Newtree Group Holdings Limited
友川集團控股有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 1323

ANNUAL REPORT
2010/11

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS
Mr. Chum Tung Hang
Mr. Chum Hon Sing
Ms. Lei Sao Cheng

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Chan Bing Chung
Mr. Chow Tsu-Yin
Mr. Lee Thomas Tuan-Tong

AUTHORISED REPRESENTATIVES
Mr. Chum Hon Sing
Mr. Chan Shiu Yuen Sammy

AUDIT COMMITTEE MEMBERS
Mr. Chan Bing Chung *(chairman)*
Mr. Chow Tsu-Yin
Mr. Lee Thomas Tuan-Tong

REMUNERATION COMMITTEE MEMBERS
Mr. Chow Tsu-Yin *(chairman)*
Mr. Lee Thomas Tuan-Tong
Mr. Chan Bing Chung
Mr. Chum Tung Hang

NOMINATION COMMITTEE MEMBERS
Mr. Lee Thomas Tuan-Tong *(chairman)*
Mr. Chow Tsu-Yin
Mr. Chan Bing Chung

COMPANY SECRETARY
Mr. Chan Shiu Yuen Sammy, *HKICPA, ACCA*

PRINCIPAL BANKERS
Bank of China Huizhou Huihuan Sub-branch
Bank of China, Macau Branch
DBS Bank (Hong Kong) Limited

COMPLIANCE ADVISER
Guotai Junan Capital Limited

LISTING EXCHANGE INFORMATION
Place of listing: Main Board of
The Stock Exchange of Hong Kong Limited
Stock Code: 1323

REGISTERED OFFICE
Cricket Square, Hutchins Drive
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Cayman Islands

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Macau

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 609, Grand Cayman KY1-1107
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Investor Services Limited
26th Floor, Tesbury Centre
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Wan Chai
Hong Kong

AUDITOR
Deloitte Touche Tohmatsu

LEGAL ADVISER
Mallesons Stephen Jaques

COMPANY'S WEBSITE
www.newtreegroupholdings.com

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board"), I am pleased to present the first annual report of Newtree Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") for the financial year ended 31 March 2011 since our successful listing on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") in January 2011.

2011 is an important milestone year in the history of the Group. The Company was successfully listed on the Stock Exchange on 13 January 2011 (the "Listing") with net proceeds of approximately HK$271.5 million. The Listing provided the Group with an enhanced financial position and strengthened its shareholder base, and in turn providing the Group with a solid foundation for future development.

RESULT OVERVIEW

For the year ended 31 March 2011, the Group's turnover reached HK$426.3 million, representing a slight decrease of approximately 0.2% as compared with 2010. Profits attributable to shareholders (after deducting listing expenses of HK$ 23.1 million from the Listing) decreased by 30.4% to HK$54.9 million.

BUSINESS OVERVIEW

During the year under review, the Group has continued to focus on its core business and to provide quality hygienic disposables products to customers for household and clinical uses. According to the Group's development strategy, the sales of clinical application products accounted for 48.5% of the Group's turnover for the year ended 31 March 2011, a slight increase from 47.3% in the corresponding period in 2010. The Group's overall gross profit margin had increased from 21.7% for the period ended 31 March 2010 to 26.0% for the corresponding period in 2011 mainly due to a shift of sales volume from trading products to manufactured products for the clinical application products.

In order to maintain the Group's competitiveness against other market players in the industry, we are actively involved in product development and research activities in order to expand our product range as well as identifying appropriate companies for acquisition or collaboration so as to maximize profit and value for our shareholders.

CORPORATE GOVERNANCE

The Board believes that sound corporate governance is fundamental to the growth of the Group. Based on the core principles of fairness, transparency and accountability, the Group has strived to maintain a high standard of corporate governance through the establishment of a comprehensive and efficient framework of policies, procedures and systems. The Board established an audit committee (the "Audit Committee"), a remuneration committee (the "Remuneration Committee") and a nomination committee (the "Nomination Committee") on 17 December 2010.

Chairman's Statement

PROSPECTS

The Group's vision is to become a leading manufacturer of clinical consumables in the People's Republic of China (the "PRC"), European countries and the United States of America (the "US") by providing quality and patented products to our customers.

To provide better services to our customers, the Group will endeavour to offer additional products by expanding its product portfolio. The Group recognizes that in order to remain competitive and to stay at the forefront of the industry, it is vital that the Group continues to develop its proprietary technology. Hence, the Group will focus on the development of proprietary technology and new product offerings by increasing its research and development capabilities.

With the continuous tightened control by the PRC government's healthcare policies and as part of our growth strategy, we plan to leverage on our products and market experience with the European and US markets and tap into the Chinese medical consumable market.

The Group is currently seeking opportunities to expand the distribution networks in our European and US markets. For the PRC market, negotiations between business partners for the importation and development of the Category II medical device under the classification of "Medical Devices Classification index" are being underway.

OUR PEOPLE, CUSTOMERS, BUSINESS PARTNERS AND SHAREHOLDERS

Looking forward, the Group is very confident about creating momentum in the long run and delivering even more solid results to our shareholders. On behalf of the Board, I would like to take this opportunity to thank the management and staff for their dedicated efforts throughout the year and express my sincere gratitude towards the parties involved in the Listing, our customers, business partners as well as shareholders for their on-going support.

Chum Tung Hang
Chairman

28 June 2011

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year under review, the Group has been engaged in the manufacture and trading of hygienic disposables for household and clinical uses.

For the year under review, the Group recorded an audited profit of approximately HK$54.9 million (2010: audited profit of approximately HK$78.9 million).

Revenue

The Group's revenue decreased by HK$0.8 million or 0.2% from HK$427.1 million for the year ended 31 March 2010 to HK$426.3 million for the corresponding period in 2011.

The following table sets forth a breakdown of the Group's revenue by geographical locations and segments and as a percentage of the Group's total revenue for the year ended 31 March 2011, with comparative figures for the corresponding period in 2010.

	2011 HK$'000	**2011 %**	2010 HK$'000	2010 %
By Sector:				
Household application	**219,674**	**51.5**	225,169	52.7
Clinical application	**206,598**	**48.5**	201,947	47.3
Total	**426,272**	**100.0**	427,116	100.0
By geographical locations:				
United Kingdom	**146,326**	**34.3**	151,424	35.5
United States of America	**167,374**	**39.3**	141,203	33.1
Norway	**100,047**	**23.5**	81,228	19.0
Sweden	**1,805**	**0.4**	2,296	0.5
Germany	**3,918**	**0.9**	24,766	5.8
Singapore	**—**	**—**	15,400	3.6
Others	**6,802**	**1.6**	10,799	2.5
	426,272	**100.0**	427,116	100.0

The Group's revenue on household application products decreased by HK$5.5 million or 2.4%, from HK$225.2 million for the year ended 31 March 2010 to HK$219.7 million for the corresponding period in 2011 as the Group intends to focus more on clinical application products which is of a greater growth potential. The Group's revenue on clinical application products increased by HK$4.7 million or 2.3%, from

HK$201.9 million for the year ended 31 March 2010 to HK$206.6 million for corresponding period in 2011 mainly due to the increase in sales from our customers in the US.

Cost of sales

Cost of sales decreased by 5.7% from HK$334.3 million for the year ended 31 March 2010 to HK$315.3 million for the corresponding period in 2011. The decrease mainly comes from a shift of sales volume from trading products to manufactured products.

Gross profit and gross profit margin

Gross profit increased by HK$18.1 million or 19.5%, from HK$92.8 million for the year ended 31 March 2010 to HK$110.9 million for the corresponding period in 2011. The Group's overall gross profit margin increased from 21.7% for the year ended 31 March 2010 to 26.0% for the corresponding period in 2011, primarily as a result of the changes in the product mix of the Group's sales.

The following table sets forth the Group's gross profit and the gross profit margin by sector for the year ended 31 March 2011, with comparative figures for the corresponding period in 2010.

	2011	**2011**	2010	2010
	HK$'000	**%**	HK$'000	%
By Sector:				
Household application	**72,488**	**33.0**	74,654	33.2
Clinical application	**38,443**	**18.6**	18,163	9.0
Total	**110,931**	**26.0**	92,817	21.7

The gross profit derived from household application products decreased by HK$2.2 million or 2.9%, from HK$74.7 million for the year ended 31 March 2010 to HK$72.5 million for the corresponding period in 2011. The gross profit margin for household application products decreased from 33.2% for the year ended 31 March 2010 to 33.0% for the corresponding period in 2011.

The gross profit of clinical application products increased by HK$20.2 million or 111.7%, from HK$18.2 million for the year ended 31 March 2010 to HK$38.4 million for the corresponding period in 2011. The gross profit margin for clinical application products increased from 9.0% for the year ended 31 March 2010 to 18.6% for the corresponding period in 2011 primarily due to a shift of sales volume from trading products to manufactured products, improving the gross profit margin.

Other income

Other income mainly consists of exchange gain, bank interest income and imputed interest income arising on the amount due from a controlling shareholder of the Company. Other income decreased by HK$6.2

million or 82.7%, from HK$7.5 million for the year ended 31 March 2010 to HK$1.3 million for the corresponding period in 2011 mainly due to the decrease in exchange gain of HK$2.2 million and the decrease in imputed interest income arising on the amount due from a controlling shareholder of HK$5.0 million from the previous corresponding period.

Selling and distribution expenses

Selling and distribution expenses mainly consist of transportation expenses, custom and inspection fees and commission paid to sales agents who may from time to time introduce new orders to our Group. The selling and distribution expenses decreased by HK$0.4 million or 4.1%, from HK$11.7 million for the year ended 31 March 2010 to HK$11.3 million for the corresponding period in 2011 and this was mainly due to a reduction in commission paid to sales agents which was partially offset by the increase in customs declaration charges.

