

**FURTHER INFORMATION ABOUT OUR COMPANY****1. Incorporation**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 9 June 2010. The registered office of our Company as at the date of this prospectus is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands. We have established a principal place of business in Hong Kong at Unit 3702, 37th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong and have been registered as a non-Hong Kong company under Part XI of the Companies Ordinance on 17 December 2010. Mr. Desmond Chum and Mr. Chan Shiu Yuen Sammy have been appointed as the authorized representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

On 13 July 2010, the name of our Company changed from Newtree Medical Enviro Material Holdings Ltd. to Newtree Medical Enviro Holdings Limited 友川醫療環保控股有限公司.

On 16 November 2010, the name of our Company further changed from Newtree Medical Enviro Holdings Limited 友川醫療環保控股有限公司 to Newtree Clinical Consumables Holdings Limited 友川醫療耗材控股有限公司.

On 7 December 2010, the name of our Company further changed from Newtree Clinical Consumables Holdings Limited 友川醫療耗材控股有限公司 to Newtree Group Holdings Limited 友川集團控股有限公司.

As our Company was incorporated in the Cayman Islands, it operates subject to the Companies Law and its constitutional documents, which comprise the Memorandum and the Articles of Association. A summary of certain relevant provisions of its constitution and relevant aspects of Companies Law is set out in Appendix V to this prospectus.

**2. Changes in share capital of our Company**

As at the date of incorporation of our Company, the authorized share capital of our Company was HK\$390,000 divided into 39,000,000 Shares of HK\$0.01 each.

The following changes in the share capital of our Company have taken place since the date of incorporation of our Company up to the date of this prospectus:

On 9 June 2010, one nil-paid Share was allotted and issued to Codan Trust Company (Cayman) Limited which was subsequently transferred to Mr. Chum on the same date.

On 14 December 2010, Mr. Chum transferred the one nil-paid Share to Able Bright.

On 15 December 2010, the authorized share capital of our Company was increased from HK\$390,000 divided into 39,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by creation of additional 9,961,000,000 Shares.

On 24 December 2010, our Company acquired from Able Bright the entire issued share capital of Greenstar, in consideration for (i) crediting the one nil-paid Share held by Able Bright as fully paid at par; and (ii) the allotment and issue of an additional 40,009,999 Shares, credited as fully paid, to Able Bright.

Assuming that the Global Offering becomes unconditional, the Capitalization Issue is completed and the Offer Shares are issued but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK\$6,666,660 divided into 666,666,000 Shares fully paid or credited as fully paid, with 9,333,334,000 Shares remaining unissued.

On the basis that the Over-allotment Option is exercised in full, 685,166,000 Shares will have been allotted and issued fully paid or credited as fully paid and 9,314,834,000 Shares will remain unissued.

Save as disclosed herein and as mentioned in the following paragraphs respectively headed “Written resolutions of our sole Shareholder passed on 17 December 2010” and “Corporate Reorganization”, there has been no alteration in the share capital of our Company since the date of its incorporation.

### **3. Written resolutions of our sole Shareholder passed on 17 December 2010**

On 17 December 2010, written resolutions of our sole Shareholder were passed pursuant to which, *inter alia*:

- (a) we approved and adopted the Articles of Association;
- (b) conditional on the same conditions as stated in the section headed “Structure of the Global Offering — Conditions” in this prospectus:
  - (i) the Global Offering and the Over-allotment Option were approved and our Directors were authorized to approve the allotment and issue of the Offer Shares pursuant to the Global Offering and of such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;
  - (ii) the rules of the Share Option Scheme were approved and adopted and our Board was authorized at its discretion to implement the same, grant options to subscribe for Shares thereunder up to the limit referred to in the Share Option Scheme, and to allot, issue and deal with Shares pursuant to the exercise of any options granted thereunder and do all such acts and things as our Board may consider necessary, desirable or expedient to give effect to the Share Option Scheme;

- (iii) conditional on the share premium account of our Company being credited as a result of the Global Offering, the Directors were authorized to capitalize an amount of 4,666,560 from the amount standing to the credit of the share premium account of our Company and that the said sum be applied in paying up in full at par 466,656,000 Shares, such Shares to be allotted and issued, credited as fully paid at par to our Shareholders appearing on the register of members of our Company at the close of business on the date of this prospectus (or as such holders may direct) in proportion (as nearly as possible without fractions) to their then respective shareholdings in our Company and so that such Shares to be allotted and issued shall rank *pari passu* in all respects with the then existing issued shares;
- (iv) a general unconditional mandate was given to our Directors authorizing them to exercise all the powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make an offer or agreement or grant an option which would or might require such Shares to be allotted and issued, whether during the continuance of such mandate or thereafter (otherwise than pursuant to a rights issue, any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of whole or part of a dividend on Shares in accordance with the Articles of Association or pursuant to the exercise of any subscription or conversion rights attaching to any warrants or securities which are convertible into Shares or in issue prior to the date of the passing of the relevant resolution or pursuant to the exercise of any options to be granted under the Share Option Scheme or pursuant to the Global Offering or the Capitalization Issue or pursuant to a specific authority granted by our Shareholders in general meeting, on behalf of our Company), provided that the aggregate nominal value of our Shares allotted or agreed conditionally or unconditionally to be allotted shall not exceed 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Capitalization Issue and Global Offering (but excluding any Share which may be allotted and issued pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect until whichever is the earliest of:
  - (aa) the conclusion of our next annual general meeting following the passing of the written resolutions of the sole Shareholder on 17 December 2010;
  - (bb) the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
  - (cc) the passing of an ordinary resolution by our Shareholders in a general meeting revoking, varying or renewing such mandate;

