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31 December 2010

The Directors
Newtree Group Holdings Limited
CCB International Capital Limited

Dear Sirs,

We set out below our report on the financial information (the "**Financial Information**") regarding Newtree Group Holdings Limited (formerly known as Newtree Clinical Consumables Holdings Limited) (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") for each of the three years ended 31 March 2010 and three months ended 30 June 2010 (the "**Relevant Periods**"), for inclusion in the prospectus of the Company dated 31 December 2010 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company, which acts as an investment holding company, was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands on 9 June 2010. Pursuant to a group reorganization, as more fully explained in the section headed "History, reorganization and group structure" in the Prospectus (the "**Group Reorganization**"), the Company became the holding company of the Group on 24 December 2010.

As at the date of this report, the Company has the following subsidiaries comprising the Group:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable equity interest held by the Company		Principal activities
			Direct	*Indirect*	
			%	%	
Greenstar Enviro-Tech Investments Company Limited ("**Greenstar Enviro-Tech**")	British Virgin Islands ("**BVI**") 12 January 2010	USD10,000	100	—	Investment holding
Two-Two-Free Limited — Macao Commercial Offshore ("**Two-Two-Free**")	Macau 5 February 2004	MOP$100,000	—	100	Trading of plastic products
Ramber Industrial Limited ("**Ramber**")	Hong Kong ("**HK**") 16 June 1989	HK$2	—	100	Investment holding
Tary Limited ("**Tary**")	HK 14 March 1986	HK$1,000,000	—	100	Trading of plastic products
Nupoly Medical Supply Development Co. Limited ("**Nupoly**")	HK 25 March 2010	HK$1	—	100	Inactive
惠州市駿洋塑膠有限公司 Huizhou Junyang Plastic Co., Ltd.* ("**Huizhou Junyang**")	The People's Republic of China (the "**PRC**") 24 October 2000	USD5,000,000	—	100	Manufacturing of plastic products
北京覃寶康醫療發展科技有限公司 Beijing Chum Baokang Medical Technological Development Company Limited* ("**Beijing Chum Baokang**")	The PRC 16 September 2010	—**	—	100	Inactive

* *English translated name is for identification purpose only.*

** *The registered capital is HK$1,200,000, up to the date of this report, no registered capital has been paid up.*

No audited statutory financial statements have been prepared for the Company and Greenstar Enviro-Tech since their respective dates of incorporation as there is no statutory requirement to do so in their jurisdiction.

No audited statutory financial statements have been prepared for Nupoly and Beijing Chum Baokang as their first statutory financial statements are not yet due to be issued.

For the purpose of this report, we have, however, reviewed all the relevant transactions of these companies since their respective dates of incorporation/establishment to 30 June 2010, where this is a shorter period and carried out such procedures as we considered necessary for inclusion of the financial information relating to these companies.

All companies now comprising the Group have adopted 31 March, as the financial year end date, other than Tary, Huizhou Junyang and Beijing Chum Baokang, each of which has its statutory financial year ends on 31 December.

The audited statutory financial statements of the Company's subsidiaries incorporated/established in HK, Macau and the PRC were prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises incorporated/established in HK, Macau and the PRC and were audited by:

Name of subsidiary	**Periods covered**	**Certified Public Accountants**
Two-Two-Free	Each of the three years ended 31 March 2010	CSC & Associates, Auditors
Tary	Each of the three years ended 31 December 2009	Richard S. K. Chan & Co. Certified Public Accountants (Practising)
Huizhou Junyang	Each of the two years ended 31 December 2008	惠州市正大會計師事務所有限公司
	For the year ended 31 December 2009	惠州市尚品信源會計師事務所
Ramber	Each of the three years ended 31 March 2010	Richard S. K. Chan & Co. Certified Public Accountants (Practising)

For the purpose of this report, we have undertaken our own independent audit, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), of the financial statements of Two-Two-Free, Tary, Ramber and Huizhou Junyang for each of the three years ended 31 March 2010 and three months ended 30 June 2010, and carried out necessary audit procedures on the management accounts of the Company, Greenstar Enviro-Tech and Nupoly from the respective date of incorporation to 30 June 2010 which have been prepared under Hong Kong Financial Reporting Standards ("**HKFRSs**") (collectively referred as to the "**Underlying Financial Statements**"). We have examined the Underlying Financial Statements in accordance with the Auditing Guideline "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of the Group for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements, on the basis set out in note 1 of Section A below, after making such adjustments as we consider appropriate for the purpose of preparing our report for the inclusion in the Prospectus.

The Underlying Financial Statements are the responsibility of the directors of the respective companies who approve their issue. The directors of the Company are responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, on the basis of presentation set out in note 1 of Section A below, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Company as at 30 June 2010 and of the Group as at 31 March 2008, 2009, and 2010 and 30 June 2010 and of the combined results and combined cash flows of the Group for the Relevant Periods.

The comparative combined statements of comprehensive income, cash flows and changes in equity of the Group for the three months ended 30 June 2009 together with the notes thereon have been extracted from the Group's unaudited combined financial information for the same period (the "**30 June 2009 Financial Information**") which was prepared by the directors of the Company solely for the purpose of this report. We conducted our review in accordance with the Hong Kong Standard of Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the 30 June 2009 Financial Information consisted of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the 30 June 2009 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the 30 June 2009 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with HKFRSs.

A. FINANCIAL INFORMATION

Combined Statements of Comprehensive Income

		Year ended 31 March			Three months ended 30 June	
	Notes	**2008**	**2009**	**2010**	**2009**	**2010**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	6	282,080	311,607	427,116	85,139	113,706
Cost of sales		(219,863)	(247,268)	(334,299)	(56,889)	(89,009)
		62,217	64,339	92,817	28,250	24,697
Other income	7	4,628	1,034	7,497	6,477	2,295
Selling and distribution expenses		(14,233)	(10,827)	(11,747)	(3,002)	(2,916)
Administrative expenses		(9,463)	(10,680)	(8,619)	(1,909)	(2,844)
Listing expenses		—	—	—	—	(3,746)
Profit before taxation		43,149	43,866	79,948	29,816	17,486
Taxation	8	—	(335)	(1,004)	(374)	(540)
Profit for the year/period	9	43,149	43,531	78,944	29,442	16,946
Other comprehensive income						
Exchange difference arising on translation		3,746	1,409	135	24	155
Total comprehensive income for the year/ period, attributable to owners of the Company		46,895	44,940	79,079	29,466	17,101
Earnings per share — basic *(HK cents)*	12	8.52	8.59	15.58	5.81	3.34