Administrative expenses

Administrative expenses mainly consist of salaries, staff welfare expenses, amortization of prepaid lease payment, depreciation of properties, plants and equipment in relation to the administrative functions. The administrative expenses increased by HK$12.5 million or 145.0%, from HK$8.6 million for the year ended 31 March 2010 to HK$21.1 million for the corresponding period in 2011 mainly due to the increase in depreciation charges on the temporary structure, audit fee and other office and travelling expenses in relation to the Listing.

Listing expenses

Listing expenses refer to the share of fees paid to various professional parties in relation to the Listing for the year ended 31 March 2011, none of which was incurred in the corresponding period in 2010.

Profit before taxation

The Group's profit before taxation decreased by HK$23.2 million or 29.0%, from HK$79.9 million for the year ended 31 March 2010 to HK$56.7 million for the corresponding period in 2011. The decrease was mainly due to the increase of administrative expenses of HK$12.5 million, expenses from the Listing of HK$23.1 million and the decrease of other income of HK$6.2 million, which was partially offset by the increase in gross profit of HK$18.1 million.

Income tax expenses

Income tax expenses increased by HK$0.8 million or 80.0%, from HK$1.0 million for the year ended 31 March 2010 to HK$1.8 million for the corresponding period in 2011.

Total comprehensive income for the period attributable to owners of the Company

Total comprehensive income for the period attributable to owners of the Company decreased by HK$21.9 million or 27.7%, from HK$79.1 million for the year ended 31 March 2010 to HK$57.2 million for the corresponding period in 2011. The Group's net profit margin decreased from 18.5% in the year ended 31 March 2010 to 12.9% in the corresponding period in 2011.

Management Discussion and Analysis

Final dividend

The Board recommended payment of a final dividend of HK$0.03 per share for the year ended 31 March 2011 (2010: Nil), representing 35.0% of the profit and total comprehensive income attributable to the owners of the Company, payable to the shareholders of the Company whose names appear on the register of members of the Company on 2 September 2011. Based on the number of issued shares of the Company as at 31 March 2011, this represents a total distribution of approximately HK$20 million. Subject to the approval of the shareholders at the annual general meeting of the Company in 2011 (the "2011 AGM"), it is expected that the final dividend will be paid on or before 19 September 2011.

FINANCIAL REVIEW

Liquidity and financial resources

The Group's principal source of working capital was cash generated from the sales of its products. The Group's current ratio as at 31 March 2011 was 15.5 (as at 31 March 2010: 2.1). As at both 31 March 2011 and 31 March 2010, the gearing ratio, which is calculated with total borrowings over shareholder's equity, was zero.

Currency and interest rate exposure

Certain sales transactions of the Group are denominated in foreign currencies, which exposes the Group to foreign currency risks. The Group does not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises. Certain monetary financial assets are denominated in foreign currencies as at 31 March 2011. The exposure in exchange rate risks mainly arose from fluctuations of the US dollar ("USD"), Hong Kong dollar ("HKD") and Macau Pataca ("MOP"). The Group's currency risk exposure in relation to the monetary financial assets is expected to be minimal as USD and MOP are pegged with HKD.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation on interest rates arising from the Group's bank balances and pledged bank deposit. The Group's exposure to interest rate risks on bank balances and pledged bank deposit is expected to be minimal.

CHARGE ON ASSETS

A bank deposit of HK$59.5 million (2010: Nil) has been pledged as security for certain banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2011, the Group did not have any material contingent liabilities.

COMMITMENTS

As at 31 March 2011, the Group did not have any material commitments.

Management Discussion and Analysis

MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 March 2011, the Company has had no material acquisition or disposal of any subsidiaries and affiliated companies.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFER

The shares of the Company were listed on the Main Board of the Stock Exchange on 13 January 2011. The estimated net proceeds from the Listing after deducting the relevant expenses were approximately HK$271.5 million. The Company currently does not have any intention to change its plan for the use of proceeds as stated in the prospectus of the Company dated 31 December 2010 in relation to the Listing ("Prospectus").

HUMAN RESOURCES

The number of employees of the Group as at 31 March 2011 was approximately 225, whom receive competitive remuneration packages that are constantly monitored in relation to the market, with incentives such as discretionary bonuses based on individual performance. The Group provides a comprehensive benefits package and career development opportunities, including medical benefits and both internal and external training appropriate to each individual's requirements.

Pursuant to a share option scheme adopted on 17 December 2010 (the "Share Option Scheme"), the Board may grant options to eligible employees, including the directors of the Company and any of its subsidiaries, to subscribe for shares in the Company. During the year under review, no options were granted under the Share Option Scheme.

PROSPECTS

The Group's vision is to become a leading manufacturer of clinical consumables in the PRC, European countries and the US by providing quality and patented products to its customers.

To provide better service to its customers, the Group will endeavour to offer additional products by expanding its product portfolio. The Group recognizes that in order to remain competitive and to stay at the forefront of the industry, it is vital that the Group continues to develop its proprietary technology. Hence, the Group will focus on the development of proprietary technology and new product offerings by increasing its research and development capabilities source by internal fundings.

With the continuous tightened control by the PRC government's healthcare policies and as part of our growth strategy, we plan to leverage on our products and market experience with the European and US markets and tap into the Chinese medical consumable market.

As disclosed in the section "Use of proceed" of the Prospectus, the Group is currently seeking opportunities to expand the distribution network in our European and US markets. For the PRC market, negotiations between business partners for the importation and development of the Category II medical device under the classification of "Medical Devices Classification index" is being underway.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chum Tung Hang (覃通衡), aged 73, is the founder of our Group and Chairman of our Company. Mr. Chum was appointed as a director of the Company ("Director") on 9 June 2010 and re-designated as an executive Director on 12 July 2010. He is primarily responsible for providing general guidance on the overall strategies, planning and business development of our Group. Mr. Chum also heads our research and development department and was the registered owner of 18 patents which are in force in different production technologies and product designs before assigning them all to our Group pursuant to the various assignment agreements signed between Mr. Chum and our Group. Since the establishment of our Group, Mr. Chum has been focusing on improving our production technologies as well as developing new products which have been well-received by our customers which we believe are key to our success. Mr. Chum has many years of experience in the manufacture of plastic and plastic machinery businesses which has accumulated since 1985.

Mr. Chum Hon Sing (覃漢昇), aged 32, joined our Group in September 1999 and is the chief executive officer of our Company ("CEO"). He graduated from University Hill Secondary School in British Columbia, Canada in 1996. Mr. Desmond Chum was appointed as a Director on 9 June 2010 and re-designated as an executive Director on 12 July 2010. Mr. Desmond Chum is the son of Mr. Chum and Mrs. Chum (a Director) and is primarily responsible for devising our business development strategies and overseeing their due execution. Mr. Desmond Chum is also responsible for overseeing the manufacturing and sales functions as well as the daily operations of our Group. Since his joining of our Group in 1999, Mr. Desmond Chum has taken up roles in different functions within our Group. Prior to assuming his current position as the chief executive officer of our Company, Mr. Desmond Chum worked as the production manager, purchasing manager and sales manager of our Group where he was responsible for overseeing the production and design of our products, purchase of raw materials and machinery as well as expansion of our overseas markets. Since joining our Group, Mr. Desmond Chum has successfully led our Group to become an exporter of clinical and household hygienic disposables with innovative designs which include products made with oxo-biodegradable materials, and secured and maintained stable business relationships with various well-established European and US customers.

Ms. Lei Sao Cheng (李秀清), aged 61, is the spouse of Mr. Chum and, together with Mr. Chum, founded our Group. Ms. Lei, or Mrs. Chum, was appointed as a Director on 9 June 2010 and was re-designated as an executive Director on 12 July 2010. Mrs. Chum is primarily responsible for overseeing the production, human resources and administrative affairs of our Group. Mrs. Chum accumulated substantial operational management experience in the plastic business environment since 1985.

Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Thomas Tuan-Tong (李端棠), aged 58, was appointed as an independent non-executive Director on 17 December 2010. Mr. Lee graduated from School of Medicine, Taipei Medical University in June 1978. From 1979 to 1996, he was licensed by the Michigan Board of Medicine, Department of Licensing and Regulation of the State of Michigan, to practise as a medical doctor. Mr. Lee is licensed as a physician and surgeon under the Medical Board of California since 21 August 1981 and currently remains practising as such.

Mr. Chow Tsu-Yin (周祖蔭), aged 55, was appointed as an independent non-executive Director on 17 December 2010. Mr. Chow obtained a bachelor of arts degree in English in Soochow University, Taiwan, in June 1979, and further received a master of arts degree in communication arts and science from the University of Southern California, the US in May 1983.

Mr. Chow has been the president of Allied Poly International, Inc., since 1992, a company which is engaged in the importing, exporting and manufacture of plastic related products in the US. Mr. Chow acted as the operations manager in Pan Pacific Manufacturing, Inc., a company engaged in the manufacture of plastic packaging in Northern California, the US, from 1988 to 1992.

Mr. Chan Bing Chung (陳秉中), aged 41, was appointed as an independent non-executive Director on 17 December 2010. Mr. Chan graduated from City Polytechnic of Hong Kong with a bachelor's degree in arts in 1993. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. For the period from July 1993 to July 1994, he worked in the audit department of Messrs. C.C. Chan, Wong & Company, Certified Public Accountants. From July 1994 to August 1996, he joined Messrs. Fan, Mitchell & Co., Certified Public Accountants, as an audit semi-senior. In January 1997, he joined Messrs. Kwan Wong Tan & Fong, Certified Public Accountants as a staff accountant in its audit department. He continued to work as staff accountant in Deloitte after the merger of the two firms until 1 June 1998. For the period from 1 October 2000 to 5 January 2002, Mr. Chan worked at Messrs. Simon Chiu & Co, Certified Public Accountants as an audit supervisor. He also worked as an audit manager at Messrs. Johnny Chan & Co. Limited, Certified Public Accountants, from April 2002 to October 2006. Since January 2007, Mr. Chan has been a director of Messrs. K.M. Choi & Au Yeung Limited (蔡國文歐陽會計師事務所有限公司). Mr. Chan is a founder of JP Union & Co., an accounting firm in Hong Kong and has been a director of such firm since 1 January 2008. Mr. Chan was the company secretary and qualified accountant of Hidili Industry International Development Limited (stock code: 1393), the shares of which are listed on the Main Board of the Stock Exchange, from July 2007 to September 2008. Mr. Chan has approximately 17 years of experience in financial auditing, internal control reporting and compliance advisory with various local and international audit firms.