- (v) a general unconditional mandate was given to our Directors authorizing them to exercise all the powers for and on behalf of our Company to repurchase our Shares on the Stock Exchange or on any other approved stock exchange(s) on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalization Issue (but excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:
- (aa) the conclusion of our next annual general meeting;
  - (bb) the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
  - (cc) the passing of an ordinary resolution by our Shareholders in a general meeting revoking, varying or renewing such mandate; and
- (vi) subject to the passing of resolutions set out in paragraph (iv) and (v) above, the unconditional general mandate mentioned in paragraph (iv) above was extended to include the aggregate nominal value of Shares repurchased by us pursuant to the mandate to repurchase Shares referred to in paragraph (v) above provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Capitalization Issue and the Global Offering (but excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme) was approved such mandate to remain in effect until whichever is the earliest of:
- (aa) the conclusion of our next annual general meeting;
  - (bb) the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
  - (cc) the passing of an ordinary resolution by our Shareholders in a general meeting revoking, varying or renewing such mandate.

#### 4. Corporate Reorganization

In preparation for the listing of our Shares on the Stock Exchange, the companies comprising our Group underwent a Reorganization which involved the following:

- (a) On 9 June 2010, our Company was incorporated in the Cayman Islands as an exempted company with limited liability with an authorized share capital of HK\$390,000 divided into 39,000,000 Shares of HK\$0.01 each, with one Share allotted and issued nil paid to an initial subscriber which was then transferred to Mr. Chum.
- (b) On 28 June 2010, The Chum's Family Trust has been set up as an irrevocable discretionary trust with Mr. Chum as the settlor, Sarasin Trust Company as the trustee of the Chum's Family Trust and certain members of Mr. Chum's family as the beneficiaries.
- (c) On 27 July 2010, Mr. Chum transferred the 10,000 shares of Greenstar (representing its entire issued share capital) at par to Able Bright.
- (d) On 24 September 2010, Mr. Chum and Mrs. Chum completed the transfer of two quotas with nominal value of MOP\$60,000 and MOP\$40,000 of Two-Two-Free, respectively (representing in aggregate the entire issued share capital of Two-Two-Free), to Greenstar at an aggregate consideration of MOP\$100,000.
- (e) On 14 December 2010, Mr. Chum and Mrs. Chum transferred the two shares of Ramber (representing its entire shareholding interests) to Greenstar in consideration of which Greenstar allotted and issued 10,000 shares of Greenstar, credited as fully paid, to Able Bright under the direction of Mr. Chum and Mrs. Chum.
- (f) On 14 December 2010, Mr. Chum and Mrs. Chum transferred 600,000 shares and 400,000 shares of Tary, respectively (representing in aggregate the entire issued share capital of Tary), to Greenstar in consideration of which Greenstar allotted and issued an aggregate of 10,000 shares of Greenstar, credited as fully paid, to Able Bright under the direction of Mr. Chum and Mrs. Chum.
- (g) On 14 December 2010, Mr. Chum transferred the entire share capital of Nupoly (which in turn holds the entire issued share capital of Chum Baokang Medical) to Greenstar in consideration of which Greenstar allotted and issued 10,000 shares of Greenstar, credited as fully paid, to Able Bright under the direction of Mr. Chum.
- (h) On 14 December 2010, Mr. Chum transferred the one nil-paid Share to Able Bright.

- (i) On 24 December 2010, our Company acquired from Able Bright the entire issued share capital of Greenstar, in consideration for (i) crediting the one Share held by Able Bright as fully paid at par; and (ii) the allotment and issue of an additional 40,009,999 Shares, credited as fully paid, to Able Bright.

## 5. Changes in share or registered capital of subsidiaries

The present subsidiaries of our Company are referred to in the accountants' report, the text of which is set forth in Appendix I to this prospectus.

The following alterations in the share capital of each of our subsidiaries took place within the two years immediately preceding the date of this prospectus:

- (a) On 24 November 2009, Mr. Desmond Chum and Ms. Shirley Chum respectively transferred 600,000 shares and 400,000 shares of Tary to Mr. Chum and Mrs. Chum respectively.
- (b) On 12 January 2010, Greenstar was incorporated in the BVI as a limited liability company with an issued share capital of US\$10,000 divided into 10,000 shares of US\$1.00 each and the entire issued share capital was owned by Mr. Chum upon incorporation.
- (c) On 25 March 2010, Nupoly was incorporated in Hong Kong as a limited liability company with one issued share of HK\$1.00.
- (d) On 16 September 2010, Chum Baokang Medical was established in the PRC with a registered capital of HK\$1,200,000, of which no capital has been paid up as of the Latest Practicable Date.

Save as disclosed in this prospectus and except as referred to in the paragraph headed "Corporate Reorganization" above, there has been no alteration in the share capital of any subsidiary of our Company within the two years immediately preceding the date of this prospectus.