Combined Statements of Financial Position

		The Group				The Company
		As at 31 March			As at 30 June	As at 30 June
	Notes	**2008**	**2009**	**2010**	**2010**	**2010**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS						
Property, plant and equipment	13	49,143	45,952	42,370	41,257	—
Prepaid lease payments	14	6,568	6,598	6,417	6,389	—
Amount due from a director	17(i)	11,000	61,000	—	—	—
		66,711	113,550	48,787	47,646	—
CURRENT ASSETS						
Inventories	15	69,434	33,607	43,773	34,965	—
Prepaid lease payments	14	192	197	198	198	—
Trade and other receivables and prepayments	16	50,287	32,942	124,754	82,163	—
Tax recoverable		288	—	—	—	—
Amounts due from directors	17(i)	10,826	56,808	155,933	—	—
Restricted bank deposit	18(i)	517	—	—	—	—
Bank balances and cash	18(ii)	7,980	17,861	9,237	32,982	—
		139,524	141,415	333,895	150,308	—
CURRENT LIABILITIES						
Trade and other payables and accruals	19	10,807	11,770	54,965	31,719	—
Amounts due to directors	17(ii)	89,472	95,964	100,325	61,202	—
Tax payable		—	335	1,339	1,879	—
		100,279	108,069	156,629	94,800	—
NET CURRENT ASSETS		39,245	33,346	177,266	55,508	—
		105,956	146,896	226,053	103,154	—
CAPITAL AND RESERVES						
Share/Paid-up capital	20	1,097	1,097	1,175	1,175	—
Reserves		104,859	145,799	224,878	101,979	—
		105,956	146,896	226,053	103,154	—

Combined Statements of Changes in Equity

	Share/ Paid-up capital *HK$'000*	Legal reserve *HK$'000* *(Note i)*	Exchange reserve *HK$'000*	Other reserve *HK$'000* *(Note ii)*	Retained profits *HK$'000*	Total *HK$'000*
At 1 April 2007	1,097	49	3,347	—	57,568	62,061
Profit for the year	—	—	—	—	43,149	43,149
Exchange differences arising on translation	—	—	3,746	—	—	3,746
Total comprehensive income for the year	—	—	3,746	—	43,149	46,895
Deemed distribution to the equity holder	—	—	—	(2,000)	—	(2,000)
Dividends recognized as distribution	—	—	—	—	(1,000)	(1,000)
At 31 March 2008	1,097	49	7,093	(2,000)	99,717	105,956
Profit for the year	—	—	—	—	43,531	43,531
Exchange differences arising on translation	—	—	1,409	—	—	1,409
Total comprehensive income for the year	—	—	1,409	—	43,531	44,940
Deemed distribution to the equity holder	—	—	—	(4,000)	—	(4,000)
At 31 March 2009	1,097	49	8,502	(6,000)	143,248	146,896
Profit for the year	—	—	—	—	78,944	78,944
Exchange differences arising on translation	—	—	135	—	—	135
Total comprehensive income for the year	—	—	135	—	78,944	79,079
Incorporation of subsidiaries	78	—	—	—	—	78
At 31 March 2010	1,175	49	8,637	(6,000)	222,192	226,053
Profit for the period	—	—	—	—	16,946	16,946
Exchange differences arising on translation	—	—	155	—	—	155
Total comprehensive income for the period	—	—	155	—	16,946	17,101
Dividend recognized as distribution	—	—	—	—	(140,000)	(140,000)
At 30 June 2010	1,175	49	8,792	(6,000)	99,138	103,154
UNAUDITED						
At 1 April 2009	1,097	49	8,502	(6,000)	143,248	146,896
Profit for the period	—	—	—	—	29,442	29,442
Exchange differences arising on translation	—	—	24	—	—	24
Total comprehensive income for the period	—	—	24	—	29,442	29,466
At 30 June 2009	1,097	49	8,526	(6,000)	172,690	176,362

Notes:

(i) In accordance with the provisions of Macao Commercial Code, Two-Two-Free is required to transfer a minimum of 25% of annual net profit to legal reserve until the legal reserve equals half of the quota capital. This reserve is not distributable to shareholders.

(ii) The other reserve represents the difference between the fair value of interest-free advance to Mr. Chum measured at amortized cost using the effective interest method and its principal amount at inception. Details are disclosed in note 17.

Combined Statement of Cash Flows

	Year ended 31 March			Three months ended 30 June	
	2008	2009	2010	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
OPERATING ACTIVITIES					
Profit before taxation	43,149	43,866	79,948	29,816	17,486
Adjustments for:					
Depreciation of property, plant and equipment	4,511	5,148	5,344	1,344	1,353
Amortization of prepaid lease payments	184	197	197	48	50
Interest income	(143)	(34)	(30)	(3)	(3)
Imputed interest income arising on the amount due from a director	—	(1,000)	(5,000)	(1,250)	—
Impairment loss recognized on other receivables	—	—	—	—	68
(Gain) loss on disposal of property, plant and equipment	(190)	6	(12)	—	—
Operating cash flows before movements in working capital	47,511	48,183	80,447	29,955	18,954
(Increase) decrease in inventories	(22,725)	35,827	(10,166)	2,572	8,808
(Increase) decrease in trade and other receivables and prepayments	(12,660)	17,345	(91,812)	(18,209)	42,523
(Decrease) increase in trade and other payables and accruals	(6,753)	963	43,195	(2,208)	(23,246)
Cash generated from operations	5,373	102,318	21,664	12,110	47,039
Income tax (paid) refund	(576)	288	—	—	—
NET CASH FROM OPERATING ACTIVITIES	4,797	102,606	21,664	12,110	47,039
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(1,443)	(235)	(1,715)	(629)	(99)
(Increase) decrease in restricted bank deposit	(517)	517	—	—	—
Advance to directors	(44,699)	(109,326)	(91,430)	(13,180)	(24,439)
Repayment of amounts due from directors	32,105	10,344	58,383	3,913	7
Interest received	143	34	30	3	3
Proceeds on disposal of property, plant and equipment	376	—	74	—	—
NET CASH USED IN INVESTING ACTIVITIES	(14,035)	(98,666)	(34,658)	(9,893)	(24,528)

	Year ended 31 March			Three months ended 30 June	
	2008	**2009**	**2010**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
FINANCING ACTIVITIES					
Advance from directors	12,594	95,386	100,325	2,212	1,282
Repayment of amounts due to directors	(6,093)	(89,472)	(95,964)	—	(40)
Dividend paid	(1,000)	—	—	—	—
NET CASH FROM FINANCING ACTIVITIES	5,501	5,914	4,361	2,212	1,242
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,737)	9,854	(8,633)	4,429	23,753
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	11,336	7,980	17,861	17,861	9,237
Effect of foreign exchange rate changes	381	27	9	4	(8)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD represented by bank balances and cash	7,980	17,861	9,237	22,294	32,982

Notes to the Financial Information

1. BASIS OF PRESENTATION OF FINANCIAL INFORMATION

Throughout the Relevant Periods (or since their respective date of incorporation/establishment to 30 June 2010, if shorter), the group entities were under the control of the four founding shareholders, namely Mr. Chum, Mrs. Chum, Mr. Desmond Chum and Ms. Shirley Chum (the "**Founding Shareholders**").