SENIOR MANAGEMENT AND COMPANY SECRETARY

Mr. Chan Shiu Yuen Sammy (陳紹源), aged 47, has joined our Group since December 2009 and is the chief financial officer and company secretary of our Company. Mr. Chan graduated from Dalhousie University, Canada with a Bachelor of Commerce degree in May 1992 and is a member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 16 years of experience in auditing, accounting, taxation, business consultancy and financial management. Mr. Chan worked with Deloitte from November 1993 to September 2001. Mr. Chan was the company secretary and qualified accountant during the period between May 2005 and May 2007 and has since December 2009 become an independent non-executive director of Powerleader Science & Technology Group Limited (stock code: 8236), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange. During the period from July 2007 to February 2009, Mr. Chan worked as the deputy general manager of China Fibretech Limited (company registration no: 40381), a company listed on the main board of the Singapore Stock Exchange Limited. In addition, Mr. Chan is a shareholder and director of Brilliant Consultancy Limited (卓見商業顧問有限公司) which is owned as to 50% by Mr. Chan since 3 January 2002.

Mr. Liang Han Zhao (梁漢釗), aged 39, has joined our Group since April 2003 and is the production manager of our Company responsible for overseeing the production process of our Group. Mr. Liang obtained a diploma in foreign trade and economics (對外經濟貿易專業) from Wuxi Institute of Light Industry* (江蘇省無錫輕工業學院) (now known as Jiangnan University (江南大學)) in Jiangsu Province, the PRC in 1994 and a graduation certificate in administration management (行政管理專業畢業證書(專科)) upon completing the distance learning courses offered by China Central Radio and TV University (中央廣播電視大學) in 2008. Mr. Liang has approximately seven years of experience in managing production work.

Ms. Li Wei Zhen (李偉珍), aged 45, has joined our Group since November 2001 and is the administration and human resources manager of our Company responsible for overseeing the administration and human resources departments of our Group. Ms. Li obtained a graduation certificate in finance and accounting (財務會計專業) from Guangdong Province Adult Secondary School of Accounting* (廣東省會計函授成人中等專業學校) in 1999. Ms. Li has about eight years of experience in human resources and administrative work.

Mr. Li Zhi Yong (黎志勇), aged 32, has joined our Group since October 2001 and is the customs declaration and logistic manager of our Company responsible for managing the export and import declarations of our products and overseeing our overall logistic operations. Mr. Li received qualification of tertiary vocational training in applied computer science (計算機及應用) from the part-time division of Foshan University* (佛山科學技術學院) in July 2002 and obtained the qualification of a customs declaration officer (報關員) in September 2000. From September 2000 to September 2001, Mr. Li worked at Huizhou Maiketemagi Motorcycles Co., Ltd* (麥科特瑪琪摩托車有限公司) where he was responsible for marketing and promotion of products.

Mr. Sun Xi Tao (孫熙濤), aged 43, has joined our Group since April 2010 and is the co-head of our sales department for clinical hygienic disposable products. Mr. Sun graduated from Anhui Medical University* (安徽醫科大學成人教育學院) in 1997. He has about seven years of experience in medical technology industry. From 2003 to 2004, he acted as the general manager of Greater China region for Quick Diagnosis, Inc. LTD. From 2006 to 2009, Mr. Sun also acted as the deputy general manager of Daqing Sunway Technology Co., Ltd* (大慶三維科技有限責任公司) which is deemed to be controlled by Sunway Global Inc. (stock code: SUWG) as a variable interest entity, Sunway Global Inc. is a company listed on The NASDAQ Stock Market, Inc.. Mr. Sun has been the vice-chairman and secretary general of China Pheumatic Logistics of Transmission Society* (中國氣動物流傳輸學會) since July 2009 and the general manager of Beijing Sanwei Xindongli Medical Technology Company Limited* (北京三維新動力醫療科技有限公司) since September 2007.

Mr. Zong Hao (宗昊), aged 28, has joined our Group since April 2010 and is the co-head of our sales department for clinical hygienic disposable products. Mr. Zong graduated from Beijing College of Finance and Commerce (北京財貿職業學院) with a bachelor's degree in finance in 2005. Mr. Zong was the executive manager of Beijing Zuoer Fengshang Media and Culture Company Limited* (北京卓爾風尚傳媒文化有限公司) from July 2008 to August 2010 where he was responsible for their overall management.

CORPORATE GOVERNANCE REPORT

The Company and the Board are devoted to achieve and maintain the highest standards of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding interests of the shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise having a quality Board, effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders.

The Company has adopted the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance. The Board also reviews and monitors the practices of the Company from time to time with an aim to maintaining and improving high standards of corporate governance practice. The Directors consider that during the period commencing from 13 January 2011 and ending on 31 March 2011, the Company has complied with the code provisions of the CG Code.

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding directors' securities transactions adopted by the Company.

BOARD

Responsibilities

The Board is responsible for leading and controlling the Company and overseeing the Group's businesses, strategic decisions and financial performances. The management is delegated the authority and responsibility by the Board for the management and daily operations of the Group under the leadership of the Chairman. In addition, the Board had also delegated various responsibilities to the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively the "Committees"), which assist the Board in discharging its duties and overseeing particular aspects of the Group's activities.

The day-to-day management, administration and operation of the Company are delegated to the CEO, Mr. Chum Hon Sing and the senior management of the Company, with department heads responsible for different aspects of the business.

The Board empowers the senior management team to implement the decisions of the Board and all senior management team members are appointed by the Board. The CEO is responsible for operational management and reports to the Board. In entrusting management and administrative functions to the management team, the Board provides clear instructions regarding the powers delegated to management, and requires the prior approvals of the Board before reporting or making key decisions and commitments on behalf of the Company.

Major corporate matters that are specifically delegated by the Board to the senior management include preparation of interim and annual reports and announcements, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures and compliance with relevant laws, rules and regulations.

COMPOSITION

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

The Board currently comprises three executive Directors namely Mr. Chum Tung Hang, Ms. Lei Sao Cheng and Mr. Chum Hon Sing and three independent non-executive Directors, namely Mr. Lee Thomas Tuan-Tong, Mr. Chow Tsu-Yin and Mr. Chan Bing Chung.

Mr. Chum Tung Hang is the husband of Ms. Lei Sao Cheng and the father of Mr. Chum Hon Sing. Save as aforesaid, the Board members have no financial, business, family or other material/relevant relationships with each other.

The Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executives directors with at least one independent non-executive director possessing appropriate professional qualification, or accounting or related financial management expertise throughout the period from the Listing on 13 January 2011 to 31 March 2011.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chum Tung Hang is the chairman of the Board and an executive Director, and Mr. Chum Hon Sing is the chief executive officer of the Company and an executive Director.

The role of the chairman is segregated from that of the CEO of the Company. The chairman is responsible for managing the Board, steering the Board to formulate overall strategies and business development plans, ensuring the receipt of sufficient, complete and reliable information by each Director and the receipt of reasonable explanations for the issues raised in Board meetings, The chief executive officer is responsible for managing the business of the Company and implementing policies, business objectives and plans formulated by the Board, and is accountable to the Board for the Company's overall operation. The senior management team is responsible for the day-to-day operations of the Group under the leadership of the CEO of the Company.

NON-EXECUTIVE DIRECTORS

The independent non-executive Directors, namely Mr. Lee Thomas Tuan-Tong, Mr. Chow Tsu-Yin and Mr. Chan Bing Chung have been appointed for a term of three years commencing from 17 December 2010.

APPOINTMENT, RE-ELECTION AND REMOVAL

The Company's articles of association set out a formal procedure for the appointment of new Directors to the Board. Any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall retire and be eligible for reappointment at the next general meeting after appointment. At every annual general meeting, one-third of the Directors shall be subject to retirement by rotation and re-election by the shareholders of the Company.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cashflows for that period. In preparing the financial statements for the year ended 31 March 2011, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors also warrant that the Group's financial statements will be published in a timely manner.

The reporting responsibility of the external auditors of the Company on the financial statements of the Company for the year are set out in the Independent Auditor's Report on pages 28 to 29 of this annual report.

BOARD MEETING

The Board is expected to meet regularly at least four times a year. Between scheduled meetings, the senior management of the Group provides information to Directors on a regular basis regarding the activities and development in the businesses of the Group. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

The Board held 3 meetings during the period from the Listing on 13 January 2011 to 31 March 2011 with the attendance of each Director as follows:

Directors	**Number of meetings attended/held**
Executive Directors:	
Mr. Chum Tung Hang *(Chairman)*	3/3
Mr. Chum Hon Sing *(CEO)*	3/3
Ms. Lei Sao Cheng	3/3
Independent Non-Executive Directors:	
Mr. Lee Thomas Tuan-Tong	3/3
Mr. Chow Tsu-Yin	3/3
Mr. Chan Bing Chung	3/3

With respect to regular meeting of the Board, the Directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the articles of association of the Company, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration, will abstain from voting on the relevant resolution and such Director is not counted as quorum.