## 6. Further information about our PRC establishments

We have interest in the registered capital of two enterprises in the PRC. A summary of the corporate information of these enterprises as at the Latest Practicable Date are set out as follows:

- |                                 |                                                             |
|---------------------------------|-------------------------------------------------------------|
| (a) (i) Name of the enterprise: | 惠州市駿洋塑膠有限公司 (Huizhou Junyang Plastics Co, Ltd*)             |
| (ii) Date of incorporation:     | 24 October 2000                                             |
| (iii) Economic nature:          | Limited liability company (wholly foreign owned enterprise) |
| (iv) Registered owners:         | Ramber and Tary                                             |

- (v) Total investment capital: US\$5,000,000
- (vi) Registered capital: US\$5,000,000
- (vii) Attributable interest to us: 100%
- (viii) Term of operation: 24 October 2000 to 23 October 2030
- (ix) Scope of business: Manufacture of plastic bags, environmentally friendly meal boxes, plastic additives, plastics production equipment and machineries, manufacture of medical plastic products (excluding those which require certificates and licenses) and packaging plastic products. Products are permitted to be sold in the PRC and overseas.
- (b) (i) Name of the enterprise: 北京羣寶康醫療科技發展有限公司\* (Beijing Chum Baokang Medical Technological Development Company Limited\*)
- (ii) Date of incorporation: 16 September 2010
- (iii) Economic nature: Limited liability company (wholly foreign owned enterprise)
- (iv) Registered owner: Nupoly
- (v) Total investment capital: HK\$1,200,000
- (vi) Registered capital: HK\$1,200,000
- (vii) Attributable interest to us: 100%
- (viii) Term of operation: 16 September 2010 to 15 September 2030
- (ix) Scope of business: Development of medical technology; providing technical services and consulting; business consulting



## 7. Repurchase by our Company of our Shares

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

### *(a) Shareholders' approval*

All proposed repurchases of shares on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

Pursuant to a written resolution passed by our sole Shareholder on 17 December 2010, a general unconditional mandate (“**repurchase mandate**”) was granted to our Directors authorizing them to exercise all the powers for and on behalf of our Company to repurchase our Shares on the Stock Exchange, or on any other approved stock exchange(s) on which our securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with an aggregate nominal value not exceeding 10% of the aggregate nominal value of our share capital in issue immediately following the completion of the Capitalization Issue and the Global Offering (excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme), such mandate to expire (i) at the conclusion of our next annual general meeting, or (ii) the expiration of the period within which our next annual general meeting is required by the Articles of Association or any applicable law to be held, or (iii) when revoked, varied or renewed by an ordinary resolution of our Shareholders in a general meeting, whichever is the earliest.

Under the Listing Rules, the shares which are proposed to be repurchased by a company must be fully paid up.

### *(b) Reasons for repurchases*

Our Directors believe that it is in the best interests of our Company and our Shareholders as a whole to have a general authority from our Shareholders to enable us to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and/or our earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders as a whole.

### *(c) Funding of repurchases*

In repurchasing Shares, we may only apply funds legally available for such purpose in accordance with our Memorandum and the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. We shall not repurchase



our own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the repurchase mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or our gearing position.

*(d) Directors' undertaking*

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, our Memorandum and the Articles of Association.

*(e) Disclosure of interests*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates has any present intention, if the repurchase mandate is exercised, to sell any Shares to our Company or our subsidiaries.

No connected person of our Company has notified us that he or she has a present intention to sell Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

*(f) Takeovers Code consequences*

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provision may apply as a result of any such increase. Our Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase under the repurchase mandate.

*(g) Share capital*

Exercise in full of the repurchase mandate, on the basis of 666,666,000 Shares in issue immediately after completion of the Capitalization Issue and the Global Offering, but taking no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and options which may be granted under the

Share Option Scheme, could accordingly result in up to 66,666,600 Shares being repurchased by us during the course of the period prior to the date on which such repurchase mandate expires or terminates as mentioned in the section headed “Further Information about our Company — Written resolutions of our sole Shareholder passed on 17 December 2010” in this appendix.

## FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

### 8. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years immediately preceding the date of this prospectus and are or may be material:



- (a) a sale and purchase agreement dated 24 December 2010 entered into between our Company, Able Bright and Greenstar for the sale and purchase of 40,000 shares of Greenstar the consideration of which was settled by (i) the allotment and issue of 40,009,999 Shares to Able Bright and (ii) the one nil-paid Share owned by Able Bright being credited as fully paid;
- (b) a deed of indemnity dated 24 December 2010 entered into by Mr. Chum, Able Bright, Golden Realm and Sarasin Trust Company (as trustee of The Chum’s Family Trust) with and in favour of our Company (for ourselves and as trustee for each of our present subsidiaries), pursuant to which Mr. Chum, Able Bright, Golden Realm and Sarasin Trust Company (as trustee of The Chum’s Family Trust) have agreed to indemnify our Company against, among others, certain estate duty and tax liabilities;
- (c) a Deed of Non-Competition dated 17 December 2010 entered into by Mr. Chum, Able Bright, Golden Realm and Sarasin Trust Company (as trustee of The Chum’s Family Trust) with and in favour of our Company (for ourselves and as trustee for each of our subsidiaries), details of which are set out in the section headed “Relationship with Controlling Shareholders — Non-competition Undertaking” in this prospectus;
- (d) a sale and purchase agreement dated 14 December 2010 entered into between Mr. Chum and Mrs. Chum as vendors, Greenstar as purchaser and Able Bright in respect of the sale and purchase of the shares of Tary, the consideration of which was settled by the allotment and issue of an aggregate of 10,000 shares of Greenstar, credited as fully paid, to Able Bright under the direction of Mr. Chum and Mrs. Chum;
- (e) a sale and purchase agreement dated 14 December 2010 entered into between Mr. Chum and Mrs. Chum as vendors, Greenstar as purchaser and Able Bright in respect of the sale and purchase of the shares of Ramber, the consideration of which was settled by the allotment and issue of an aggregate of 10,000 shares of Greenstar, credited as fully paid, to Able Bright under the direction of Mr. Chum and Mrs. Chum;