The Founding Shareholders set up a discretionary family trust on 28 June 2010 ("**The Chum's Family Trust**"). The Company was incorporated on 9 June 2010 in Cayman Islands with limited liability, owned by Mr. Chum. Greenstar Enviro-Tech was incorporated on 12 January 2010 in BVI with limited liability. Nupoly was incorporated on 25 March 2010 in HK with limited liability. Greenstar Enviro-Tech and Nupoly were owned by Mr. Chum.

On 27 July 2010, Mr. Chum transferred his 100% interest in Greenstar Enviro-Tech to Able Bright Limited ("**Able Bright**"), which the entire issued share capital is owned by The Chum's Family Trust.

On 24 September 2010, Mr. Chum and Mrs. Chum transferred their 100% interest in Two-Two-Free to Greenstar Enviro-Tech.

On 14 December 2010, Mr. Chum transferred his 100% interest in the Company to Able Bright.

On 14 December 2010, sale and purchase agreements were entered into between (a) Ramber which was held by Mr. Chum and Mrs. Chum, (b) Tary which was held by Mr. Chum and Mrs. Chum, (c) Nupoly which was held by Mr. Chum, (d) Greenstar Enviro-Tech and (e) Able Bright. Pursuant to the sale and purchase agreements, Greenstar Enviro-Tech became the holding company of Ramber, Tary and Nupoly.

On 24 December 2010, the Company entered into an agreement with Able Bright under which Able Bright transferred its 100% interest in Greenstar-Enviro-Tech to the Company. The Company became the holding company of the companies now comprising the Group since 24 December 2010, the date of the completion of Reorganization.

Accordingly, for the purpose of the preparation of the financial information of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the Relevant Periods. The Group comprising the Company and its subsidiaries resulting from the Group Reorganization is regarded as a continuing entity. The Group is under the control of the Founding Shareholders prior and after the Reorganization.

The combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flow for the Relevant Periods which include the results, changes in equity and cash flows of the companies comprising the Group have been prepared as if the current group structures had been in existence throughout the Relevant Periods, or since their respective dates of incorporation/establishment where it is a shorter period.

The combined statement of financial position as at the respective reporting dates have been prepared to present the assets and liabilities of the companies comprising the Group as if the group structure had been in existence at those dates.

The Financial Information has been presented in Hong Kong dollars ("**HKD**"), while the functional currency of the Company is United State dollars ("**USD**"). The directors selected HKD as the presentation currency because the directors consider that presenting the Financial Information in HKD is preferable when controlling and monitoring the performance and financial position of the Group.

The principal activity of the Company is investment holding. The Group's subsidiaries are engaged in manufacture and trading plastic products.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Group adopted Hong Kong Accounting Standards ("**HKASs**"), Hong Kong Financial Reporting Standards ("**HKFRSs**"), amendments and interpretations ("**HK(IFRIC) — Int**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") which are effective for the Group's financial year beginning on 1 April 2010 consistently for the Relevant Periods.

At the date of this report, the HKICPA has issued the following new or revised standards, amendments or interpretations which are not yet effective for the Relevant Periods.

HKFRSs (Amendments)	Improvement in HKFRSs 2010[1]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[6]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKFRS 1 (Amendments)	Limited Exemption from comparative HKFRS 7 Disclosures for First-time Adopter[2]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
HKFRS 7 (Amendments)	Disclosures: Transfer of Financial Assets [5]
HKFRS 9	Financial Instruments[4]
HK(IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 January 2013.
5 Effective for annual periods beginning on or after 1 July 2011.
6 Effective for annual periods beginning on or after 1 January 2012.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognized financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortized cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost. All other debt investments, and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the Financial Information.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared on the historical cost basis, as explained in the accounting policies set out below which conform with HKFRSs.

In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and by the Hong Kong Companies Ordinance.

Basis of combination

The Financial Information incorporates the financial statements of companies now comprising the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on combination.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business net of surcharges.

Sales of goods is recognized when the goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment including building held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for its own use purposes. Construction in progress is carried at cost less any recognized impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognized.

Prepaid lease payments

Payments for obtaining land use rights are accounted for as prepaid lease payments and are charged to the profit or loss on a straight-line basis over the lease terms. Land use rights which are to be amortized in the next twelve months or less are classified as current assets.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Financial Information, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (the exchange reserve).

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are charged as expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit as reported in the combined statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liabilities are recognized in the combined statements of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognized on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from directors, restricted bank deposit and bank balances) are carried at amortized cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of loan and receivables below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or

- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

An impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days to 90 days, observable changes in national or local economic conditions that correlate with default on trade receivables.

For financial assets carried at amortized cost, an impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The carrying amount of all financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognized on an effective interest basis.

Financial liabilities

The Group's financial liabilities (including trade and other payables and amount due to a director) are subsequently measured at amortized cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment losses

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, which are described in note 3, the management has made various estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are based on past experience, expectations of the future and other information that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment is less than the original estimate useful lives due to changes in commercial and technological environment, such differences will impact the depreciation charge for the remaining period.

Estimated allowances for inventories

The management estimates the net realizable value of inventories based primarily on the latest market prices and current market conditions. The Group carries out an inventory review at the end of the reporting period and makes allowances on obsolete and slow moving items to write off inventories to their net realizable values. Where the expectation on the net realizable value is lower than the carrying amount, an impairment loss may arise.

Estimated impairment of trade receivables and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, an impairment loss may arise. As at 31 March 2008, 2009 and 2010 and 30 June 2010, the carrying amounts of trade receivables are approximately HK$34,002,000, HK$16,038,000, HK$106,495,000 and HK$63,649,000, respectively, and other receivables are approximately HK$2,934,000, HK$242,000, HK$979,000 and HK$1,041,000 (net of impairment loss recognised of nil, nil, nil and HK$68,000), respectively.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

THE GROUP	As at 31 March 2008	2009	2010	As at 30 June 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Loans and receivables (including cash and cash equivalents)	69,952	162,703	285,922	111,753
Financial liabilities				
Amortized cost	99,149	107,071	152,486	92,228

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amounts due from (to) a director(s), restricted bank deposit, bank balances and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate credit risks, liquidity risks and market risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

(i) Currency risk

Certain sales transactions of the Group are denominated in foreign currencies, which exposes the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Certain monetary financial assets are denominated in foreign currencies at the end of the reporting period. The exposure in exchange rate risks mainly arises from fluctuations of USD, HKD and Macau Pataca ("**MOP**"). The Group's currency risk exposure in relation to the monetary financial assets is expected to be minimal as HKD and MOP are pegged with USD and, therefore, no sensitivity analysis of foreign currencies against the functional currency of respective group entity is disclosed.

