Shareholder(s)”                     | holder(s) of the Share(s) from time to time   |
| “Stock Exchange”                     | The Stock Exchange of Hong Kong Limited   |
| “Subsidiary”                         | China Petro-chemical Resources Trading Company Limited, a company incorporated in Hong Kong with limited liability, the issued share of which is owned as to 90% by the Target and 10% by the Vendor        |
| “Supplemental Customer Agreement”    | the supplemental customer agreement dated 1 November 2011 entered into between the Customer and the Subsidiary, in order to amend certain terms and conditions of the Customer Agreement                    |
| “Supplemental Supplier Agreement”    | the supplemental supplier agreement dated 1 November 2011 entered into between the Supplier and the Subsidiary, in order to amend certain terms and conditions of the Supplier Agreement                    |
| “Supplemental Exclusivity Agreement” | the supplemental exclusivity agreement dated 1 November 2011 entered into between the Customer and the Subsidiary, in order to amend certain terms and conditions of the Exclusivity Agreement              |
| “Supplier”                           | a company incorporated in Singapore   |
| “Supplier Deposit”                   | US\$2,750,000, being refundable deposit under the Supplier Agreement (as supplemented by the Supplemental Supplier Agreement)   |
| “Supplier Agreement”                 | a legally binding master framework purchase agreement entered into between the Subsidiary and the Supplier for the supply of M.T.B.E.   |

|                |   |
|----------------|---|
| “Target”       | Sino-Singapore (Offshore) Chemical Resources Trading Company Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share of which is legal and beneficially owned by the Vendor   |
| “Target Group” | the Target and the Subsidiary   |
| “Valuation”    | the value of the Business as shown in the valuation report, such valuation shall be prepared in compliance with the requirements of the Listing Rules, on a discounted cashflow methodology under income approach and such bases and assumptions as may be agreed by the Vendor the Greenstar |
| “Vendor”       | Mr. Woo Man Wai, David, a Hong Kong resident the vendor of the Acquisition  |
| “HK\$”         | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “US\$”         | United States dollar(s), the lawful currency of the United States of America  |
| “%”            | per cent.   |

By order of the Board  
**Newtree Group Holdings Limited**  
**Chum Tung Hang**  
*Chairman*

Macau, 15 November 2011

*As at the date of this announcement, the executive Directors are Mr. Chum Tung Hang, Dr., Sir Wong Wai Sing, Mr. Lee Chi Shing, Caesar, Mr. Chum Hon Sing and Ms. Lei Sao Cheng, and the independent non-executive directors are Mr. Lee Thomas Tuan-Tong, Mr. Chow Tsu-Yin and Mr. Chan Bing Chung.*