- (f) a sale and purchase agreement dated 14 December 2010 entered into between Mr. Chum as vendor, Greenstar as purchaser and Able Bright in respect of the sale and purchase of the share of Nupoly, the consideration of which was settled by the allotment and issue of an aggregate of 10,000 shares of Greenstar, credited as fully paid, to Able Bright under the direction of Mr. Chum;
- (g) a sale and purchase agreement dated 23 July 2010 entered into between Mr. Chum and Mrs. Chum as vendors and Greenstar as purchaser in respect of the sale and purchase of the interests in Two-Two-Free at an aggregate consideration of MOP\$100,000;
- (h) a licence agreement dated 19 April 2010 executed by Mr. Chum as licensor and Huizhou Junyang as licensee in respect of the grant of certain patents in the PRC (“**Huizhou Licence Agreement**”) at nil consideration;
- (i) the US Patents Assignment;
- (j) a termination agreement entered into between Mr. Chum and Huizhou Junyang dated 2 November 2010 terminating the Huizhou Licence Agreement;
- (k) a deed of patent assignment dated 3 November 2010 executed by Mr. Chum as the assignor and Greenstar as the assignee in respect of the assignment of the PRC Patents (“**Greenstar PRC Patents Assignment**”) at nil consideration;
- (l) the EU Patents Assignment;
- (m) the PRC Patents Licence Agreements;
- (n) the PRC Patents Assignment;
- (o) a termination agreement entered into between Mr. Chum and Greenstar dated 13 December 2010 terminating the Greenstar PRC Patents Assignment; and
- (p) the Hong Kong Underwriting Agreement.

## 9. Our intellectual property rights

### (a) Trademark

As of the Latest Practicable Date, our Group had applied for the registration of the following trademarks, the registration of which has not yet been granted.

Trademark	Applicant	Place of Application	Class	Application Date	Application Number
	Newtree Group Holdings Limited	Hong Kong	10, 16, 21, 25, 40, 42	30 September 2010	301726803
	Newtree Group Holdings Limited	Hong Kong	10, 16, 21, 25, 40, 42	6 December 2010	301781479

*(b) Patent*

On 13 December 2010, Mr. Chum executed the PRC Patents Assignment to assign the following PRC Patents to our Group. Pursuant to the PRC Laws and regulations, the PRC Patents Assignment shall be registered with the competent administration authority. The PRC Patents Assignment will come into force upon the date of such registration.

Patent	Patent Number	Place of registration	Application Date	Expiry Date
Plastic bag with zip lock and the manufacture process (一種塑料薄膜鎖口袋及其製造方法)	ZL02134619.4	PRC	23 August 2002	22 August 2022 <sup>(1)</sup>
Plastic film refuse bag with elastic mouth (鬆緊收口式塑料膜垃圾袋)	ZL 200310111940.X	PRC	24 October 2003	23 October 2023 <sup>(1)</sup>
Manufacturing method for self open storage film bag with easy dispenser (易取、自開口薄膜袋的製造方法)	ZL01114789.X	PRC	12 June 2001	11 June 2021 <sup>(1)</sup>
Extruding container of plastic injection molding machines (注塑機混煉擠壓筒機構)	ZL200510033185.7	PRC	3 February 2005	2 February 2025 <sup>(1)</sup>
Separation wheel for roll film (卷膜等分分頁輪)	ZL200410052422.X	PRC	22 November 2004	21 November 2024 <sup>(1)</sup>
Mixing head device for extruding container of plastic injection molding machines (注塑機擠壓筒之混煉頭裝置)	ZL200510032815.9	PRC	13 January 2005	12 January 2025 <sup>(1)</sup>
Automatic continuous band sealer of plastic bags (塑質膜袋連續封口製袋機)	ZL200410052008.9	PRC	29 October 2004	28 October 2024 <sup>(1)</sup>
Easy-to-tie film refuse bag (一種簡便綁口式塑料膜垃圾袋)	ZL200920135647.X	PRC	13 March 2009	12 March 2019 <sup>(1)</sup>
Easy drawstring film refuse bag (一種簡便拉繩式塑料膜垃圾袋)	ZL200920135648.4	PRC	13 March 2009	12 March 2019 <sup>(1)</sup>
Manufacturing method for plastic film handbags 手抽式塑料薄膜提袋的製造方法	ZL02134978.9	PRC	15 October 2002	14 October 2022
Manufacturing method for easy-to-wear disposable film gloves 方便插入式一次性塑料膜手套的製造方法	ZL03114295.8	PRC	21 April 2003	20 April 2023