(ii) Interest rate risk

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate arising from the Group's bank deposits.

The Group's exposure to interest rate risk on bank deposits is expected to be minimal.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the combined statements of financial position.

In order to minimise the credit risk, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Bank balances are placed in various authorized institutions and the directors of the Company consider the credit risk of such authorized institutions is low.

The Group has concentration of credit risk on top five major customers which accounted for as 96.3%, 85.8%, 98.1% and 95.5% of the Group's total trade receivables as at 31 March 2008, 2009 and 2010 and 30 June 2010, respectively. Those top five major customers are reputable household and clinical plastic products company. In order to minimise the concentration of credit risk, the management has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made for irrecoverable amount. In addition, the management aims at broadening the customer base by developing the PRC markets for degradable hygienic disposables and medical products. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity and interest risk tables

THE GROUP	**Weighted average effective interest rate**	**Less than 30 days or on demand**	**31–90 days**	**Total undiscounted cash flows**	**Carrying amount**
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2008					
Trade and other payables	—	9,677	—	9,677	9,677
Amounts due to directors	—	89,472	—	89,472	89,472
		99,149	—	99,149	99,149

	Weighted average effective interest rate	**Less than 30 days or on demand**	**31–90 days**	**Total undiscounted cash flows**	**Carrying amount**
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2009					
Trade and other payables	—	11,107	—	11,107	11,107
Amounts due to directors	—	95,964	—	95,964	95,964
		107,071	—	107,071	107,071

	Weighted average effective interest rate	**Less than 30 days or on demand**	**31–90 days**	**Total undiscounted cash flows**	**Carrying amount**
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2010					
Trade and other payables	—	33,517	18,644	52,161	52,161
Amounts due to directors	—	100,325	—	100,325	100,325
		133,842	18,644	152,486	152,486

	Weighted average effective interest rate	Less than 30 days or on demand	31–90 days	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 30 June 2010					
Trade and other payables	—	31,026	—	31,026	31,026
Amounts due to directors	—	61,202	—	61,202	61,202
		92,228	—	92,228	92,228

(c) Fair value

The fair value of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the Financial Information approximate their fair values.

(d) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Group consists amount due to a director, cash and cash equivalent and equity attributable to the owners of the Company, comprising issued share capital and retained profits.

The management of the Group reviews the capital structure regularly. As part of this review, the management considers the cost and the risks associated with each class of the capital. Based on recommendations of the management, the Group and the Company will balance its overall capital structure through the payment of dividends and raising of new capital as well as the issue of debt.

6. REVENUE AND SEGMENTAL INFORMATION

The Group has adopted HKFRS 8 "Operating Segments", which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board of directors are the chief operating decision maker as they collectively make strategic decision towards the group entity's operation.

The Group is organized into the following reportable operating segments, by category of products for the Relevant Periods:

- Household application products; and
- Clinical application products.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment result represents the profit earned by each segment without allocation of selling and distribution expenses, administrative expenses, listing expenses and other income. Segment assets represent trade and bills receivables, work-in-progress and finished goods which are attributable to each segment. This is the measure reported to the board of directors for the purpose of resource allocation and performance assessment. As the total liabilities are reviewed by the board of directors as a whole, the measure of total liabilities by each segment is therefore not presented.

An analysis of the Group's profit before taxation and assets for the Relevant Periods by operating segment is as follows:

	For the year ended 31 March 2008		
	Household application products	**Clinical application products**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	250,349	31,731	282,080
Segment result	59,520	2,697	62,217
Unallocated income:			
Bank interest income			143
Gain on disposal of property, plant and equipment			190
Other income			4,295
Unallocated expenses:			
Depreciation of property, plant and equipment			(1,960)
Amortization of prepaid lease payments			(184)
Other expenses			(21,552)
Profit before taxation			43,149
Segment assets as at 31 March 2008	42,930	9,136	52,066
Unallocated assets:			
Property, plant and equipment			49,143
Prepaid lease payments			6,760
Inventories			56,940
Other receivables and prepayments			10,715
Tax recoverable			288
Amounts due from directors			21,826
Restricted bank deposit			517
Bank balances and cash			7,980
Combined assets as at 31 March 2008			206,235

	For the year ended 31 March 2009		
	Household application products	Clinical application products	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	259,047	52,560	311,607
Segment result	63,602	737	64,339
Unallocated income:			
Bank interest income			34
Imputed interest income arising on the amount due from a director			1,000
Unallocated expenses:			
Depreciation of property, plant and equipment			(1,819)
Amortization of prepaid lease payments			(197)
Other expenses			(19,491)
Profit before taxation			43,866
Segment assets as at 31 March 2009	30,980	9,493	40,473
Unallocated assets:			
Property, plant and equipment			45,952
Prepaid lease payments			6,795
Inventories			20,168
Other receivables and prepayments			5,908
Amounts due from directors			117,808
Bank balances and cash			17,861
Combined assets as at 31 March 2009			254,965

	For the year ended 31 March 2010		
	Household application products	Clinical application products	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	225,169	201,947	427,116
Segment result	74,654	18,163	92,817
Unallocated income:			
Bank interest income			30
Gain on disposal of property, plant and equipment			12
Imputed interest income arising on the amount due from a director			5,000
Other income			2,455
Unallocated expenses:			
Depreciation of property, plant and equipment			(1,953)
Amortization of prepaid lease payments			(197)
Other expenses			(18,216)
Profit before taxation			79,948
Segment assets as at 31 March 2010	117,067	10,977	128,044
Unallocated assets:			
Property, plant and equipment			42,370
Prepaid lease payments			6,615
Inventories			36,447
Other receivables and prepayments			4,036
Amounts due from directors			155,933
Bank balances and cash			9,237
Combined assets as at 31 March 2010			382,682