BOARD COMMITTEES

The Board established the Committees on 17 December 2010 with clearly-defined written terms of reference. The main roles and responsibilities of the Committees, including all authorities delegated to them by the Board, are set out in the respective terms of reference. The independent views and recommendations of the Committees ensure proper control of the Group and the continual achievement of high corporate governance standards expected of a listed company. The chairman of each committee reports the outcome of the Committees' meetings to the Board for further discussions and approvals.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, Mr. Lee Thomas Tuan-Tong, Mr. Chow Tsu-Yin and Mr. Chan Bing Chung. The Audit Committee is chaired by Mr. Chan Bing Chung, who possesses the appropriate professional qualification and extensive experience in, and knowledge of, finance and accounting as required under Rule 3.10 of the Listing Rules.

The Board has established the Audit committee with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The major duties and responsibilities of the Audit Committee include (i) making recommendations to the Board on the appointment, reappointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors, and addressing any questions of resignation or dismissal of such auditors, reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and developing and implementing policies in the engagement of the external auditors to supply non-audit services; (ii) monitoring the integrity of financial statements and reports of the Group and reviewing significant financial reporting judgements contained therein; and (iii) reviewing the effectiveness of the financial reporting and internal control systems of the Group.

The Audit Committee held one meeting from the date of the Listing to 31 March 2011 with attendance of each member as follows:

Name of audit committee members	Number of meeting attended/held
Mr. Lee Thomas Tuan-Tong	1/1
Mr. Chow Tsu-Yin	1/1
Mr. Chan Bing Chung	1/1

Corporate Governance Report

During the period from the date of the Listing to 31 March 2011, the Audit Committee had (i) discussed with the external auditors and the management on the audit plan and the impact on the Group in respect of the amendments to the accounting principles and standards and the development of corporate governances; (ii) reviewed the remuneration and terms of engagement of the external auditors, and recommended the Board on the appointment of the external auditors; (iii) reviewed the effectiveness of the audit process and met with the external auditors for reviewing the Company's interim results for the six months ended 30 September 2010 and the financial and accounting policies, practices and disclosure requirements; and (iv) made recommendations to the Board that Deloitte Touche Tohmatsu be re-appointed as the Group's external auditors at the forthcoming annual general meeting.

Remuneration Committee

The Remuneration Committee comprises three independent non-executive Directors, Mr. Lee Thomas Tuan-Tong, Mr. Chow Tsu-Yin and Mr. Chan Bing Chung and one executive Director, Mr. Chum Tung Hang. The Remuneration Committee is chaired by Mr. Chow Tsu-Yin. The Remuneration Committee is responsible for, among other functions, making recommendations to the Board on the policies and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; determining the specific remuneration packages of the executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

No meeting of the remuneration committee was held from the date of the Listing to 31 March 2011.

Nomination Committee

The Nomination Committee comprises three independent non-executive Directors, Mr. Lee Thomas Tuan-Tong, Mr. Chow Tsu-Yin and Mr. Chan Bing Chung. The Nomination Committee is chaired by Mr. Lee Thomas Tuan-Tong. The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes; identifying individuals qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, in particular candidates who can add value to the management through their contributions in strategic business areas and whose appointment will lead to a strong Board, assessing the independence of the independent non-executives Directors, and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of the Directors and succession planning for the Directors in particular for the chairman and CEO.

No meeting of the Nomination Committee was held from the date of the Listing to 31 March 2011.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by directors. The Company confirms that, having made specific enquiry of all the Directors, the Directors have complied with the required standards as set out in the Model Code since the Listing on 13 January 2011 and up to 31 March 2011.

RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The senior management of the Company has provided such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Board is responsible for presenting a clear and balanced view of the Company's annual and interim reports, price-sensitive announcements, disclosures required under the Listing Rules, and other regulatory requirements. The Directors acknowledge their responsibility for preparing the financial statements and the accounts.

AUDITORS' REMUNERATION

During the year, the remuneration paid/payable to the external auditors of the Company in respect of statutory audit service, service rendered for the Listing and tax service were HK$1.6 million, HK$4.2 million and HK$0.6 million, respectively.

INTERNAL CONTROL

The Board is responsible for internal control of the Group and for reviewing its effectiveness. The Board requires the senior management to establish and maintain sound and effective internal controls.

The internal control framework includes central direction, resources allocation and risk management of the activities of various functional departments. As such, the Group has a clear organisational structure including appropriate segregation of duties and reporting systems. Limits of authorities have been established. Starting from the top, there is a list of matters reserved for Board approval. In carrying out key functions, senior management personnel are assigned levels of authority and accountability commensurate with their positions and duties. There are also relevant policies and procedures applicable to all functional departments to guide their operations.

With respect to the procedures and internal controls for the handling and dissemination of price-sensitive information, the Group conducts its affairs with close attention to the "Guide on Disclosure of Price-Sensitive Information" issued by the Stock Exchange, and has also implemented guidelines and procedures for dealings in its securities by the Directors.

During the financial year, the Board had conducted a review on the effectiveness of the internal control system of the Company, and considered the internal control system to be effective and adequate and concluded that there were no significant areas of concern which might affect shareholders' interests.

COMMUNICATIONS WITH SHAREHOLDERS

The Group reports to its shareholders twice a year. Interim and annual results are announced as early as possible to keep shareholders informed of the Group's performance. The general meetings of the Company provide a forum for communication between the shareholders and the Board. All shareholders are encouraged to attend the annual general meetings to discuss the progress of the Group's business. The chairman of each of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee, or in their absence, other members of the respective Committees are available to answer questions at the general meetings. Separate resolutions are proposed at the general meetings on each substantial issue, including re-election of Directors. The Company's website, which contains corporate information, interim and annual reports, announcements and circulars issued by the Company as well as the recent developments of the Group, enables the shareholders to access information on the Group on a timely basis.

REPORT OF THE DIRECTORS

The Directors are pleased to present the first annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2011.

CORPORATE INFORMATION AND GROUP REORGANISATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 9 June 2010.

Pursuant to a group reorganisation (the "**Group Reorganisation**") which rationalised the group structure in preparation for the Listing, the Company became the holding company of the Group on 24 December 2010.

Details of the Group Reorganisation are set out in note 1 of the Consolidated Financial Statements contained herein.

PRINCIPAL ACTIVITIES

The principal activities of the Group are manufacture and trading of hygienic disposables for household and clinical uses. Details of the principal activities of the Company's principal subsidiaries are set out in note 28 of the Consolidated Financial Statements contained herein.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2011 and its state of affairs as at 31 March 2011 are set out in the Consolidated Financial Statements on pages 30 to 31.

The interim dividend recognised as distribution amounted to HK$140,000,000 during the year was declared by Two-Two-Free Limited-Macao Commercial Offshore ("Two-Two-Free") on 30 June 2010 and was settled through the balance with the controlling shareholder.

At the 2011 AGM which is proposed to be held on 25 August 2011, the Board will recommend a final dividend of HK$0.03 per share (2010: Nil) for the year ended 31 March 2011. Subject to the approval of shareholders at the 2011 AGM, the final dividend will be payable on or before 19 September 2011 to the shareholders whose name appear on the register of members of Company on 2 September 2011.

USE OF PROCEEDS FROM THE LISTING

The net proceeds from the Listing after deducting the relevant expenses were approximately HK$271.5 million. The Company currently does not have any intention to change its plan for use of proceeds as stated in the Prospectus.

Report of the Directors

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last four financial years is set out on page 76 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 12 of the Consolidated Financial Statements contained herein.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in note 19 of the Consolidated Financial Statements.

SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 17 December 2010 (the "Share Option Scheme") for the purpose of providing incentives and rewards to employees, executive and officers (including executive and non-executive directors) of the Company and any of its subsidiaries and advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who will contribute or have contributed to the Company or any of its subsidiaries. Under the Share Option Scheme, the Board may grant options to eligible employees, including the directors of the Company and any of its subsidiaries, to subscribe for shares in the Company.

Without prior approval from the Company's shareholders, (i) the total number of shares to be issued under the options of the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue; and (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue.

Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options is accepted. The exercise price is determined by the Directors and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

During the period from 17 December 2010 to the date of this annual report, no options were granted under the Share Option Scheme.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity contained herein.

DISTRIBUTABLE RESERVES

As at 31 March 2011, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands (the "**Companies Law**"), amounted to approximately HK$322,419,000 (as at 31 March 2010: Nil), of which a final dividend of HK$20.0 million has been proposed for the year. Under the Companies Law, the share premium account of the Company of approximately HK$288,369,000 as at 31 March 2011 (as at 31 March 2010: Nil) is distributable to the shareholders of the Company subject to the provisions of its memorandum and articles of association and provided that immediately following the date on which the dividend, if any, is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business. The Company's share premium account may be distributed in the form of fully paid bonus shares.

DIRECTORS

The Directors during the year and up to the date of this annual report were:

Executive Directors	
Mr. Chum Tung Hang	(appointed on 9 June 2010)
Ms. Lei Sao Cheng	(appointed on 9 June 2010)
Mr. Chum Hon Sing	(appointed on 9 June 2010)
Independent non-executive Directors	
Mr. Lee Thomas Tuan-Tong	(appointed on 17 December 2010)
Mr. Chow Tsu-Yin	(appointed on 17 December 2010)
Mr. Chan Bing Chung	(appointed on 17 December 2010)

In accordance with Article 84 of the Company's articles of association, one-third of the Directors will retire by rotation and be eligible to offer themselves for re-election at the 2011 AGM.

The Company has received from each independent non-executive Director an annual confirmation of his independence from the Group, and as at the date of this annual report, still considers each of them to be independent pursuant to Rule 3.13 of the Listing Rules.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 10 to 13 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years commencing from the date of the Listing. The independent non-executive Directors, namely Mr. Lee Thomas Tuan-Tong, Mr. Chow Tsu-Yin and Mr. Chan Bing Chung, have been appointed for a term of three years commencing from 17 December 2010.