Patent	Patent Number	Place of registration	Application Date	Expiry Date
Self-open film bag with visible opening on one side and easy dispenser 袋口單側邊外露之易取自開口薄膜袋產品	ZL200410027130.0	PRC	11 May 2004	10 May 2024
Plastic bag with zip 塑質膜袋連續封口製袋機	ZL200420094555.9	PRC	29 October 2004	28 October 2014
Hot-melt processing device of thermal cutting film molding machine with pushing equipment 帶推料機構的熱割薄膜成型產品熱熔加工裝置	ZL200610063359.9	PRC	27 October 2006	26 October 2026

As at the Latest Practicable Date, we are the registered owner of the following patents:

Method of manufacture for easy-open film bag	US6716296	USA	6 April 2004	4 November 2021 <sup>(2)</sup>
Convenience package for thin film products	US7175025	USA	13 February 2007	8 January 2025 <sup>(2)</sup>
Easy-open film bag, dispensing arrangement and method of manufacture for same	1270429	UK	10 August 2001	9 August 2021 <sup>(2)</sup>
Easy-open film bag, dispensing arrangement and method of manufacture for same	60132183.9	Germany	10 August 2001	9 August 2021

*Note 1:* As advised by the PRC Legal Advisers, these patents will not be allowed to be renewed after their respective expiry dates.

*Note 2:* These patents will not be allowed to be renewed after their respective expiry dates.

*(c) Domain name*

On 27 December 2010, our Group obtained a right to use the following domain name:

Domain name	Registration Date	Expiration Date
www.newtreegroupholdings.com	19 December 2010	19 December 2011

The information contained on the above website does not form part of this prospectus.

Other than the relevant registration of the intellectual property rights information already disclosed in this section, our Company confirms that to the best of its knowledge, no other intellectual property registration is required.

## FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

## 10. Disclosure of interests

(a) *Interests and short positions of our Directors and chief executive in the shares, underlying shares and debentures of our Company or its associated corporation*

Immediately following completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account Shares to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), our Directors and chief executive will have the following interests and/or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to us and the Stock Exchange once our Shares are listed:

Name	Number of Shares held after the Global Offering	Nature of interest	Approximate percentage of shareholding after the Global Offering
Mr. Chum ( <i>Note</i> )	476,666,000	Founder of a discretionary trust	71.5%

*Note:* Mr. Chum is the settlor of The Chum's Family Trust, which through its trustee, Sarasin Trust Company, is deemed to be interested in 476,666,000 Shares under the SFO.

(b) *Interests and short positions of the substantial shareholders in the Shares and underlying Shares*

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company which, once our Shares are listed, would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, 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 our Company.

*(c) Particulars of Directors' service agreements and letters of appointment*

Each of our executive Directors has entered into a service agreement with us for an initial fixed period of three years commencing on 17 December 2010 unless terminated earlier.

Pursuant to the service agreements, the director's fee of each of our executive Directors is as follows:

<b>Executive Directors</b>	<b>Remuneration (per annum)</b>
Mr. Chum	HK\$1,200,000
Mr. Desmond Chum	HK\$1,200,000
Mrs. Chum	HK\$1,200,000

Each of our independent non-executive Directors has been appointed for an initial fixed term of three years commencing on 17 December 2010. The annual remuneration payable to each of our independent non-executive Directors is as follows:

<b>Independent non-executive Directors</b>	<b>Remuneration (per annum)</b>
Mr. Lee Thomas Tuan-Tong	HK\$120,000
Mr. Chow Tsu-Yin	HK\$120,000
Mr. Chan Bing Chung	HK\$120,000

*(d) Directors' remuneration*

The aggregate amount of remuneration (including any salaries, fees, other benefits and allowances and pension scheme contributions) paid by us to the Directors during the three years ended 31 March 2008, 2009 and 2010 and the three months ended 30 June 2010, were approximately HK\$2,068,000, HK\$136,000, HK\$136,000 and HK\$34,000, respectively.

It is estimated that approximately HK\$1,000,000 in aggregate will be payable to our Directors as remuneration and benefits in kind pursuant to the present arrangements for the year ending 31 March 2011.

Save as disclosed in this prospectus, no Director has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company.



*(e) Disclaimers*

Save as disclosed in this prospectus:

- (i) so far as our Directors are aware, none of our Directors or chief executive has any interest and/or short position in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to us and the Stock Exchange once our Shares are listed;
- (ii) none of our Directors and the experts referred to under the heading “Consents of experts” in this appendix has any direct or indirect interest in the promotion of our Company or any of our subsidiaries, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;
- (iii) none of our Directors and the experts referred to under the heading “Consents of experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business taken as a whole;
- (iv) none of our Directors has any existing or proposed service contracts with our Company or any of our subsidiaries, excluding contracts which are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation);
- (v) none of the experts referred to under the heading “Consents of experts” in this appendix has any shareholding in our Company or any of our subsidiaries or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries; and
- (vi) none of our Directors, their respective associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company’s five largest customers and five largest suppliers save as contemplated under the Underwriting Agreements.

### 11. Agency fees or commission received

The Underwriters will receive a commission as mentioned in the paragraph headed “Commission and expenses” under the section headed “Underwriting” in this prospectus.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

### 12. Related party transactions

Saved as disclosed in the accountants’ report set out in Appendix I to this prospectus and other parts of this prospectus, we have not engaged in any dealings with our Directors and their associates within the two years immediately preceding the date of this prospectus.

### 13. Share Option Scheme

#### *Summary of terms*

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by a written resolution passed by our sole Shareholder on 17 December 2010:

#### *(a) Purpose*

The purpose of the Share Option Scheme is to enable us to grant options to selected participants as incentives or rewards for their contribution to our Company.

