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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Newtree Group Holdings Limited (the "Company"), you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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) MAJOR TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
THE ENTIRE EQUITY INTEREST AND SHAREHOLDER'S LOAN IN  
SINO-SINGAPORE (OFFSHORE) CHEMICAL RESOURCES TRADING  
COMPANY LIMITED  
AND  
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial adviser to the Company**



**INCUCO Corporate Finance Limited**

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 10 of this circular. A notice convening the EGM to be held at 11:00 a.m. on Tuesday, 11 August 2015 at Suites 3505-08, 35/F., Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong is set out on pages 20 to 21 of this circular.

A form of proxy for the EGM is enclosed. Whether or not you are able to attend the EGM, you are advised to read the notice and complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) if you so wish.

24 July 2015

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions bear the following meanings:*

“Agreement”	the sale and purchase agreement dated 24 June 2015 and entered into between the Vendor and the Purchaser in respect of the Disposal
“Announcement”	the Company’s announcement dated 24 June 2015 in relation to the Disposal
“Board”	the board of Directors from time to time
“Business Day(s)”	a day on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours (excluding a Saturday, Sunday or public holiday)
“China Petro”	China Petro-chemical Resources Trading Company Limited, a company incorporated in Hong Kong with limited liability, the issued share of which is wholly-owned by the Target Company
“Company”	Newtree Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange
“Consideration”	the aggregate consideration for the Disposal, being HK\$16,000,000, which shall be satisfied in cash at Completion pursuant to the Agreement
“Completion”	completion of the Disposal
“Director(s)”	the director(s) of the Company from time to time
“Disposal”	disposal of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for, among others, considering, and if thought fit, approving the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries from time to time

## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons of the Company in accordance with the Listing Rules
“Latest Practicable Date”	21 July 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MTBE”	Methyl Tertiary Butyl Ether
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Nowucmee Limited, a company incorporated in the British Virgin Islands with limited liability, an Independent Third Party
“Sale Loan”	the shareholder’s loan, owing by the Target Company to the Vendor at Completion and all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, which as at 31 May 2015 amounted to approximately HK\$84.34 million
“Sale Share”	1 share in the Target Company, being the entire equity interest in the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holders of the issued Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DEFINITIONS

“Target Company”	Sino-Singapore (Offshore) Chemical Resources Trading Company Limited, which is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, the entire equity interest in which is owned by the Vendor
“Target Group”	together the Target Company and China Petro
“Vendor”	Star Fantasy International Limited, a direct wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

## LETTER FROM THE BOARD



# 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)

*Executive Directors:*

Mr. Wong Wai Sing (Chairman)  
Mr. Chum Hon Sing (Joint Vice-Chairman)  
Ms. Sung Ting Yee  
(Joint Vice-Chairman and Chief Executive Officer)  
Ms. Yu Tak Wai, Winnie  
Mr. Lee Chi Shing, Caesar  
Ms. Yick Mi Ching, Dawnibilly  
Mr. Chan Kin Lung

*Non-executive Director:*

Mr. Mok Tsan San

*Independent non-executive Directors:*

Mr. Kwok Kam Tim  
Mr. Tam Chak Chi  
Dr. Hui Chik Kwan  
Mr. Tso Ping Cheong, Brian

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Headquarter:*

Flat L, 12th Floor  
Macau Finance Centre  
Rua de Pequim  
Macau

*Principal place of business  
in Hong Kong:*

Suites 3505-08, 35/F.  
Tower 6, The Gateway  
Harbour City  
Kowloon, Hong Kong

24 July 2015

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST AND SHAREHOLDER'S LOAN IN SINO-SINGAPORE (OFFSHORE) CHEMICAL RESOURCES TRADING COMPANY LIMITED**

#### **INTRODUCTION**

Reference is made to the Announcement. On 24 June 2015 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor conditionally agreed to dispose of and the Purchaser conditionally agreed to acquire the

## LETTER FROM THE BOARD

Sale Share and the Sale Loan at a total Consideration of HK\$16,000,000 which will be settled by cash upon Completion. The Sale Share represents the entire equity interest in the Target Company.