No Director proposed for re-election at the 2011 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Board has the general power of determining the Directors' remuneration, subject to authorisation of the shareholders of the Company at the annual general meeting each year. The remuneration of the executive Directors is subject to review by the Remuneration Committee, and their remuneration is determined with reference to the Directors' qualifications, experience, duties, responsibilities and performance and results of the Group. As for the independent non-executive Directors, remuneration is determined by the Board, upon recommendation from the Remuneration Committee. Details of the emoluments of the Directors and the five highest paid individuals are set out in notes 9 in the Notes to the Consolidated Financial Statements.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2011, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinances ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

Name of director	Nature of interest	Total number of shares held *(note)*	Approximate percentage of interest in the Company
Mr. Chum Tung Hang	Beneficial owner	476,666,000	71.5%

Note: These 476,666,000 shares are held by Able Bright Limited, which in turn is wholly and beneficially owned by The Chum's Family Trust. The Chum's Family Trust is deemed under the SFO to be interested in the 476,666,000 shares held by Able Bright Limited.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in the section "Share Option Scheme", at no time during the year and up to the date of this annual report were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or any of their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2011, the following persons (not being a Director or the chief executive of our Company) have interests or short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name	**Nature of interest**	**Total number of shares held** *(note)*	**Approximate percentage of interest in the Company**
The Chum's Family Trust *(note)*	Interest of corporation controlled by substantial shareholders	476,666,000	71.5%
Golden Realm Limited *(note)*	Interest of corporation controlled by substantial shareholders	476,666,000	71.5%
Able Bright Limited	Beneficial owner	476,666,000	71.5%

Note: The entire issued share capital of Golden Realm Limited is registered in the name of Bank Sarasin Nominees (CI) Limited ("Bank Sarasin Nominees"). Bank Sarasin Nominees acts as nominee for Sarasin Trust Company Guernsey Limited as trustee of The Chum's Family Trust, which is in its capacity as trustee of The Chum's Family Trust deemed to be interested in the shares held by the Chum's Family Trust under the SFO.

Save as disclosed herein, the Company has not been notified of any other person (other than the Directors or chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 March 2011.

RELATED PARTIES TRANSACTIONS

Details of related parties transactions of the Group for the year ended 31 March 2011 are set out in note 24 of the Consolidated Financial Statements contained herein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange during the period from the date of the Listing (i.e. 13 January 2011) to 31 March 2011.

PRE-EMPTIVE RIGHTS

There are no provisions of pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders unless otherwise required by the Stock Exchange.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this annual report.

DONATIONS

During the year ended 31 March 2011, charitable donations of HK$1,000,000 were made by the Group (2010: Nil).

MAJOR SUPPLIERS AND CUSTOMERS

In the year under review, the Group's largest supplier accounted for 13.8% (2010: 36.9%) of the Group's total purchases. The Group's five largest suppliers accounted for 52.4% (2010: 64.5%) of the Group's total purchases.

In the year under review, the Group's sales to its five largest customers accounted for 91.6% (2010: 87.1%) of the Group's total sales. The Group's largest customer accounted for 34.2% (2010: 32.6%) of the Group's total sales.

None of the Directors or any of their associates (as defined under the Listing Rules) or any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or five largest suppliers.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee was established on 17 December 2010 with written terms of reference in compliance with the Listing Rules. The Audit Committee is responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of auditors; monitoring integrity of the financial statements, annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them as well as reviewing the financial controls, internal control and risk management systems.

The Audit Committee has reviewed with the management accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters, including review of the audited consolidated financial statements of the Group for the year ended 31 March 2011. The consolidated financial statements for the year ended 31 March 2011 have been audited by the Company's external auditors, Deloitte Touche Tohmatsu.

CORPORATE GOVERNANCE

The Company has published its corporate governance report, which is set out on pages 14 to 20 of this annual report.

AUDITOR

During the year, Deloitte Touche Tohmatsu were appointed as the external auditors of the Company.

A resolution will be submitted at the 2011 AGM to re-appoint Deloitte Touche Tohmatsu as the external auditors of the Company.

On behalf of the Board

Chun Tung Hang
Chairman

Macau, 28 June 2011

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE MEMBERS OF NEWTREE GROUP HOLDINGS LIMITED
友川集團控股有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Newtree Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 30 to 75, which comprise the consolidated statement of financial position as at 31 March 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

AUDITOR'S RESPONSIBILITY *(Continued)*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Ordinance Companies.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong

28 June 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 March 2011

	NOTES	2011 HK$'000	2010 HK$'000
Revenue	5	**426,272**	427,116
Cost of sales		**(315,341)**	(334,299)
Gross profit		**110,931**	92,817
Other income	6	**1,299**	7,497
Selling and distribution expenses		**(11,269)**	(11,747)
Administrative expenses		**(21,119)**	(8,619)
Listing expenses		**(23,110)**	—
Profit before taxation		**56,732**	79,948
Income tax expense	7	**(1,807)**	(1,004)
Profit for the year	8	**54,925**	78,944
Other comprehensive income			
Exchange difference arising on translation		**2,254**	135
Total comprehensive income for the year, attributable to owners of the Company		**57,179**	79,079
Earnings per share	11		
— basic (HK cents)		**10.16**	15.58

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	NOTES	2011 HK$'000	2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**35,312**	42,370
Prepaid lease payments	13	**6,478**	6,417
		41,790	48,787
CURRENT ASSETS			
Inventories	14	**71,357**	43,773
Prepaid lease payments	13	**205**	198
Trade and other receivables and prepayments	15	**76,747**	124,754
Amount due from a controlling shareholder	16(i)	**—**	155,933
Pledged bank deposit	17	**59,500**	—
Bank balances and cash	17	**215,488**	9,237
		423,297	333,895
CURRENT LIABILITIES			
Trade and other payables and accruals	18	**24,478**	54,965
Amounts due to controlling shareholders	16(ii)	**—**	100,325
Tax payable		**2,838**	1,339
		27,316	156,629
NET CURRENT ASSETS		**395,981**	177,266
		437,771	226,053
CAPITAL AND RESERVES			
Share/paid up capital	19	**6,667**	1,175
Reserves		**431,104**	224,878
		437,771	226,053

The consolidated financial statements on pages 30 to 75 were approved and authorised for issue by the Board of Directors on 28 June 2011 and are signed on its behalf by:

Chum Tung Hang
DIRECTOR

Lei Sao Cheng
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 March 2011

	Attributable to owners of the Company							
	Share/paid up capital HK$'000	Share premium HK$'000	Legal reserve HK$'000 (Note i)	Special reserve HK$'000 (Note ii)	Exchange reserve HK$'000	Other reserve HK$'000 (Note iii)	Retained profits HK$'000	Total HK$'000
At 1 April 2009	1,097	—	49	—	8,502	(6,000)	143,248	146,896
Profit for the year	—	—	—	—	—	—	78,944	78,944
Exchange difference 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 year	—	—	—	—	—	—	54,925	54,925
Exchange difference arising on translation	—	—	—	—	2,254	—	—	2,254
Total comprehensive income for the year	—	—	—	—	2,254	—	54,925	57,179
Effect from the Group Reorganisation (as defined in Note 1)	(775)	—	—	678	—	—	—	(97)
Issue of new shares	1,600	310,400	—	—	—	—	—	312,000
Transaction costs attributable to issue of new shares	—	(17,364)	—	—	—	—	—	(17,364)
Issue of shares by capitalisation of share premium account	4,667	(4,667)	—	—	—	—	—	—
Dividend recognised as distribution	—	—	—	—	—	—	(140,000)	(140,000)
At 31 March 2011	**6,667**	**288,369**	**49**	**678**	**10,891**	**(6,000)**	**137,117**	**437,771**

Notes:

(i) In accordance with the provisions of Macao Commercial Code, Two-Two-Free Limited-Macao Commercial Offshore ("Two-Two-Free"), a subsidiary of the Company, 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 special reserve represents the difference between the normal value of the share capital issued by the Company and the share premium and the nominal value of the share capital of the subsidiaries comprising the Group prior to the Group Reorganisation (as defined in Note 1).

(iii) The other reserve represents the deemed distribution to Mr. Chum Tung Hang ("Mr. Chum") a controlling shareholder of the Group. It represents the difference between the fair value of interest-free advance to Mr. Chum measured at amortised cost using the effective interest method and its principal amount at inception.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 March 2011

	2011 HK$'000	2010 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**56,732**	79,948
Adjustments for:		
Depreciation of property, plant and equipment	**9,218**	5,344
Amortisation of prepaid lease payments	**201**	197
Impairment loss recognised on other receivables	**71**	—
Interest income	**(1,171)**	(30)
Imputed interest income arising on the amount due from a controlling shareholder	**—**	(5,000)
Gain on disposal of property, plant and equipment	**—**	(12)
Operating cash flows before movements in working capital	**65,051**	80,447
Increase in inventories	**(27,584)**	(10,166)
Decrease (increase) in trade and other receivables and prepayments	**47,936**	(91,812)
(Decrease) increase in trade and other payables and accruals	**(30,487)**	43,195
Cash generated from operating activities	**54,916**	21,664
Income tax paid	**(308)**	—
NET CASH FROM OPERATING ACTIVITIES	**54,608**	21,664
INVESTING ACTIVITIES		
Increase in pledged bank deposit	**(59,500)**	—
Advance to controlling shareholders	**(24,439)**	(91,430)
Purchase of property, plant and equipment	**(614)**	(1,715)
Interest received	**1,171**	30
Repayment of amounts due from controlling shareholders	**7**	58,383
Proceeds on disposal of property, plant and equipment	**—**	74
NET CASH USED IN INVESTING ACTIVITIES	**(83,375)**	(34,658)
FINANCING ACTIVITIES		
Proceeds from issue of new shares	**312,000**	—
Advance from controlling shareholders	**1,282**	100,325
Repayment of amounts due to controlling shareholders	**(61,339)**	(95,964)
Expenses on issue of new shares	**(17,364)**	—
NET CASH FROM FINANCING ACTIVITIES	**234,579**	4,361
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**205,812**	(8,633)
CASH AND CASH EQUIVALENTS AT 1 APRIL	**9,237**	17,861
Effect of foreign exchange rate changes	**439**	9
CASH AND CASH EQUIVALENTS AT 31 MARCH, represented by bank balances and cash	**215,488**	9,237

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended 31 March 2011

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 of the Cayman Islands on 9 June 2010. On 13 July 2010, 16 November 2010 and 7 December 2010, the name of the Company changed from Newtree Medical Enviro Material Holdings Ltd. to Newtree Medical Enviro Holdings Limited, to Newtree Clinical Consumables Holdings Limited, and then to the existing name, respectively. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 January 2011 (the "Listing"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company acts as an investment holding company. The principal activities of the Group is engaged in the manufacture and trading of hygienic disposables for household and clinical uses.