#### *(b) Who may join*

Our Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares at a price calculated in accordance with subparagraph (f) below:

- (i) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of or to our Company, any of our subsidiaries or any entity (“**Invested Entity**”) in which our Company holds an equity interest;
- (ii) any non-executive Directors (including independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;
- (iii) any supplier of goods or services to our Company or any of our subsidiaries or any Invested Entity;
- (iv) any customer of our Company or any Invested Entity;

- (v) any person or entity that provides research, development or other technological support to our Company or any Invested Entity; and
- (vi) any Shareholders or any shareholder of any of our subsidiaries or any Invested Entity or any holder of any securities issued by our Company or any of our subsidiaries or any Invested Entity,

and for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by us for the subscription of Shares or other securities of our Company to any person who falls within any of the above classes of participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by our Directors from time to time on the basis of the participants' contribution to the development and growth of our Company.

In order for a person to satisfy our Directors that he is qualified to be (or where applicable, continues to qualify to be) a participant, such person shall provide all such information as our Directors may request for the purpose of assessing his eligibility (or continuing eligibility).

(c) *Maximum number of Shares*

- (i) The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not in aggregate exceed 30% of our issued share capital from time to time. No options may be granted under any schemes of our Company (or the subsidiary of our Company) if such grant will result in the maximum number being exceeded.
- (ii) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme to be granted under the Share Option Scheme and any other share option schemes of our Company) must not in aggregate exceed 66,666,600 Shares, being 10% of the total number of Shares in issue at the time dealings in our Shares first commence on the Stock Exchange (excluding the Shares which may be issued pursuant to the exercise of the Over-allotment Option) ("**General Mandate Limit**").
- (iii) Subject to (i) above and without prejudice to (iv) below, we may seek approval of our Shareholders in general meeting to refresh the General Mandate Limit. However, the total number of Shares which may be issued upon exercise of all outstanding options to be granted under the Share Option Scheme and any other share option schemes of our Company under the limit as "refreshed" must not exceed 10% of the Shares in issue as of the

date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled or lapsed in accordance with the Share Option Scheme and other share option schemes of our Company or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. We will send a circular to our Shareholders in compliance with Note (1) to Rule 17.03(3) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules.

- (iv) Subject to (i) above and without prejudice to (iii) above, we may seek separate approval of our Shareholders in general meeting for granting options beyond the General Mandate Limit provided the options in excess of the limit are granted only to participants specifically identified by us before such approval is sought. We will issue a circular to our Shareholders in compliance with Note (1) to Rule 17.03(3) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules.

*(d) Maximum entitlement of each participant and connected persons*

- (i) Unless approved by our Shareholders, the total number of Shares issued and to be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the Shares in issue (“**Individual Limit**”).
- (ii) Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders in compliance with the Note to Rule 17.03(4) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules and the approval of our Shareholders in general meeting with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders’ approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note (1) to Rule 17.03(9) of the Listing Rules.
- (iii) In addition to the shareholders’ approval set out in Note (1) to Rule 17.03(3) and Note to Rule 17.03(4) of the Listing Rules, each grant of options to a Director, chief executive or substantial Shareholder or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).

(iv) Where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Share Option Scheme or any other share option schemes of our Company to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate more than 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by our Shareholders. We must send a circular to our Shareholders. All of our connected persons must abstain from voting in favour at such general meeting. Any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such option must be taken on a poll.

*(e) Minimum period of holding an option and performance target*

Our Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

*(f) Subscription price for Shares*

The subscription price of a Share in respect of any option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the nominal value of our Shares, (ii) the average closing price of our Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the option and (iii) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day). A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

*(g) Rights are personal to grantee*

An option granted under the Share Option Scheme shall not be transferable or assignable and is personal to the grantee.

*(h) Time of exercise of option*

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day upon which the offer for the grant of the option is accepted but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

*(i) Rights on ceasing employment or death*

If the grantee of an option, who is an employee of our Company or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Company or Invested Entity for any reason other than death, ill-health or retirement in accordance with his contract of employment or certain other grounds, the option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless our Directors otherwise determine, in which case the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation or termination, which date shall be the last actual working day with our Company or the relevant Invested Entity whether salary is paid in lieu of notice or not. Failing such exercise, the option will lapse.

If the grantee of an option, who is an employee of our Company or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Company or Invested Entity by reason of death, ill-health or retirement in accordance with his contract of employment, before exercise of option in full, the grantee or, if appropriate his lawful personal representative(s) may exercise the option in whole or in part (to the extent not already exercised) within a period of twelve months following the date of cessation of employment (or such longer period as our Directors may determine), failing which it will lapse.

*(j) Rights on dismissal*

If the grantee of an option leaves the service of our Company or Invested Entity by the reason of serious misconduct or on certain other grounds on which an employer would be entitled to lawfully terminate his employment, his option (to the extent not already exercised) will thereupon lapse forthwith and will not in any event be exercisable on or after the date of cessation of employment.

*(k) Rights on a general offer, a compromise or arrangement*

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, we shall use all reasonable endeavours to procure that such offer is extended to all the grantees (or his personal representative(s)) on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional or such scheme or



arrangement is formally proposed to our Shareholders, a grantee (or his personal representative(s)) shall, notwithstanding any other terms on which his options were granted, be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to us in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be.