As one or more of the relevant applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders have material interest in the Disposal and are required to abstain from voting for the resolution to be proposed at the EGM to approve the Disposal.

The purposes of this circular are to provide you with, among other things, (i) further details of the Disposal; (ii) financial information of the Group; (iii) general information of the Group; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules, in order to enable you to make an informed decision on whether to vote for or against the resolution to be proposed at the EGM.

### THE DISPOSAL

#### The Agreement

Date: 24 June 2015 (after trading hours)

Parties: (i) Star Fantasy International Limited, as the Vendor; and  
(ii) Nowucmee Limited, as the Purchaser.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The principal business activity of the Purchaser is investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

#### Assets to be disposed of

The Sale Share represents the entire equity interest in the Target Company. The Sale Loan represents the shareholder's loan owing by the Target Company to the Vendor at Completion and all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, which as at 31 May 2015 amounted to approximately HK\$84.34 million.

## LETTER FROM THE BOARD

### Consideration

The Consideration of HK\$16,000,000 shall be paid or procured to be paid by the Purchaser to the Vendor (or its nominee(s) as the Vendor may direct in writing) in cash upon Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with the reference to (i) the unaudited consolidated net liabilities of the Target Group which amounted to approximately HK\$70.24 million as at 31 March 2015; (ii) the amount of the Sale Loan as at 31 May 2015 of approximately HK\$84.34 million; and (iii) the business prospects and reasons for the Disposal as discussed in the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" below.

### Conditions precedent

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

- (a) the passing by the Shareholders at the EGM to be convened and held of an ordinary resolution to approve the Agreement and the transactions contemplated thereunder;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor, the Company and the Target Group in respect of the Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (d) the Vendor's warranties remaining true and accurate in all respects; and
- (e) the Purchaser's warranties remaining true and accurate in all respects.

The Vendor shall use its best endeavours to procure the fulfillment of conditions (a), (b) and (d). The Purchaser shall use its best endeavours to procure the fulfillment of conditions (c) and (e). Condition (e) (to the extent it is capable of being waived) above are waivable by the Vendor under the Agreement. The Vendor has no current intention to waive such condition. Condition (d) (to the extent it is capable of being waived) above is waivable by the Purchaser under the Agreement. Conditions (a), (b) and (c) are incapable of being waived by both parties.

In the event that condition (e) is not fulfilled, the Board will conduct deliberate assessment on the materiality of such impact to the Disposal as well as the overall interests of the Shareholders before waiving such condition. A waiver may be exercised at the sole discretion of the Vendor with due care only if the impact is not significant and the substance of the Disposal is not affected; and it would be in the interests of the Company and the Shareholders as a whole to continue with the Completion.



## LETTER FROM THE BOARD

Moreover, in the event that the impact is immaterial to the conditions precedent, the waiver would still allow the Group to proceed with the Completion. The Directors are of the view that the waiver could provide commercial flexibility to the Company as to whether the Company should proceed with the Completion and therefore it is in the interests of the Company and the Shareholders as a whole.

Pursuant to the Agreement, the essential conditions precedent, including the passing by the Shareholders at the EGM approving the Agreement and the transactions contemplated thereunder, are incapable of being waived. Accordingly, the waiver of conditions (d) and (e), if applicable, will not affect the substance of the Disposal.

If the conditions precedent have not been fulfilled (or waived) on or before 31 August 2015 (or such later date as the parties may agree in writing), the Vendor and the Purchaser shall not be bound to proceed with the transactions contemplated under the Agreement and the Agreement shall cease to be of any effect. Neither the Vendor nor the Purchaser shall have any obligations and liabilities towards each other, save in respect of any claims arising out of any antecedent breach of the Agreement.

### Completion

Completion shall take place within five Business Days following the satisfaction (or waiver) of the conditions precedent (or such other date as the Vendor and the Purchaser may agree in writing).