	For the three months 30 June 2010		
	Household application products	**Clinical application products**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	53,398	60,308	113,706
Segment result	18,694	6,003	24,697
Unallocated income:			
Bank interest income			3
Other income			2,292
Unallocated expenses:			
Depreciation of property, plant and equipment			(495)
Amortization of prepaid lease payments			(50)
Listing expenses			(3,746)
Other expenses			(5,215)
Profit before taxation			17,486
Segment assets as at 30 June 2010	29,227	59,750	88,977
Unallocated assets:			
Property, plant and equipment			41,257
Prepaid lease payments			6,587
Inventories			24,727
Other receivables and prepayments			3,424
Bank balances and cash			32,982
Combined assets as at 30 June 2010			197,954

	For the three months 30 June 2009		
	Household application products	**Clinical application products**	**Total**
	HK$'000 (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Revenue from external customers	66,700	18,439	85,139
Segment result	25,950	2,300	28,250
Unallocated income:			
Bank interest income			3
Imputed interest income arising on the amount due from a director			1,250
Other income			5,224
Unallocated expenses:			
Depreciation of property, plant and equipment			(502)
Amortization of prepaid lease payments			(48)
Other expenses			(4,361)
Profit before taxation			29,816

At the end of the reporting period, other than the amount due from a director, substantially all of the non-current assets are located in the PRC.

(a) Information about major customers

For the year ended 31 March 2008

The revenue from the Group's largest customer which involved in household products was approximately HK$79,318,000, representing 28.1% to the total sales of the Group for the year ended 31 March 2008.

In addition to the largest customer, there are three customers involved in household products contributing about 25.4%, 13.5% and 12.5% to the total sales of the Group. The revenue of these three customers was approximately HK$71,566,000, HK$38,056,000 and HK$35,348,000, respectively.

For the year ended 31 March 2009

The revenue from the Group's largest customer which involved in household products was approximately HK$89,600,000, representing 28.8% to the total sales of the Group for the year ended 31 March 2009.

In addition to the largest customer, there are three customers involved in household products contributing about 19.0%, 11.9% and 11.1% to the total sales of the Group. The revenue of these three customers was approximately HK$59,192,000, HK$37,126,000 and HK$34,486,000, respectively.

For the year ended 31 March 2010

The revenue from the Group's largest customer which involved in clinical products was approximately HK$139,056,000, representing 32.6% to the total sales of the Group for the year ended 31 March 2010.

In addition to the largest customer, there are three customers involved in household products contributing about 19.0%, 17.4% and 13.3% to the total sales of the Group. The revenue of these three customers was approximately HK$81,228,000, HK$74,249,000 and HK$56,983,000, respectively.

For the three months ended 30 June 2010

The revenue from the Group's largest customer which involved in clinical products was approximately HK$51,299,000, representing 45.1% to the total sales of the Group for the three months ended 30 June 2010.

In addition to the largest customer, there are two customers involved in household products contributing about 24.5% and 11.2% to the total sales of the Group. The revenue of these two customers was approximately HK$27,856,000 and HK$12,696,000, respectively.

For the three months ended 30 June 2009 (unaudited)

The revenue from the Group's largest customer which involved in household products was approximately HK$24,746,000, representing 29.1% to the total sales of the Group for the three months ended 30 June 2009.

In addition to the largest customer, there are two customers involved in household products contributing about 25.3% and 16.9% to the total sales of the Group. The revenue of these two customers was approximately HK$21,569,000 and HK$14,414,000, respectively.

(b) Information about geographical areas

In determining the Group's information about geographical areas, revenue are attributed based on the location of the customers.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods.

	Revenue by geographical market				
	Year ended 31 March			Three months ended 30 June	
	2008	2009	2010	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
United Kingdom	124,013	127,771	151,424	46,123	26,345
Norway	79,317	89,600	81,228	21,969	28,304
Sweden	35,348	16,878	2,296	459	338
Germany	18,010	20,934	24,766	5,862	2,936
United States of America	10,924	9,254	141,203	904	53,544
Singapore	4,448	34,486	15,400	7,058	—
Others	10,020	12,684	10,799	2,764	2,239
	282,080	311,607	427,116	85,139	113,706

7. OTHER INCOME

	Year ended 31 March			Three months ended 30 June	
	2008	2009	2010	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Bank interest income	143	34	30	3	3
Gain on disposal of property, plant and equipment	190	—	12	—	—
Exchange gain	3,789	—	2,242	5,141	2,163
Imputed interest income arising on the amount due from a director	—	1,000	5,000	1,250	—
Others	506	—	213	83	129
	4,628	1,034	7,497	6,477	2,295

8. TAXATION

	Year ended 31 March			Three months ended 30 June	
	2008	2009	2010	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Tax charge comprises:					
Current tax					
— PRC Enterprise Income Tax ("**EIT**")	—	335	1,004	374	540

(i) Hong Kong

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 March 2009 and 2010, and three months ended 30 June 2009 and 2010.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Hong Kong subsidiaries of the Group had no assessable profit for the Relevant Periods.

(ii) PRC

Prior to 2008, the Group's subsidiary in the PRC of a production nature established in the coastal economic open zones was subject to PRC Foreign Invested Enterprise Income Tax of 27% in accordance with the relevant income tax rules and regulations in the PRC.

On 16 March 2007, the PRC promulgated the Law on Enterprise Income Tax (the "**New EIT Law**") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulation of the EIT Law. Under the New EIT Law and Implementation Regulation, the statutory EIT rate of the Group's subsidiary in the PRC has been reduced to 25% from 1 January 2008 onwards.

Notwithstanding the above, under the old enterprise income tax system in the PRC, Huizhou Junyang is entitled to exemptions from the FIEIT for two years commencing from its first profit-making year and thereafter entitled to a 50% relief from FIEIT for the next three years (the "**Manufacturing Income Tax Holidays**"). According to Guofa [2007] No. 39, the PRC enterprises which have started to enjoy the Manufacturing Income Tax Holidays before the effective date of the New EIT Law can continue to enjoy the remaining period of the Manufacturing Income Tax Holidays. For those PRC enterprises whose Manufacturing Income Tax Holidays has not yet started before the effective date of the New EIT Law, they are deemed to have started to enjoy them from 1 January 2008.

However, taking into account the tax position of Huizhou Junyang in the PRC, the first profit-making year is deemed to have started from the year ended 31 December 2007 and thus Huizhou Junyang calculated the FIEIT at 100% EIT exemption for the fiscal years ended 31 December 2007 and 2008, and at 50% EIT reduction and thus an effective rate of 12.5% for the fiscal years ended/ending 31 December 2009, 2010 and 2011.

(iii) Macau

As stated in the Decree Law No. 58/59/M, Chapter 2, Article 12, dated 18 October 1999 of Macau, Two-Two-Free is exempted from Macao Complementary Tax.