*(l) Rights on winding-up*

In the event of an effective resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee of an option (or his personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to us elect to exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice within two business days prior to the proposed general meeting of our Company considering such winding up, such notice to be accompanied by the subscription price for the Shares in respect of which the notice is given, whereupon the grantee will be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his options, to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date of commencement of the winding-up of our Company.

*(m) Ranking of Shares*

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Memorandum and the Articles of Association for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date of exercise of the option and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of exercise of the option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with reference to a record date falling before the date of exercise of the option. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee of such option has been duly entered on our register of members or the holder thereof.

*(n) Period of the Share Option Scheme*

Unless terminated by us by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

*(o) Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by a resolution of our Board except that any material alteration to its terms and conditions, any change to the terms of options granted (except for changes which automatically take effect under



the existing terms of the Share Option Scheme) and the matters contained in the relevant provisions of the Hong Kong Listing Rules shall not be altered to the advantage of the grantees or prospective grantees without the prior sanction of any resolution of our Company in general meeting. The amended terms of the Share Option Scheme or the options must still comply with the applicable requirements under the Listing Rules. Any change to the authority of our Directors or scheme administrators (if applicable) in relation to any alteration to the terms of the Share Option Scheme must be approved by our Shareholders in general meeting.

*(p) Effect of alterations to capital*

In the event of any alteration in our capital structure whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a Capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of our share capital or otherwise howsoever, we shall instruct our auditors for the time being or an independent financial adviser to our Company to certify in writing that such adjustments satisfy the requirement that they give a participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled. Adjustment will be made to the number of Shares being the subject matter of the Share Option Scheme or the option so far as unexercised and/or the subscription price and/or the maximum number of Shares referred to in the sub-paragraph headed “Maximum number of Shares” above provided that (i) any such adjustment shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) no such adjustment shall be made the effect of which would be to increase the proportion of the issued share capital of our Company for which any grantee would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment; (iv) the issue of Shares or securities of our Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and (v) for the avoidance of doubt, any adjustments shall be made in compliance with the Listing Rules and the “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rules 23.03(13) and the note immediately after the rule” set out in the letter from the Stock Exchange to all listed issuers dated 5 September 2005 or other relevant guidance as the Stock Exchange may from time to time issue. In addition, in respect of any such adjustments, other than any made on a Capitalization issue, such auditors or independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

*(q) Cancellation of options*

Our Directors may effect the cancellation of any options granted but not exercised on such terms as may be agreed with the relevant grantee, as our Directors may in their absolute discretion see fit and in a manner that complies with all applicable legal requirements for cancellation. Where we cancel any options granted and offer to grant

or grant new options to the same grantee, the offer or grant of such new options may only be made under the Share Option Scheme if there are available unissued options (excluding the cancelled options) within each of the limits as referred of in the subparagraph headed “Maximum number of Shares” above.

*(r) Conditions of the Share Option Scheme*

The Share Option Scheme is conditional on (i) the Listing Committee granting approval of the listing of, and permission to deal in, the Shares on the Main Board, which Shares may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme; (ii) upon the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions by the Sole Global Coordinator) and such obligation not being terminated in accordance with the terms of the Underwriting Agreements; and (iii) the commencement of dealings in the Shares on the Stock Exchange.

*(s) Termination of the Share Option Scheme*

We may by resolution in general meeting terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme. Details of the options granted, including options exercised or outstanding, under the Share Option Scheme and (if applicable) options that become void or non-exercisable as a result of the termination must be disclosed in the circular to our Shareholders seeking approval of the first new scheme (if any) to be established after such termination.

*(t) Status of the Hong Kong Listing Rules*

The Share Option Scheme shall comply with the Listing Rules as amended from time to time. In the event that there are differences between the terms of the Share Option Scheme and the Listing Rules, the Listing Rules shall prevail.

*(u) Present status of the Share Option Scheme*

As at the Latest Practicable Date, no option has been granted or agreed to be granted under the Share Option Scheme. Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme, as described above.

**OTHER INFORMATION****14. Indemnities***Estate duty and tax indemnity*

Mr. Chum, Able Bright, Golden Realm and Sarasin Trust Company (as trustee of The Chum's Family Trust) (the "Covenantors") have entered into a deed of indemnity with and in favour of our Company (for ourselves and as trustees for each of our present subsidiaries) whereby the Covenantors have given indemnities in connection with, among other things, any liability for estate duty under any law or legislation of any jurisdiction which might be incurred by any member of our Company on or before the Listing Date, and other taxation liabilities (including all fines, penalties, costs, charges, expenses, interest or any additional sums in connection with taxation) which may be made against any member of our Company in respect of any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the Listing Date, save:

- (a) to the extent that specific provision or reserve has been made for such taxation in the audited combined financial statements of our Company for the Track Record Period;
- (b) to the extent that the liability for such taxation would not have arisen but for some voluntary act or omission of, or transaction voluntarily effected by, any present member of our Company after the Listing Date which we ought reasonably to have known would give rise to such taxation liability other than any act: (i) pursuant to a legally binding obligation of ours entered into or incurred on or before the Listing Date; (ii) pursuant to an obligation imposed by any law, regulation or requirement having the force of law; (iii) which has taken place with the written approval of the Covenantors or pursuant to the Global Offering or any document executed pursuant to the Global Offering; (iv) which has occurred in the ordinary course of business of the relevant present member of the Group; or (v) pursuant to any statement of intention made in this prospectus; or
- (c) to the extent that such taxation arises or is increased as a result only of an increase in rates of taxation made after the Listing Date with retrospective effect; or the passing of any legislation or change in practice of any tax authority after the Listing Date with retrospective effect.