### INFORMATION ON THE TARGET GROUP

The Target Company is incorporated in the British Virgin Islands with limited liability on 23 May 2011 and is an indirect wholly-owned subsidiary of the Company.

The Target Company is an investment holding company and interested in 100% equity interests of China Petro. The Target Group is principally engaged in trading of MTBE products.

The unaudited consolidated financial information of the Target Group for the financial years ended 31 March 2013, 2014 and 2015 are set out as follows:

	For the financial year ended		
	31 March		
	2013	2014	2015
	HK\$'000	HK\$'000	HK\$'000
Net loss before tax	557	587	80,884
Net loss after tax	1,198	476	81,176

The unaudited consolidated net liabilities of the Target Group as at 31 March 2015 were approximately HK\$70.24 million.

## LETTER FROM THE BOARD

### FINANCIAL EFFECT OF THE DISPOSAL

Immediately following Completion, the Group will cease to engage in the MTBE business. The Target Company will no longer be a subsidiary of the Company and the financial information of the Target Group would no longer be consolidated into the financial statements of the Group.

The Group is expected to record a gain on disposal of approximately HK\$2.14 million, after taken into account the latest unaudited consolidated net liabilities of the Target Group of approximately HK\$70.24 million as at 31 March 2015, less the amount of the Sale Loan of approximately HK\$82.79 million as at 31 March 2015, less the estimated expenses for the Disposal of approximately HK\$0.89 million and the exchange reserve of the Target Group of approximately HK\$0.42 million as at 31 March 2015. The actual gain as a result of the Disposal to be recorded by the Group is subject to audit and will be assessed after Completion.

Based on the unaudited consolidated financial information of the Target Group as at 31 March 2015, upon Completion, the Group's total assets and total liabilities will be decreased by approximately HK\$287.21 million and HK\$289.77 million respectively. In addition, in view of the loss-making position of the Target Group, it is expected that the earnings of the Group after the Disposal would improve.

The actual financial effect from the Disposal will be computed based on the financial information of the Target Group as at Completion, and therefore would be different from the aforesaid amount.

### USE OF PROCEEDS FROM THE DISPOSAL

The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the business of (i) manufacturing and trading of the household and clinical hygienic disposables and trading of related raw materials; (ii) trading of MTBE products; (iii) wholesale and retail of household consumables; (iv) coal trading business; (v) sales and distribution of jewelries and watches under the brand "Cosi Moda"; (vi) digital technology business; and (vii) education business.

The Group acquired the MTBE trading business in December 2011. The trading business earns a certain percentage of margin based on the MTBE selling price sold to customers. In the second half of 2014, there has been remarkable decrease in the MTBE market price, of around 40% compare to that at early 2014. The drop of MTBE market price have had a negative impact on the bargaining power of the selling prices and the sales margin of the MTBE products. Even though there was a pick-up of the MTBE market price in 2015, the future price movement of the MTBE is still uncertain. Having considered that the trading business (i) is vulnerable to the price drop in the industry in the future and negatively affecting future profitability expectation; (ii) the Disposal will enable the

## LETTER FROM THE BOARD

Company to free up the resources otherwise devoted to this business and redirect it to other existing business which may have higher growth potential to maximise of the benefit of the Shareholders; and (iii) the thin profit of the business, the Board considered the Disposal to be an opportunity for the Company to realise the investment. Having considered the factors as mentioned above, the Directors are of the view that the terms of the Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Immediately following Completion, the Group will not have any interest in the Target Group as well as the MTBE trading business. The Group will still be interested in its remaining businesses, which are (i) manufacturing and trading of the household and clinical hygienic disposables and trading of related raw materials; (ii) wholesale and retail of household consumables; (iii) coal trading business; (iv) sales and distribution of jewelries and watches under the brand "Cosi Moda"; (v) digital technology business; and (vi) education business.

It is the current intention of the Group to continue to focus on strengthening the development of its remaining businesses. The Company may from time to time review its business segments for their performance and future prospect with a view to maximizing its investment return. The Company may dispose or scale down the less profitable segments to reserve resources for better performed segment. As at the Latest Practicable Date, the Company is in preliminary discussion with potential purchaser for the possible disposal of its 10% investment in China Energy Trading Company Limited, which is principally engaged in the business of coal trading. No definitive agreement has been entered into by the Group with any party regarding such possible disposal. In case the transactions contemplated under such possible disposal materialise, the Company will comply with the applicable requirements as and when necessary under the Listing Rules.

As at the Latest Practicable Date, the Group has no intention or plan and has not entered into any agreement or arrangement about any possible acquisition. However, the Group is open to any opportunity to strengthen its existing businesses which is of good potential to maximise Shareholders' value as and when it arises.

Save for the above, as at the Latest Practicable Date, the Group has no intention to and has not entered into any agreement or arrangement about any disposal, termination or scaling down of the existing businesses or assets of the Company.

### LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders have material interest in the Disposal and are required to abstain from voting for the resolution to be proposed at the EGM to approve the Disposal.

## LETTER FROM THE BOARD

The Disposal is subject to the satisfaction of the conditions precedent to the Agreement and may or may not be completed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

### EGM

Set out on pages 20 and 21 is a notice convening the EGM to be held at 11:00 a.m. on Tuesday, 11 August 2015 at Suites 3505-08, 35/F., Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong at which relevant resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) if you so wish.

### RECOMMENDATION

The Directors consider that the terms of the Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal and the transactions contemplated thereunder.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully  
By order of the Board of  
**Newtree Group Holdings Limited**  
**Mr. Wong Wai Sing**  
*Chairman and Executive Director*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 March 2013, 2014 and 2015 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.newtreegroupholdings.com>):

- annual report of the Company for the year ended 31 March 2013 published on 8 July 2013 (pages 37 to 97);
- annual report of the Company for the year ended 31 March 2014 published on 7 July 2014 (pages 43 to 113); and
- annual report of the Company for the year ended 31 March 2015 published on 9 July 2015 (pages 49 to 135).

## 2. INDEBTEDNESS STATEMENT

As of the close of business on 31 May 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

### Borrowings

The following table illustrates the Group's borrowings as at 31 May 2015:

	<i>Notes</i>	<i>HK\$'000</i>
Trust receipt loan	<i>a</i>	2,609
Convertible bonds	<i>b</i>	110,263
		<u>112,872</u>

#### *Notes:*

- a. The trust receipt loan was denominated in United State Dollar ("USD"), and secured by a pledged bank deposit amounting to HK\$7,808,000, corporate guarantee in the amount of USD3,500,000 executed by the Company, and legally notarised *livranca* (i.e. Promissory note) in the amount of USD3,500,000 executed by a subsidiary of the Company. It was repayable within 3 months and interest-bearing at London interbank Money Market Offered Rate plus 1.9% per annum.
- b. On 19 June 2014, the Company issued HK\$100,000,000 8% guaranteed convertible bonds with an aggregate principal amount of HK\$100,000,000 (the "**Convertible Bonds**"). The Convertible Bonds mature two years from the date of issue at 124% of its principal amount; or can be early redeemed by the Company or the holder after the first anniversary of the date of issue at an amount equal to all outstanding Convertible Bonds at 100% of the principal amount plus a premium of 12% per annum; or can be converted into shares of the Company on and after 19 June 2014 to 18 June 2016 at the holder's option at the initial conversion price of HK\$3.20 per Share. Interest of 8% per annum are payable

semi-annually in arrears until the bonds are converted or redeemed. Details of the Convertible Bonds are set out in the announcement of the Company dated 11 June 2014. The effective interest rate of the liability component on initial recognition and the subsequent measure of interest expense on the Convertible Bonds is calculated using effective interest rate of 23.24% per annum. The Convertible Bonds are guaranteed by Mr. Wong Wai Sing, an executive Director (the “**Guarantor**”), who unconditionally and irrevocably guarantees that if the Company does not pay any sum payable by it under the subscription agreement or the Convertible Bonds by the time and on the date specified for such payment, the Guarantor will pay that sum to or to the order of the Convertible Bonds holder. There is no early redemption or conversion occurred as of the close of business on 31 May 2015.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have, as at the close of business on 31 May 2015, any loan capital, issued and outstanding or agreed to be issued, bank overdrafts, loans, charges, debentures or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, mortgages, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

### **3. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources currently available to the Group and the net proceeds from the Disposal, the Group has sufficient working capital for its present requirements for at least twelve months from the date of publication of this circular in the absence of unforeseen circumstances.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Immediately following Completion, the Group will cease to engage in the MTBE trading business and continue to engage in the hygienic disposables business, coal trading business, household consumables business, jewelries and watches business, digital technology business and education business.

The hygienic disposable business recorded a revenue of approximately HK\$98.39 million and a segment loss of approximately HK\$29.29 million for the financial year ended 31 March 2015, which has significantly improved as compared with the segment loss of approximately HK\$76.13 million for the same period last year. Yet, with the significant improvement on the gross profit margin for the financial year ended 31 March 2015, the Group has confidence to enhance the performance and profit contribution in the coming year despite of a slow growth United States and European market.

The coal trading business recorded a revenue of approximately HK\$111.68 million and a segment profit of approximately HK\$4.71 million for the financial year ended 31 March 2015, which has increased as compared with its segment profit of approximately HK\$4.36 million for the same period last year. The coal contract for the coal business had been carried out satisfactorily during the financial year ended 31 March 2015, in view of the growing demand of coal products in PRC, the Group will continuously negotiate with the customer to have better selling prices in the coming year.

The household consumable business recorded a revenue of approximately HK\$73.36 million and a segment profit of approximately HK\$5.14 million for the financial year ended 31 March 2015, which has significantly improved compared with its segment profit of approximately HK\$0.19 million for the same period last year. The Group will continue to optimise the product mix for higher profit margin product in order to maintain its position in the competitive household consumable market in the coming year.

The jewelries and watches business, newly acquired during the financial year ended 31 March 2015, recorded a revenue of approximately HK\$8.97 million and a segment profit of approximately HK\$3.95 million for the financial year ended 31 March 2015. More effort will be spent in the coming year on the development of the Asia Pacific region market, other than the PRC market, in order to capture more market shares arising from the growing demand in the jewelries and watches products.

The digital technology business, newly acquired during the financial year ended 31 March 2015, recorded a revenue of approximately HK\$3.21 million and a segment profit of approximately HK\$1.76 million for the financial year ended 31 March 2015. This segment provides a chance to diversify the Group's business and more resources will be allocated to this rapid changing industry in order to generate a reasonable return to the Group.

The education business, newly acquired during the financial year ended 31 March 2015, recorded a revenue of approximately HK\$6.68 million and a segment profit of approximately HK\$1.57 million for the financial year ended 31 March 2015. The huge demand for the education related product and services in Hong Kong and the PRC provide a good opportunity for the Group to develop this business segment going forward.



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Directors or chief executive of the Company had or were deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or where deemed to have taken under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions:

#### *Long positions in the Shares*

Name of Directors	Capacity	Number of Shares	Approximate percentage of shareholding (%)
Mr. Wong Wai Sing ( <i>Note</i> )	Interest in controlled corporation	188,370,000	20.87
	Beneficial owner	9,550,000	1.06
Mr. Chum Hon Sing ( <i>Note</i> )	Interest in controlled corporation	188,370,000	20.87

*Note:* The 188,370,000 Shares are held by Twin Star Global Limited, a company incorporated in the BVI with limited liability, being owned as to 50% by Mr. Chum Hon Sing, the joint vice chairman of the Company and an executive Director and as to 50% by Mr. Wong Wai Sing, the chairman of the Company and an executive Director. Mr. Chum Hon Sing and Mr. Wong Wai Sing are deemed to be interested in 188,370,000 Shares held by Twin Star Global Limited.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they had taken or were deemed to have taken under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be recorded in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders and other person's interests and short position in the Shares, underlying Shares and securities of the Company**