The tax charge for the Relevant Periods can be reconciled to the profit before taxation per the combined statements of comprehensive income as follows:

	Year ended 31 March			Three months ended 30 June	
	2008	**2009**	**2010**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit before taxation	43,149	43,866	79,948	29,816	17,486
Tax at domestic tax rates applicable to profits of taxable entitles in the countries concerned	5,768	9,136	19,986	6,108	4,372
Tax effect of income not taxable for tax purpose	(28)	(216)	(1,258)	(314)	(1)
Tax effect of PRC tax holidays/ exemption granted to a group entity	(11,718)	(8,641)	(21,875)	(5,405)	(3,847)
Tax effect of tax loss not recognized	5,978	56	4,196	—	16
Utilization of tax losses previously not recognized	—	—	(45)	(15)	—
Tax charge for the year/period	—	335	1,004	374	540

No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

Under the EIT Law in PRC, starting from 1 January 2008, 10% withholding income tax is imposed on dividends declared in respect of profits earned from 1 January 2008 onwards to foreign investors for the companies established in the PRC. For qualified investors incorporated in Hong Kong, a treaty rate of 5% will be applicable. Deferred taxation has not been provided for in the Financial Information in respect of temporary differences attributable to accumulated (losses) profits of Huizhou Junyang amounting to HK$(10,288,000), HK$11,695,000, HK$(4,040,000) and HK$(2,671,000) as at 31 March 2008, 2009 and 2010 and 30 June 2010, respectively, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

There was no other significant unprovided deferred taxation for the Relevant Periods on or at the end of respective reporting period.

9. PROFIT FOR THE YEAR/PERIOD

	Year ended 31 March			Three months ended 30 June	
	2008	2009	2010	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit for the year/period has been arrived at after charging (crediting):					
Auditor's remuneration	56	58	59	15	15
Directors' remuneration *(note 10)*	2,068	136	136	34	34
Other staff costs	10,243	8,860	8,474	2,272	2,137
Retirement benefit schemes contribution	411	492	357	78	125
Total staff cost	12,722	9,488	8,967	2,384	2,296
Cost of inventories	219,863	247,268	334,299	56,889	89,009
Depreciation of property, plant and equipments	4,511	5,148	5,344	1,344	1,353
Amortization of prepaid lease payments	184	197	197	48	50
(Gain) loss on disposal of property, plant and equipment	(190)	6	(12)	—	—
Impairment loss recognized on other receivables	—	—	—	—	68
Net exchange (gain) loss	(3,789)	1,110	(2,242)	(5,141)	(2,163)

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors

Details of the emoluments paid to the directors for the Relevant Periods are as follows:

	Year ended 31 March			Three months ended 30 June	
	2008	2009	2010	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Directors' fees	—	—	—	—	—
Salaries and other allowances	125	136	136	34	34
Bonus	—	—	—	—	—
Retirement benefit schemes contributions	—	—	—	—	—
Others	1,943	—	—	—	—
	2,068	136	136	34	34
Directors:					
Mr. Chum 覃通衡	—	—	—	—	—
Mrs. Chum 李秀清 *(note i)*	1,943	—	—	—	—
Mr. Desmond Chum 覃漢昇 *(note ii)*	125	136	136	34	34
	2,068	136	136	34	34

Notes:

(i) Being the spouse of Mr. Chum. The amount represented the commission paid for her introduction of new customers to the Group during the Relevant Periods.

(ii) Being the son of Mr. Chum and Mrs. Chum.

Employees

Of the five highest paid individuals of the Group for the Relevant Periods, the number of directors and employees are as follows:

	Year ended 31 March			**Three months ended 30 June**	
	2008	**2009**	**2010**	**2009**	**2010**
				(unaudited)	
Directors	2	1	1	1	1
Employees	3	4	4	4	4
	5	5	5	5	5

The aggregate remunerations of the above five highest paid individuals are set out above. The remunerations of the remaining individuals for the Relevant Periods are as follows:

	Year ended 31 March			**Three months ended 30 June**	
	2008	**2009**	**2010**	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Salaries and other allowances	731	950	784	156	176
Retirement benefit scheme contributions	18	14	2	1	1
	749	964	786	157	177

Note: The emolument of each of the above employees is below HK$1,000,000.

During the Relevant Periods, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during the Relevant Periods.

11. DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation.

The dividend recognized as distribution amounted to HK$1,000,000 during the year ended 31 March 2008 represented the dividend paid by Tary to its shareholders. The dividend recognized as distribution amounted to HK$140,000,000 during the three months ended 30 June 2010, was declared by Two-Two-Free on 30 June 2010 and was settled through the balances with its shareholders.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share for the Relevant Periods is based on the following data:

	Year ended 31 March			Three months ended 30 June	
	2008	2009	2010	2009	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit for the year/period attributable to owners of the Company for the purposes of basic earnings per share	43,149	43,531	78,944	29,442	16,946
Weighted average number of shares for the purposes of basic earnings per share	506,666,000	506,666,000	506,666,000	506,666,000	506,666,000

The calculation of the basic earnings per share is based on the profit attributable to owners of the Company for each of the reporting period in the Relevant Periods and the weighted average number of ordinary shares for the purpose of basic earnings per share assuming the capitalization issue as disclosed in Appendix VI of the Prospectus occurred on the first day of the Relevant Periods, and the assumption that the Group Reorganization had been effective on 1 April 2007.

No diluted earnings per share is presented as the Company did not have potential ordinary shares outstanding during the Relevant Periods.

13. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Buildings	Plant and machinery	Motor vehicles	Leasehold improvement	Furniture, fixtures, and equipment	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST							
At 1 April 2007	22,997	29,721	2,092	2,133	1,321	7,593	65,857
Additions	—	819	—	—	91	533	1,443
Disposals	—	—	(1,251)	—	—	—	(1,251)
Exchange realignment	1,939	2,549	160	183	97	651	5,579
At 31 March 2008	24,936	33,089	1,001	2,316	1,509	8,777	71,628
Additions	—	228	—	—	7	—	235
Disposals	—	—	—	—	(13)	—	(13)
Exchange realignment	880	1,187	28	83	45	314	2,537
Transfer	6,052	3,039	—	—	—	(9,091)	—
At 31 March 2009	31,868	37,543	1,029	2,399	1,548	—	74,387
Additions	—	421	522	—	85	687	1,715
Disposals	—	—	(160)	—	(11)	—	(171)
Exchange realignment	82	98	2	6	3	—	191
Transfer	687	—	—	—	—	(687)	—
At 31 March 2010	32,637	38,062	1,393	2,405	1,625	—	76,122
Additions	—	93	—	—	6	—	99
Exchange realignment	110	130	3	8	5	—	256
At 30 June 2010	32,747	38,285	1,396	2,413	1,636	—	76,477
DEPRECIATION							
At 1 April 2007	4,086	10,631	1,149	657	817	—	17,340
Provided for the year	1,059	2,801	213	220	218	—	4,511
Eliminated on disposals	—	—	(1,065)	—	—	—	(1,065)
Exchange realignment	402	1,055	103	68	71	—	1,699
At 31 March 2008	5,547	14,487	400	945	1,106	—	22,485
Provided for the year	1,308	3,245	189	299	107	—	5,148
Eliminated on disposals	—	—	—	—	(7)	—	(7)
Exchange realignment	201	527	11	35	35	—	809
At 31 March 2009	7,056	18,259	600	1,279	1,241	—	28,435
Provided for the year	1,434	3,400	253	180	77	—	5,344
Eliminated on disposals	—	—	(98)	—	(11)	—	(109)
Exchange realignment	21	53	1	4	3	—	82
At 31 March 2010	8,511	21,712	756	1,463	1,310	—	33,752
Provided for the period	365	859	49	60	20	—	1,353
Exchange realignment	30	75	2	5	3	—	115
At 30 June 2010	8,906	22,646	807	1,528	1,333	—	35,220
CARRYING VALUES							
At 31 March 2008	19,389	18,602	601	1,371	403	8,777	49,143
At 31 March 2009	24,812	19,284	429	1,120	307	—	45,952
At 31 March 2010	24,126	16,350	637	942	315	—	42,370
At 30 June 2010	23,841	15,639	589	885	303	—	41,257

At the end of the reporting period, the Group had not obtained the formal building ownership certificates for certain of properties included in buildings above. The carrying value was approximately HK$4,637,000, HK$10,431,000, HK$10,598,000 and HK$10,491,000 as at 31 March 2008, 2009 and 2010 and 30 June 2010, respectively. In the opinion of directors, the absence of formal title to these properties does not impair their values to the Group as the Group had obtained approvals from the relevant authorities for constructing and using such properties.

The above items of property, plant and equipment other than construction in progress are depreciated over their estimated useful lives on a straight-line basis at the following rates per annum:

Buildings	Over the term of the leases, or 20 years whichever is the shorter
Plant and machinery	10%
Motor vehicles	20%
Leasehold improvement	10% or over the term of the relevant lease, whichever is shorter
Furniture, fixtures and equipment	20%

Details of property, plant and equipment pledged are set out in Note 23.

	As at 31 March			As at 30 June
	2008	**2009**	**2010**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
The carrying value of properties shown above comprise:				
Situated on leasehold land under medium-term lease located in:				
— PRC	19,038	24,468	23,790	23,507
— Macau	351	344	336	334
	19,389	24,812	24,126	23,841

14. PREPAID LEASE PAYMENTS

	As at 31 March			As at 30 June
THE GROUP	**2008**	**2009**	**2010**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Prepaid lease payments comprise:				
Leasehold land under medium-term lease located in:				
— PRC	6,505	6,572	6,424	6,404
— Macau	255	223	191	183
	6,760	6,795	6,615	6,587
Analysed for reporting purposes as:				
Current assets	192	197	198	198
Non-current assets	6,568	6,598	6,417	6,389
	6,760	6,795	6,615	6,587

Prepaid lease payments is amortized over the term of the rights on a straight-line basis of 25 to 50 years for three years ended 31 March 2010 and three months ended 30 June 2009 and 2010.

Details of land pledged are set out in Note 23.

15. INVENTORIES

THE GROUP	As at 31 March 2008	2009	2010	As at 30 June 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At cost:				
Raw materials	56,940	20,168	36,447	24,727
Work-in-progress	2,051	997	3,555	3,322
Finished goods	10,443	12,442	3,771	6,916
	69,434	33,607	43,773	34,965

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

THE GROUP	As at 31 March 2008	2009	2010	As at 30 June 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	34,002	16,038	106,495	63,649
Bills receivables	5,570	10,996	14,223	15,090
Prepayments	7,781	5,666	3,057	2,383
Other receivables	2,934	242	979	1,041
	50,287	32,942	124,754	82,163

The Group generally allows an average credit period of 30 days to 90 days to its trade customers. The aged analysis of the Group's trade receivables (net of allowance for doubtful debts) and bills receivables at the end of the reporting period is as follows:

	As at 31 March 2008	2009	2010	As at 30 June 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade and bills receivables:				
0–30 days	18,093	22,118	27,141	40,627
31–60 days	11,730	4,916	29,274	34,467
61–90 days	9,749	—	64,303	3,645
	39,572	27,034	120,718	78,739

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on results from investigation of historical credit records of these customers. There was no trade receivable which is past due but not impaired.

All bills receivables of the Group were aged within 30 days at the end of the reporting period.

The above trade and other receivables are denominated in the functional currencies of the relevant group entities.

17. AMOUNTS DUE FROM (TO) A DIRECTOR(S)

(i) Amounts due from directors

Directors' current accounts disclosed pursuant to section 161B of the Companies Ordinance are as follow:

THE GROUP

Directors	As at 1 April 2007	As at 31 March 2008	2009	2010	As at 30 June 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Mr. Chum					
due within 1 year	11,232	7,074	50,145	155,933	—
due after 1 year	—	11,000	61,000	—	—
	11,232	18,074	111,145	155,933	—
Mrs. Chum due within 1 year	—	3,752	6,663	—	—
Total *(note a)*	11,232	21,826	117,808	155,933	—

The maximum amount outstanding during each of the three years ended 31 March 2010 and the three months ended 30 June 2010, are summarised below:

THE GROUP

Directors	Year ended 31 March 2008	2009	2010	Three months ended 30 June 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Mr. Chum	20,074	111,145	155,933	171,372
Mrs. Chum	3,752	7,602	8,445	8,993

(ii) Amounts due to directors

THE GROUP

Directors	As at 31 March 2008	2009	2010	As at 30 June 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Mr. Chum	89,433	95,927	100,285	14,195
Mrs. Chum	39	37	40	47,007
Total *(note b)*	89,472	95,964	100,325	61,202

Notes:

(a) The amounts arose from temporary fund transfers, which was non-trade in nature. The amounts due from directors are unsecured, non-interest bearing and repayable on demand. In the opinion of the directors, the amounts other than balance expected to be repayable within one year of approximately HK$10,826,000 and HK$56,808,000 as at 31 March 2008 and 2009, respectively, have been included in the current assets, will not be repayable within the next twelve months from the end of the reporting period, accordingly are classified as non-current. The non-current portion of the interest-free amount is measured at amortized cost using the effective interest method at 8.1% and 7.6% per annum for the years ended 31 March 2008 and 2009. Such amounts are classified as current at 31 March 2010 and the amounts have been fully settled on 30 June 2010.