Pursuant to a group reorganisation (the "Group Reorganisation") in preparation for the Listing, as more fully explained in the paragraph headed "Reorganisation" in the section headed "Corporate Reorganisation" in Appendix VI of the prospectus dated 31 December 2010 issued by the Company (the "Prospectus"), the Company became the holding company of Greenstar Enviro-Tech Investments Company Limited ("Greenstar Eviro-Tech") and its subsidiaries on 24 December 2010 upon completion of the Group Reorganisation.

The Group resulting from the Group Reorganisation is considered as a continuing entity. Accordingly, the consolidated financial statements of the Group have been prepared using the principles of merger accounting as if the group structure under the Group Reorganisation had been in existence throughout the two years ended 31 March 2011 or since the respective dates of incorporation or establishment, whichever is the shorter period.

Prior to the Group Reorganisation, the controlling shareholders of the Group are Mr. Chum and Ms. Lei Sao Cheng ("Mrs. Chum"). As a result of the Group Reorganisation, Able Bright Limited became the immediate holding of the Company and The Chum's Family Trust is the ultimate shareholder of the Company.

The consolidated financial statements have been presented in Hong Kong dollars ("HKD"), while the functional currency of the Company is United States dollars ("USD"). The directors of the Company selected HKD as the presentation currency because the Directors consider that presenting the consolidated financial statements in HKD is preferable when controlling and monitoring the performance and financial position of the Group.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised Standards and Interpretations applied in the current year

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (As revised in 2008)	Business Combinations
HKAS 27 (As revised in 2008)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners
HK — Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

Amendments to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group reassessed the classification of its unexpired leasehold land in accordance with the provisions set out in the amendments to HKAS 17. The application of the amendments to HKAS 17 does not have material impact on the classification of the Group's leasehold land.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised Standards, Amendments and Interpretations issued but not yet effective

The Group has not early applied the following new or revised standards, amendments or interpretations which are not yet effective:

HKFRSs (Amendments)	Improvement in HKFRSs 2010[1]
HKFRS 7 (Amendments)	Disclosures: Transfer of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (as revised in 2011)	Separate Financial Statements[4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[4]
HK(IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
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 July 2011.
4 Effective for annual periods beginning on or after 1 January 2013.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2011.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised Standards, Amendments and Interpretations issued but not yet effective *(Continued)*

"HKFRS 9 Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. "HKFRS 9 Financial Instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognized financial assets that are within the scope of "HKAS 39 Financial Instruments: Recognition and Measurement" are subsequently measured at either amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year beginning 1 April 2013. Based on the Group's financial assets and financial liabilities as at 31 March 2011, the directors of the Company anticipate that the application of HKFRS 9 will not have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities.

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 results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and title has passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. 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, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories 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 derecognised 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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values on the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

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 recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, 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 recognised in other comprehensive income and accumulated in equity (the exchange reserve).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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. Taxable profit differs from profit as reported in the consolidated 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 recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such assets and liabilities are not recognised 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 recognised 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 recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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 recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Inventories

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

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated 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 recognised and derecognised 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 amortised 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 recognised on an effective interest basis for debt instruments.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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, amount due from a controlling shareholder, pledged bank deposit and bank balances) are carried at amortised 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 affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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 amortised cost, an impairment loss is recognised 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

The carrying amount of the 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 recognised 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.

For financial assets measured at amortised cost, 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 recognised, the previously recognised 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 amortised cost would have been had the impairment not been recognised.

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 amortised 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 recognised on an effective interest basis.

Financial liabilities

The Group's financial liabilities (including trade and other payables and amounts due to controlling shareholders) are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

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

Derecognition
Financial assets are derecognised 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 in its entirety, 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 recognised in other comprehensive income is recognised in profit or loss.

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

Equity-settled share-based payment transactions
The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve will be transferred to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 recognised 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 recognised for the asset in prior years. A reversal of an impairment loss is recognised 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 recognised 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.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Estimated allowances for inventories

The management estimates the net realisable 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 realisable values. Where the expectation on the net realisable 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 2011, the carrying amounts of trade receivables are approximately HK$52,545,000 (2010: HK$106,945,000) and other receivables are approximately HK$5,186,000 (2010: HK$979,000), net of impairment loss recognised of HK$71,000 (2010: nil).

5. REVENUE AND SEGMENT 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 both 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.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

	For the year ended 31 March 2011		
	Household application products HK$'000	Clinical application products HK$'000	Total HK$'000
Revenue from external customers	219,674	206,598	426,272
Segment result	72,488	38,443	110,931
Unallocated income:			
Bank interest income			1,171
Other income			128
Unallocated expenses:			
Depreciation of property, plant and equipment			(5,736)
Amortization of prepaid lease payments			(201)
Listing expenses			(23,110)
Other expenses			(26,451)
Profit before taxation			56,732
Segment assets as at 31 March 2011	34,214	53,345	87,559
Unallocated assets:			
Property, plant and equipment			35,312
Prepaid lease payments			6,683
Inventories			54,412
Other receivables and prepayments			6,133
Pledged bank deposit			59,500
Bank balances and cash			215,488
Consolidated assets as at 31 March 2011			465,087

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

	For the year ended 31 March 2010		
	Household application products HK$'000	Clinical application products HK$'000	Total 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 controlling shareholder			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
Amount due from a controlling shareholder			155,933
Bank balances and cash			9,237
Combined assets as at 31 March 2010			382,682

At the end of the reporting period, substantially all of the non-current assets are located in the People's Republic of China (the "PRC").

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Information about major customers

For the year ended 31 March 2011

The revenue from the Group's largest customer which attributed to clinical application products was approximately HK$145,697,000, representing 34.2% to the total sales of the Group for the year ended 31 March 2011.

In addition to the largest customer, there are one customer attributable to clinical application and two customers attributed to household application products contributing about 15.2%, 23.5% and 13.0% to the total sales of the Group. The revenue of these three customers was approximately HK$64,749,000, HK$100,046,000 and HK$55,489,000, respectively.

For the year ended 31 March 2010

The revenue from the Group's largest customer which involved in clinical application 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 application 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.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Information about geographical areas

In determining the Group's information about geographical areas, revenue are attributed to the segments 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	
	2011	2010
	HK$'000	HK$'000
United Kingdom	**146,326**	151,424
United States of America	**167,374**	141,203
Norway	**100,047**	81,228
Sweden	**1,805**	2,296
Germany	**3,918**	24,766
Singapore	**—**	15,400
Others	**6,802**	10,799
	426,272	427,116

6. OTHER INCOME

	2011 HK$'000	2010 HK$'000
Bank interest income	1,171	30
Gain on disposal of property, plant and equipment	—	12
Exchange gain	—	2,242
Imputed interest income arising on the amount due from a controlling shareholder	—	5,000
Others	128	213
	1,299	7,497

7. INCOME TAX EXPENSE

	2011 HK$'000	2010 HK$'000
Income tax expense represents:		
Current year tax:		
PRC Enterprise Income Tax ("EIT")	1,807	1,004

(i) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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

In March 2011, the Hong Kong Inland Revenue Department (the "HKIRD") issued to a wholly-owned subsidiary in Macau a profits tax assessment of HK$5,600,000 relating to the year of assessment 2004/2005, that is, for the financial year ended 31 March 2005. The Group is lodging an objection with the HKIRD against the assessment.

In the opinion of the directors, the subsidiary involved did not carry on any business in Hong Kong for the year of assessment 2004/2005. As such, the directors believe that no profits tax should be payable by the said subsidiary for this year of assessment and hence no provision for Hong Kong Profits Tax in respect of the assessment is considered necessary.

7. INCOME TAX EXPENSE *(Continued)*

(ii) PRC

Under the Law on Enterprise Income Tax 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.

Pursuant to the relevant laws and regulations in the PRC, Huizhou Junyang Plastic Co., Ltd. ("Huizhou Junyang") was entitled to exemption from the PRC EIT from its first two profit-making years of operation and thereafter, it is entitled to a 50% relief from the PRC enterprise income tax for the following three years. The first profit making year of Huizhou Junyang is deemed to have started from the fiscal year ended 31 December 2007. Accordingly, Huizhou Junyang was entitled to a relief from PRC EIT by a 50% reduction from the fiscal year 2009 to 2011 with an effective tax rate of 12.5%.