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of any other member of the Group (if any) or had any options in respect of such capital:

*Long positions in the Shares*

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholding (%)
Twin Star Global Limited (Note)	Beneficial owner	188,370,000	20.87

*Note:* Twin Star Global Limited is ultimately beneficially owned as to 50% by Mr. Chum Hon Sing and as to 50% by Mr. Wong Wai Sing.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, beneficially interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

**3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since 31 March 2015 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors and his or her respective associates was considered to have an interest in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors and his or her associates were appointed to represent the interests of the Company and/or the Group.

**4. DIRECTORS' SERVICE CONTRACTS**

None of the Directors or the proposed Directors had entered or been proposed to enter into any service contract with the Company or any other member of the Group excluding contract expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

**5. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this circular and are or may be material:

- (a) the placing agreement dated 14 May 2014 entered into between the Company, as issuer, and Cheong Lee Securities Limited, as placing agent, in relation to the placing of up to 31,840,000 new shares of the Company at HK\$2.450 per Share on a best effort basis, which was completed on 6 June 2014;
- (b) the subscription agreement dated 11 June 2014 entered into between the Company, as issuer, Fullede Limited, as subscriber, and Mr. Wong Wai Sing, as guarantor, in relation to the issue of HK\$100,000,000 guaranteed convertible bonds due 2016 by the Company to Fullede Limited with a conversion price of HK\$3.20 per Share, which was completed on 19 June 2014;
- (c) the acquisition agreement dated 10 July 2014 entered into between Golden Star Group Holdings Limited (a direct wholly-owned subsidiary of the Company), as purchaser, Sinochoze Investments Limited and Jin Ding Investment Limited, as vendors, and Mr. Lo Man Piu and Mr. Jiang Zhiyong as, vendor's guarantors, in relation to the acquisition of approximately 10% equity interest in Goldbell Holdings Limited at a cash consideration of HK\$159 million, which was completed on 16 July 2014;

- (d) the acquisition agreement dated 16 September 2014 entered into between Star Guardian Holdings Limited (a direct wholly-owned subsidiary of the Company), as purchaser, and Mr. So Siu Kwan, Ms. Chan Sze Ching and Mr. Chan Hin Wing James, as vendors, in relation to the acquisition of the entire issued share capital of Tiger Global Group Limited at a consideration of HK\$81 million, satisfied by the issue of an aggregate of 33,360,790 consideration Shares at the issue price of HK\$2.428 per Share, which was completed on 25 September 2014;
- (e) the placing agreement dated 15 October 2014 entered into between the Company, as issuer, and Orient Securities (Hong Kong) Limited, as placing agent, in relation to the placing of up to 27,000,000 new Shares at HK\$ 2.40 per Share on a best effort basis, which was completed on 29 October 2014;
- (f) the acquisition agreement dated 16 October 2014 entered into between Virtual Garden Investments Limited (a direct wholly-owned subsidiary of the Company), as purchaser, Rosymount Limited, Bright Form Limited, Smart Great International Limited and Mr. Chan Poon Yau Adrian, as vendors, and Mr. Lau Isaac Bok-man Kaleo, Mr. Chan Kai Wing and Ms. Tsang Wai Man Elsa as, vendor's guarantors, in relation to the acquisition of the entire issued share capital and shareholder's loan of DigiSmart (Group) Limited at an initial consideration of HK\$200 million (satisfied as to HK\$15 million in cash and HK\$185 million by the issue of an aggregate of 79,467,353 consideration Shares at the issue price of HK\$2.328 per Share) and an earn-out consideration of up to HK\$80 million (to be satisfied in full by the issue of consideration Shares at the issue price of HK\$2.328 per Share), which was completed on 28 November 2014;
- (g) the memorandum of understanding dated 7 November 2014 entered into between Mr. Tsang Mo Chau, as vendor, and Starry Zone Global Limited (a direct wholly-owned subsidiary of the Company), as purchaser, in relation to the possible acquisition of 95% equity interest in Eco-Mining Innovative Tech Limited at a consideration of HK\$209 million;
- (h) the placing agreement dated 23 January 2015 entered into between the Company, as issuer, and Cheong Lee Securities Limited, as placing agent, in relation to the placing of up to 16,000,000 new Shares at HK\$2.53 per Share on a best effort basis, which was completed on 4 February 2015;
- (i) the acquisition agreement dated 4 February 2015 (as supplemented on 26 February 2015) entered into between the Company, Starry Zone Global Limited (a direct wholly-owned subsidiary of the Company), as purchaser, China Coal International Holdings Limited and Mr. Tsang Mo Chau, as vendors, and Mr. Chen Bozi, as vendor's guarantors, in relation to the acquisition of 95% equity interest in Eco-Mining Innovative Tech Limited at a consideration of HK\$209 million, which was lapsed on 31 March 2015; and
- (j) the Agreement.