(b) The amounts arose from temporary fund transfer, which was non-trade in nature. The directors represented that the amounts were fully settled before the listing of the Company's share on the Stock Exchange (the "**Listing**").

All above balances of the Group are denominated in the functional currencies of the relevant group entities.

18. RESTRICTED BANK DEPOSIT/BANK BALANCES AND CASH

(i) Restricted bank deposit

THE GROUP

As at 31 March 2008, a bank balance of approximately HK$517,000 was pledged to a bank to secure a bank guarantee which was given to the PRC custom authority for importing raw materials from overseas to the PRC. The restricted bank deposit carried interest rate at 0.72% per annum during the year ended 31 March 2008. The pledge was released during the year ended 31 March 2009.

Details of restricted bank deposit pledged are set out in Note 23.

Restricted bank deposit is denominated in the functional currency of the relevant group entities.

(ii) Bank balances and cash

THE GROUP

Bank balances carry interest at market rates which range from 0.01% to 2.25%, 0.01% to 0.72%, 0.01% to 0.81% and 0.01% to 0.81% for the years ended 31 March 2008, 2009 and 2010 and the three months ended 30 June 2010, respectively.

Bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	USD	**HKD**	**MOP**
	HK$'000	*HK$'000*	*HK$'000*
As at 30 June 2010	3,093	1,786	246
As at 31 March 2010	2,357	1,438	54
As at 31 March 2009	2,357	94	205
As at 31 March 2008	225	165	87

19. TRADE AND OTHER PAYABLES AND ACCRUALS

				As at
		As at 31 March		**30 June**
THE GROUP	**2008**	**2009**	**2010**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables	9,465	10,817	51,393	30,361
Accruals	587	45	44	84
Other tax payables	543	618	2,760	609
Others	212	290	768	665
	10,807	11,770	54,965	31,719

The aged analysis of the Group's trade payable as at the end of the reporting period is as follows:

				As at
		As at 31 March		**30 June**
	2008	**2009**	**2010**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0–30 days	9,465	10,817	18,644	21,503
31–60 days	—	—	17,870	8,596
61–90 days	—	—	14,879	—
Over 90 days	—	—	—	262
	9,465	10,817	51,393	30,361

The above trade and other payables of the Group are denominated in the functional currencies of the relevant group entities.

20. SHARE CAPITAL/PAID-UP CAPITAL

The Company	Number of shares	Amounts
		HK$
Ordinary shares of HK$0.01 each		
Authorized:		
On incorporation and at 30 June 2010	39,000,000	390,000
Issued and fully paid:		
Allotted and issued at nil paid on the date of incorporation and at 30 June 2010	1	0.01
		HK$'000
Shown in the Financial Information as at:		
30 June 2010		—

The Company was incorporated with an authorized share capital of HK$390,000, divided into 39,000,000 ordinary shares of HK$0.01 each. At the date of incorporation, one ordinary share of HK$0.01 was issued at nil paid to an initial subscriber which was then transferred to Mr. Chum.

The balance of share capital and paid-up capital at 31 March 2008, 2009 and 2010 and 30 June 2010, represents the aggregate of the share and paid up capital of the subsidiaries comprising the Group held by the Founding Shareholders prior to the Reorganization.

21. RETIREMENT BENEFIT PLANS

During the Relevant Periods, the Group operated a Mandatory Provident Fund Scheme ("**MPF Scheme**") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme were held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees were each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect of MPF Scheme was to make the required contributions under the scheme. No forfeited contribution was available to reduce the contribution payable in the future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiary is required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

22. RELATED PARTY DISCLOSURES

(i) Related party transactions

During the Relevant Periods, the Group entered into the following transactions and balances with related parties:

Name of related party	Nature of transactions	Year ended 31 March			Three months ended 30 June	
		2008	2009	2010	2009	2010
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Mr. Chum	Deemed interest income	—	1,000	5,000	1,250	—
Ms. Shirley Chum	Commission paid *(note i)*	594	—	—	—	—
Speedy Fortune (Hong Kong) Limited *(note ii)*	Sales of goods	—	1,198	5,007	878	1,185

Notes:

(i) Ms. Shirley Chum, being the daughter of Mr. Chum and Mrs. Chum, was a director of Huizhou Junyang. The commissions paid to her for the year ended 31 March 2008 was for her introduction of new customers to the Group during the year. The amount was calculated based on US$100 or equivalent to approximately HK$780 per container of certain orders of these new customers.

(ii) Ms. Shirley Chum was the director of Speedy Fortune (Hong Kong) Limited.

In addition, Mr. Chum had applied for and successfully obtained patents for certain technologies and designs. During the Relevant Periods, Mr. Chum granted the Group the exclusive rights to free use of certain patented technologies and designs for the respective life of those patents without charge.

The directors of the Company represented that the commission paid and the sales of goods are not expected to be continued after the Listing.

(ii) Related party balances

The detail of the related party balances during the Relevant Periods is set out in note 17.

(iii) Compensation of key management personnel

The emolument of directors who are also identified as members of key management of the Group during the Relevant Periods is set out in note 10.

23. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to a bank to secure a bank guarantee which was given to the PRC custom authority for importing raw materials from overseas to the PRC. During the year ended 31 March 2010, no guarantee was necessary for importing raw materials. The relevant banking facility was terminated and the pledge was duly released.

	As at 31 March			As at 30 June
	2008	**2009**	**2010**	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Restricted bank deposit	517	—	—	—
Buildings	13,027	12,696	—	—
Prepaid lease payments	4,053	—	—	—
Total pledged assets	17,597	12,696	—	—

24. MAJOR NON-CASH TRANSACTION

During the three months period ended 30 June 2010, the dividend distribution of HK$140,000,000 was settled through the balances with the directors.

B. DIRECTORS' REMUNERATION

Under the arrangement currently in force, the aggregate amount of remunerations of the directors of the Company payable for the year ending 31 March 2011 is estimated to be approximately HK$1,000,000.

C. EVENT AFTER THE REPORTING PERIOD

Subsequent to 30 June 2010, in preparing for the Listing, the companies now comprising the Group underwent the Group Reorganization to rationalize the group structure. As a result of the Group Reorganization, the Company became the holding company of the Group on 24 December 2010. Details of the Group Reorganization and other changes are set out in the paragraph "Corporate Reorganization" in Appendix VI to this prospectus.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of the companies comprising the Group have been prepared in respect of any period subsequent to 30 June 2010.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong