

**NEWTREE GROUP HOLDINGS LTD:  
IT IS A PUBLIC COMPANY IN NAME ONLY**

No matter how one cuts it, this company has been, historically, the private little ‘bank’ of its Founder – and it is likely that this situation will continue for many moons to come, albeit, probably, not as brazenly as one notes in this company’s Global Offering Prospectus, dated December 31, 2010.

The company to which **TARGET** () is referring is Newtree Group Holdings Ltd () (Code: 1323, Main Board, The Stock Exchange of Hongkong Ltd).

Last Wednesday, the Company announced that the Offer Price Per Share for the 190 million Shares on Offer had been struck at \$HK1.95.

That Offer Price Per Share was 10 cents higher than the low end of the indicative price range of between \$HK1.85 and the maximum Offer Price Per Share of \$HK2.26.

This Company is in the business of manufacturing and trading in hygienic disposables for households and clinical uses.

At Page 114 of the Global Offering Prospectus, the Overview of the Company’s operations is given as follows:

*‘We are principally engaged in the manufacture and trading of hygienic disposables for household and clinical uses. Our products consist mainly of clinical waste bags, general waste bags, disposable film bags and aprons. For each of the three years ended 31 March 2010 and three months ended 30 June 2010, our turnover breakdown by sector, business model and product type is as follows:*

	‘For the year ended 31 March						For the three months ended 30 June					
	2008		2009		2010		2009		2010			
	% of		% of		% of		% of		% of			
	HK\$’000	turnover	HK\$’000	turnover	HK\$’000	turnover	HK\$’000	turnover	HK\$’000	turnover		
Household sector											(unaudited)	
Sales of manufactured products												
— Film bags	197,686	70.1	163,358	52.4	119,745	28.0	32,536	38.2	34,389	30.2		
— General waste bags	52,663	18.7	95,689	30.7	105,424	24.7	34,164	40.1	19,009	16.7		
Clinical sector												
Sales of manufactured products												
— Clinical waste bags	9,125	3.2	21,482	6.9	23,994	5.6	9,353	11.0	4,118	3.6		
— General waste bags	4,119	1.4	384	0.1	1,112	0.3	398	0.5	18,965	16.7		
— Aprons	18,487	6.6	30,694	9.9	37,785	8.8	8,688	10.2	4,849	4.3		
Trading of products												
— General waste bags	—	—	—	—	139,056	32.6	—	—	32,376	28.5		
<b>Total</b>	<b>282,080</b>	<b>100.0</b>	<b>311,607</b>	<b>100.0</b>	<b>427,116</b>	<b>100.0</b>	<b>85,139</b>	<b>100.0</b>	<b>113,706</b>	<b>100.0</b>		

*'Given that our Directors considered a better growth potential in the clinical consumables market, our Group's future strategy will focus more on our products for clinical sector, while our Group will also maintain the sales effort in our products for household sector.'*

The **Initial Public Offering (IPO)**, launched on the last day of 2010, stated that, of the 190 million Shares on Offer, 160 million Shares are New Shares and the remaining 30 million Shares are those shares, belonging to the trust of the Chum Family, which is the Founding Family of Newtree Group Holdings Ltd.

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