**6. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**7. GENERAL**

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The headquarter of the Company is located at Flat L, 12th Floor, Macau Finance Centre, Rua de Pequim, Macau.
- (c) The principal place of business of the Company in Hong Kong is at Suites 3505-08, 35/F., Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong.
- (d) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The company secretary of the Company is Ms. Chan Sau Yee, a fellow of The Hong Kong Institute of Chartered Secretaries.
- (f) In the event of inconsistency, the English text of this circular and the accompanying forms of proxies shall prevail over their respective Chinese texts.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the head office and principal place of business of the Company in Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the years ended 31 March 2014 and 2015;
- (c) the material contracts referred to in the section headed "MATERIAL CONTRACTS" of this appendix; and
- (d) this circular.

## NOTICE OF EGM



# 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)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of Newtree Group Holdings Limited (the “Company”) will be held at 11:00 a.m. on Tuesday, 11 August 2015 at Suites 3505-08, 35/F., Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

“THAT

- (a) the conditional sale and purchase agreement dated 24 June 2015 (the “**Agreement**”) and entered into between Star Fantasy International Limited, a direct wholly-owned subsidiary of the Company, as vendor, and Nowucmee Limited as purchaser (the “**Purchaser**”), in respect of the sale and purchase of the entire equity interest and shareholder’s loan in Sino-Singapore (Offshore) Chemical Resources Trading Company Limited to the Purchaser at a consideration of HK\$16,000,000 (a copy of the Agreement has been produced to this meeting and marked “A” and initialed by the chairman of this EGM for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to, the Agreement and the transactions contemplated thereunder.”

For and on behalf of  
the board of directors of  
**Newtree Group Holdings Limited**  
**Mr. Wong Wai Sing**  
*Chairman and Executive Director*

Hong Kong, 24 July 2015

## NOTICE OF EGM

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Headquarter:*

Flat L, 12th Floor  
Macau Finance Centre  
Rua de Pequim  
Macau

*Principal place of*

*business in Hong Kong:*

Suites 3505-08, 35/F.  
Tower 6, The Gateway  
Harbour City  
Kowloon, Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in on his/her behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the proxy form together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the offices of the Company's branch registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of proxy form will not preclude a shareholder of the Company from attending in person and voting at the meeting or any adjournment thereof, should he/she so wish.
3. A proxy form in respect of the meeting is enclosed. Whether or not you intend to attend the meeting in person, all members are urged to complete and return the proxy form in accordance with the instructions printed thereon. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting if they so wish.
4. Pursuant to Rule 13.39(4) of the Listing Rules, all resolution set out in this notice will be decided by poll at the EGM.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 9:00 a.m. on the date of the EGM, the EGM will be postponed. Members may visit the website of the Company at [www.newtreegroupholdings.com](http://www.newtreegroupholdings.com) for details of the postponement and alternative meeting arrangement.
6. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English Version shall prevail.