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Company in the Cayman Islands, the PRC and Macau.

## 15. Litigation

As at the Latest Practicable Date, save as disclosed in this prospectus, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial condition.

An ex-employee of Tary made a claim for employees compensation (“**EC Claim**”) as a result of an accident happened when the plaintiff was driving a goft cart within the area of the production facilities upon the instructions of her supervisors on 23 September 2004. The EC Claim was settled in or about November 2005 in the sum of approximately HK\$1.7 million. On 13 September 2007, such employee has made a further common law claim against Tary and Huizhou Junyang in a legal proceeding (HCPI 805/2007). Her pleaded claim is approximately HK\$23 million or alternatively approximately HK\$27 million. The common law claim against Huizhou Junyang was discontinued by such employee pursuant to an order dated 7 April 2009. As at the Latest Practicable Date, the common law claim against Tary has been settled (except the legal costs claimed by plaintiff which is in the amount of approximately HK\$1.9 million and is subject to negotiation of the parties (but in any event it will be covered by the insurer of Tary)). Pursuant to an employee compensation insurance policy taken out by Tary, the insurer has provided full indemnity to Tary in respect of the common law claim inclusive of any damages, interest and costs payable in relation thereto. Upon review, the Directors consider that as the insurer of Tary has confirmed that it has provided full indemnity to Tary in respect of this claim in accordance with the terms and conditions of the employees’ compensation insurance policy taken out by Tary, no provision should be made in this report. Accordingly, the Directors consider that there will not be any material impact, both legally and financially, on the Group’s results and operations.

## 16. Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus, including any Shares falling to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

The Sole Sponsor has declared pursuant to Rule 3A.08 of the Listing Rules that it is independent pursuant to Rule 3A.07 of the Listing Rules.

## 17. Registration procedures

Our principal register of members will be maintained in the Cayman Islands by Butterfield Fulcrum Group (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited.

**18. Preliminary expenses**

Our estimated preliminary expenses are approximately HK\$20,684,000 and are payable by us.

**19. Promoter**

There are no promoters of our Company.

**20. Qualifications of experts**

The following are the qualifications of the experts which have given their opinion or advice which are contained in, or referred to in, this prospectus:

<b>Expert</b>	<b>Qualification</b>
CCB International Capital Limited	a licensed corporation to conduct types 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities (as set out in Schedule 5 of the SFO)
Commerce & Finance Law Offices	Legal advisers on PRC law to our Company
Conyers Dill & Pearman	Legal advisers on Cayman Islands law to our Company
Deloitte Touche Tohmatsu	Certified Public Accountants
Dorsey & Whitney LLP	Legal advisers on US law to our Company
Fladgate LLP	Legal advisers on laws of England and Wales to our Company
Jones Lang LaSalle Sallmanns Limited	Professional valuer
Leong Hon Man Law Office	Legal advisers on Macau law to our Company
Tony Au & Partners	Legal advisers on Hong Kong law to our Company in relation to section 122 of the Companies Ordinance

**21. Consents of experts**

Each of CCB International Capital Limited, Commerce & Finance Law Offices, Conyers Dill & Pearman, Deloitte Touche Tohmatsu, Dorsey & Whitney LLP, Fladgate LLP, Jones Lang LaSalle Sallmanns Limited, Leong Hon Man Law Office and Tony Au & Partners has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters, valuation certificate, opinions or summaries of opinions (as the case may be) and the references to its name included herein in the form and context in which they are respectively included.

**22. Binding effect**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all person concerned bound by all of the provisions (other than penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

**23. Particulars of the Selling Shareholder**

Particulars of the Selling Shareholder are set out as follows:

<b>Name of Selling Shareholder</b>	<b>Place of Incorporation</b>	<b>Date of Incorporation</b>	<b>Nature of Company</b>	<b>Address of Registered office</b>	<b>Number of Sale Shares</b>
Able Bright	the British Virgin Islands	25 May 2010	Company with limited liability	P.O. Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands	30,000,000

Able Bright is wholly owned by Golden Realm. The entire issued share capital of Golden Realm is registered in the name of Bank Sarasin Nominees. Bank Sarasin Nominees is acting as nominee for Sarasin Trust Company as trustee of The Chum's Family Trust. The beneficiaries of The Chum's Family Trust are certain members of Mr. Chum's family. Save as disclosed above, none of the Directors is interested in the Sale Shares.

**24. Bilingual prospectus**

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

**25. Miscellaneous**

- (a) Save as disclosed in this prospectus:
  - (i) within the two years immediately preceding the date of this prospectus, neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
  - (ii) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;
  - (iv) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
  - (v) our Directors confirm that since 30 June 2010 (being the date on which the latest audited combined financial statements of our Group was made up), there has been no material adverse change in our financial or trading position or prospects;
  - (vi) our Directors confirm that there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the twelve months immediately preceding the date of this prospectus; and
  - (vii) our Company has no outstanding convertible debt securities or debentures.
- (b) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (c) All necessary arrangements have been made enabling our Shares to be admitted into CCASS for clearing and settlement.