(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 income tax expense for the year can be reconciled to the profit per the consolidated statements of comprehensive income as follows:

	2011 HK$'000	2010 HK$'000
Profit before taxation	**56,732**	79,948
Tax at domestic tax rates applicable to profits of taxable entities in the countries concerned	**14,183**	19,986
Tax effect of expense not deductible	**6,639**	—
Tax effect of income not taxable for tax purpose	**(188)**	(1,258)
Tax effect of tax losses not recognised	**2**	4,196
Tax effect of PRC tax holidays/exemption granted to a group entity	**(17,819)**	(21,875)
Utilisation of tax losses previously not recognised	**(1,010)**	(45)
Income tax expense for the year	**1,807**	1,004

7. INCOME TAX EXPENSE *(Continued)*

The Group had unused tax losses of approximately HK$157,000 (2010: HK$4,189,000) which are available to offset against future profits. No deferred tax asset has been recognised in respect of these unused tax losses due to the unpredictability of future profit streams. As at 31 March 2010, included in unrecognised tax losses were losses of HK$4,040,000 that would expire in 5 years. These tax losses are fully utilised during the year ended 31 March 2011. Other losses may be carried forward indefinitely.

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 HK, a treaty rate of 5% will be applicable. At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the PRC subsidiary for which deferred tax liability has not been recognised was HK$9,420,000 (2010: Nil). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

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

8. PROFIT FOR THE YEAR

	2011 **HK$'000**	2010 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration	**1,705**	59
Directors' remuneration *(note 9)*	**965**	136
Other staff costs	**9,489**	8,474
Retirement benefit scheme contributions	**552**	357
Total staff costs	**11,006**	8,967
Cost of inventories	**315,341**	334,299
Depreciation of property, plant and equipment	**9,218**	5,344
Amortization of prepaid lease payments	**201**	197
Impairment loss recognised on other receivables	**71**	—
Net exchange loss (gain)	**2,374**	(2,242)
Gain on disposal of property, plant and equipment	**—**	(12)

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors

Details of the emoluments paid to the directors of the Group for the years are as follows:

Year ended 31 March 2011

	Fees HK$'000	Salaries and other allowances HK$'000	Retirement benefit schemes contributions HK$'000	Bonus HK$'000	Total HK$'000
Executive directors:					
Mr. Chum	—	261	—	—	261
Mrs. Chum	—	261	—	—	261
Mr. Chum Hon Sing	—	365	—	—	365
Independent non-executive directors:					
Mr. Lee Thomas Tuan-Tong	26	—	—	—	26
Mr. Chow-Tsu Yin	26	—	—	—	26
Mr. Chan Bing Chung	26	—	—	—	26
	78	887	—	—	965

Year ended 31 March 2010

	Fees HK$'000	Salaries and other allowances HK$'000	Retirement benefit schemes contributions HK$'000	Bonus HK$'000	Total HK$'000
Executive directors:					
Mr. Chum	—	—	—	—	—
Mrs. Chum	—	—	—	—	—
Mr. Chum Hon Sing	—	136	—	—	136
Independent non-executive directors:					
Mr. Lee Thomas Tuan-Tong	—	—	—	—	—
Mr. Chow-Tsu Yin	—	—	—	—	—
Mr. Chan Bing Chung	—	—	—	—	—
	—	136	—	—	136

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Employees

Of the five individuals with the highest emoluments in the Group, three (2010: one) were director of the Company. The emoluments of the remaining two (2010: four) individuals were as follows:

	2011 HK$'000	2010 HK$'000
Salaries and other allowances	**615**	784
Retirement benefit scheme contributions	**1**	2
	616	786

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

During both years, 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 both years.

10. DIVIDENDS

The directors of the Company recommend the payment of a final dividend of HK$0.03 per share for the year ended 31 March 2011. The proposed dividend of approximately HK$20,000,000 will be paid on or before 19 September 2011 to those shareholders whose names appear on the Company's register of members on 2 September 2011.

This proposed dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

The dividend recognised as distribution amounted to HK$140,000,000 during the year ended 31 March 2011, was declared by Two-Two-Free on 30 June 2010 prior to the completion of the Group Reorganisation. The shareholders are also directors of Two-Two-Free and the dividend distribution was settled through the balances with the controlling shareholders.

11. EARNINGS PER SHARE

(i) Earnings per share — financial reporting

The calculation of the basic earnings per share attributable to the owners of the Company for the years are based on the following data:

	2011 **HK$'000**	2010 HK$'000
Profit for the year attributable to owners of the Company	**54,925**	78,944
Weighted average number of ordinary shares for the purpose of basic earnings per share	**540,857,781**	506,666,000

(ii) Earnings per share — management reporting

Adjusted earnings per share based on a component of profit for the year which is used by the Board of Directors of the Company for its financial management purposes are as follows:

	2011 **HK cents**	2010 HK cents
Basic	**14.43**	15.58

The calculation of these other basic earnings per share for the year is based on the following data, which are determined by the directors:

	2011 **HK$'000**	2010 HK$'000
Profit for the year attributable to owners of the Company	**54,925**	78,944
Adjusted for: Listing expenses	**23,110**	—
Adjusted profit for the year attributable to owners of the Company for the purpose of other basic earnings per share	**78,035**	78,944
Weighted average number of ordinary shares for the purpose of other basic earnings per share	**540,857,781**	506,666,000

The calculation of the basic earnings per share is based on the profit attributable to owners of the Company for the year and the weighted average number of ordinary shares for the purpose of basic earnings per share assuming the capitalisation issue as disclosed in Appendix VI of the Prospectus occured on the first day of the year, and the assumption that the Group Reorganisation had been effective on 1 April 2009.

No diluted earnings per share is presented for both years as there were no potential ordinary shares in issue.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Leasehold improvement HK$'000	Furniture, fixtures, and equipment HK$'000	Construction inprogress HK$'000	Total HK$'000
COST							
At 1 April 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	—	509	—	—	105	—	614
Exchange realignment	1,369	1,615	48	102	58	—	3,192
At 31 March 2011	**34,006**	**40,186**	**1,441**	**2,507**	**1,788**	**—**	**79,928**
DEPRECIATION							
At 1 April 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 year	5,208	3,498	199	244	69	—	9,218
Exchange realignment	490	1,010	28	68	50	—	1,646
At 31 March 2011	**14,209**	**26,220**	**983**	**1,775**	**1,429**	**—**	**44,616**
CARRYING VALUES							
At 31 March 2011	**19,797**	**13,966**	**458**	**732**	**359**	**—**	**35,312**
At 31 March 2010	24,126	16,350	637	942	315	—	42,370

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%

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

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 "Temporary Structures"). The carrying value was approximately HK$6,634,000 as at 31 March 2011 (2010: HK$10,598,000).

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. However, the directors of the Company have the intention to relocate the Temporary Structures before May 2012. The depreciation charge of the Temporary Structures is accelerated and the Temporary Structures will be depreciated over the remaining useful lives to May 2012.

	2011 **HK$'000**	2010 HK$'000
The carrying value of properties shown above comprise:		
Situated on leasehold land under medium-term lease located in:		
— PRC	**19,469**	23,790
— Macau	**328**	336
	19,797	24,126

13. PREPAID LEASE PAYMENTS

	2011 **HK$'000**	2010 HK$'000
Prepaid lease payments comprise:		
Leasehold land under medium-term lease located in:		
— PRC	**6,524**	6,424
— Macau	**159**	191
	6,683	6,615
Analysed for reporting purposes as:		
Current assets	**205**	198
Non-current asset	**6,478**	6,417
	6,683	6,615

Prepaid lease payment is amortised over the term of the rights on a straight-line basis of 25 to 50 years for both years.

14. INVENTORIES

	2011 HK$'000	2010 HK$'000
At cost:		
Raw materials	**54,412**	36,447
Work-in-progress	**4,042**	3,555
Finished goods	**12,903**	3,771
	71,357	43,773

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2011 HK$'000	2010 HK$'000
Trade receivables	**52,545**	106,495
Bills receivables	**18,069**	14,223
Prepayments	**947**	3,057
Other receivables	**5,186**	979
	76,747	124,754

The Group generally allows an average credit period of 30 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 based on the invoice date at the end of the reporting period is as follows:

	2011 HK$'000	2010 HK$'000
Trade and bills receivables:		
0–30 days	**31,844**	27,141
31–60 days	**5,108**	29,274
61–90 days	**8,920**	64,303
Over 90 days	**24,742**	—
	70,614	120,718

All bills receivables of the Group were aged within 60 days at the end of the reporting period.

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

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.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$24,742,000 (2010: Nil) which are past due as at the reporting date for which the Group has not provided for impairment loss because the Group believes that the amounts are still recoverable as there has not been a significant deterioration in credit quality of these customers and there are continuing subsequent settlements. The Group does not hold any collateral over these balances. The average age of these receivables is 118 days (2010: Nil).

Ageing of trade receivables, based on the payment due dates, which are past due but not impaired, is as follows:

	2011 HK$'000	2010 HK$'000
Over 90 days	**24,742**	—

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

16. AMOUNT(S) DUE FROM (TO) A CONTROLLING SHAREHOLDER(S)

(i) Amounts due from a controlling shareholder

The amount due from a controlling shareholder represents the amount due from Mr. Chum, who is also a director of the Company. Director's current accounts disclosed pursuant to section 161B of the Companies Ordinance are as follow:

Director	**Balance at 31.3.2011 HK$'000**	Balance at 31.3.2010 HK$'000	Maximum amount outstanding during the year HK$'000
Mr. Chum			
— due within 1 year *(note)*	**—**	155,933	180,372

(ii) Amounts due to controlling shareholders

	2011 HK$'000	2010 HK$'000
Mr. Chum	**—**	100,285
Mrs. Chum	**—**	40
Total *(note)*	**—**	100,325

Note: The amount arose from temporary fund transfers, which was non-trade in nature and was fully settled during the year ended 31 March 2011.

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

17. PLEDGED BANK DEPOSIT AND BANK BALANCES AND CASH

The pledged bank deposit is used to secure the credit facility granted from financial institution. At the end of the reporting period, the Group does not utilise the credit facility. Accordingly, the pledged bank deposit is classified as current assets. Bank balances and cash comprise cash held by the Group with the original maturity of three months or less.

The pledged bank deposit and bank balances carry interests at market rates range as follows:

	2011	2010
Pledged bank deposit	**1.1%**	N/A
Bank balances	**0.01% to 0.5%**	0.01% to 0.81%

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

	RMB HK$'000	**USD** HK$'000	**HKD** HK$'000	**Macau Pataca ("MOP")** HK$'000
As at 31 March 2011				
Pledged bank deposit	**59,500**	**—**	**—**	**—**
Bank balances and cash	**—**	**800**	**51,414**	**558**
As at 31 March 2010				
Bank balances and cash	—	2,357	1,438	54

18. TRADE AND OTHER PAYABLES AND ACCRUALS

	2011 HK$'000	2010 HK$'000
Trade payables	17,773	51,393
Accruals	1,054	44
Other tax payables	605	2,760
Others	5,046	768
	24,478	54,965

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

	2011 HK$'000	2010 HK$'000
0–30 days	13,070	18,644
31–60 days	3,261	17,870
61–90 days	99	14,879
Over 90 days	1,343	—
	17,773	51,393

19. SHARE/PAID UP CAPITAL

	Notes	Number of shares	Nominal value HK$'000
Ordinary shares of HK$0.01 each			
Authorised:			
At date of incorporation	*(i)*	39,000,000	390
Increase	*(ii)*	9,961,000,000	99,610
At 31 March 2011		10,000,000,000	100,000
Issued and fully paid:			
Allotted and issued on incorporation	*(i)*	1	—
Issue of shares upon the Group Reorganisation	*(iii)*	40,009,999	400
Issue of shares on capitalisation of the share premium account	*(iv)*	466,656,000	4,667
Issue of shares under the Listing	*(v)*	160,000,000	1,600
At 31 March 2011		666,666,000	6,667

Notes:

(i) The Company was incorporated on 9 June 2010 with an authorised capital of HK$390,000, divided into 39,000,000 shares of HK$0.01 each. On 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.

(ii) Pursuant to the resolutions passed by the sole shareholder of the Company on 15 December 2010, the authorised share capital of the Company was increased from HK$390,000 to HK$100,000,000 by the creation of additional 9,961,000,000 ordinary shares of HK$0.01 each.

(iii) On 24 December 2010, the Company issued 40,009,999 ordinary shares of HK$0.01 each pursuant to the Group Reorganisation.

(iv) On 12 January 2011, the Company allotted and issued 466,656,000 ordinary shares of HK$0.01 each credited as fully paid to the shareholders by the capitalisation of an amount of HK$4,666,560 in the share premium account of the Company at par.

(v) On 13 January 2011, the Company issued a total of 160,000,000 ordinary shares of HK$0.01 each at the HK$1.95 by way of a global offering.

All the shares issued during the period from 9 June 2010 (date of incorporation) to 31 March 2011 ranked pari passu in all respects with the then existing shareholders.

Because the Group Reorganisation was only completed on 24 December 2010, the balance of share capital at 31 March 2010 represents the aggregate the share capital and paid-up capital of the subsidiaries comprising the Group at that date.

20. INFORMATION OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	HK$'000
Assets and liabilities	
Investments in subsidiaries	1,054
Amounts due from group companies	141,355
Pledged bank deposit	59,500
Bank balances and cash	133,184
Total assets	335,093
Other payables and accruals	5,353
	329,740
Capital and reserves	
Share capital	6,667
Reserves *(note)*	323,073
	329,740

Note:

	Share Premium HK$'000	Contributed surplus HK$'000	Retained profit HK$'000	Total HK$'000
At date of incorporation	—	—	—	—
Profit and total comprehensive income for the period	—	—	34,050	34,050
Effect from the Group Reorganisation	—	654	—	654
Issue of new shares *(Note 19(v))*	310,400	—	—	310,400
Transaction costs attributable to issue of new shares	(17,364)	—	—	(17,364)
Issue of shares by capitalisation of share premium account *(Note 19(iv))*	(4,667)	—	—	(4,667)
At 31 March 2011	288,369	654	34,050	323,073

21. RETIREMENT BENEFIT PLANS

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 rules of the MPF Scheme, the employer and its employees are 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. Each of the PRC subsidiaries 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. SHARE-BASED PAYMENT TRANSACTIONS

On 17 December 2010, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives or rewards to eligible participants who contribute to the success of the Group's operations.

Purpose

Provide incentives and rewards to eligible participants.

Participants

Eligible participants include:

(a) Any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of or to the Company, any of the subsidiaries or any entity ("Invested Entity") in which the Company holds an equity interest;

(b) Any non-executive Directors (including independent non-executive directors) of the Company; any of the subsidiaries of any Invested Entity;

(c) Any supplier of goods or services to the Company or any of the subsidiaries or any Invested Entity;

(d) Any customer of the Company or any Invested Entity;

(e) Any person or entity that provides research, development or other technological support to the Company or any Invested Entity;

22. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Participants *(Continued)*

(f) Any shareholders of the Company or any of the subsidiaries or any Invested Entity or any holder of any securities issued by the Company or any of the subsidiaries or any Invested Entities; and

(g) Any company wholly-owned by one or more persons belonging to any of the above classes of participants from (a) to (f) above.

Maximum number of shares

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital from time to time.

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 Scheme to be granted under the Scheme and any other share option schemes of the 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 the shares of the Company first comment on the Stock Exchange (excluding the shares which may be issued pursuant to the exercise of the over-allotment option).

The number of shares issued and to be issued in respect of which options granted and may be granted to any individual on any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Minimum period for which an option must be held before it can be exercised

Options may be exercised at any time from the minimum period for which an option must be held before it can be exercised determined by the Board of Directors commencing from the date of grant of the share option to the 10th anniversary of the date of grant.

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.

Amount payable on acceptance

HK$1.00

22. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Basis of determining exercise price

Determined by the directors of the Company at their discretion and shall not be less than the highest of:

(a) The nominal value of an ordinary share of the Company;

(b) The average closing price of the ordinary share of the Company 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

(c) The closing price of the ordinary shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day).

During the period from 17 December 2010 to 31 March 2011 and as at 31 March 2011, no options were granted, exercised or lapse under the Scheme.

23. PLEDGE OF ASSET

At the end of the reporting period, the Group's credit facility from financial institution was secured by the following:

	2011 **HK$'000**	2010 HK$'000
Pledged bank deposit	**59,500**	—

24. RELATED PARTY DISCLOSURES

(I) Related party transactions

During both years, the Group entered into the following transactions with related parties:

Name of related party	Nature of transactions	2011 HK$'000	2010 HK$'000
Mr. Chum *(note (i))*	Deemed interest income	—	5,000
Speedy Fortune (Hong Kong) Limited ("Speedy Fortune") *(note (ii))*	Sales of goods	**2,250**	5,007

Notes:

(i) Being the executive director of the Company and he has the beneficial interest in the ultimate shareholder of the Company.

(ii) Ms. Shirley Chum Sze Wing, who has beneficial interest in the ultimate shareholder of the Company, ceased to be the director of Speedy Fortune since August 2010. No other related party transaction was entered by the Group with Speedy Fortune after the Listing.

In addition, Mr. Chum had applied for and successfully obtained patents for certain technologies and designs. During both years, 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.

(II) Related party balances

Details of outstanding balances of the Group are set out in note 16.

(III) Compensation of key management personnel

The remuneration of directors and other members of key management during the year ended 31 March 2011 was as follows:

	2011 HK$'000	2010 HK$'000
Short-term benefits	**1,580**	920
Post-employment benefits	**1**	2
	1,581	922

25. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2011, the Group has the following major non-cash transactions:

(i) The dividend distribution of HK$140,000,000 was settled through the balances with the controlling shareholders.

(ii) The amounts due from controlling shareholders of approximately HK$40,365,000 was assigned to settle the amounts due to controlling shareholders.

26. 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 maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the period.

The capital structure of the Group consists amounts due to controlling shareholders, 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.

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2011 **HK$'000**	2010 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**345,781**	285,922
Financial liabilities		
Amortised cost	**22,819**	152,486

27. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount(s) due from (to) a controlling shareholder(s), pledged 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 include market risk, credit risk and liquidity risk and the policies on how to mitigate these 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 MOP. The Group's currency risk exposure in relation to the monetary financial assets is expected to be minimal as USD and MOP are pegged with HKD 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 balances and pledged bank deposit.

The Group's exposure to interest rate risk on bank balances and pledged bank deposit is expected to be minimal.

27. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

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 perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated 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 authorised institutions and the directors of the Company consider the credit risk of such authorised institutions is low.

The Group has concentration of credit risk on top five major customers which accounted for as 95.6% and 98.1% of the Group's total trade receivables as at 31 March 2011 and 31 March 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 the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the aged 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.

27. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Liquidity and interest risk table

	Weighted average of contractual interest rate %	Less than 30 days or on demand HK$'000	31–90 days HK$'000	91–365 days HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2011						
Trade and other payables	—	18,116	3,360	1,343	22,819	22,819

	Weighted average of contractual interest rate %	Less than 30 days or on demand HK$'000	31–90 days HK$'000	91–365 days HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2010						
Trade and other payables	—	33,517	18,644	—	52,161	52,161
Amounts due to controlling shareholders	—	100,325	—	—	100,325	100,325
		133,842	18,644	—	152,486	152,486

(c) Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their fair values.

28. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries at 31 March 2011 and 2010 are set out below:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable as equity interest held by the Group at 31 March		Principal activities
			2011	2010	
			%	%	
Greenstar Enviro-Tech*	British Virgin Islands 12 January 2010	USD10,000	**100**	100	Investment holding
Two-Two-Free	Macau 5 February 2004	MOP$100,000	**100**	100	Trading of plastic products
Ramber Industrial Limited	Hong Kong 16 June 1989	HK$2	**100**	100	Investment holding
Tary Limited	Hong Kong 14 March 1986	HK$1,000,000	**100**	100	Trading of plastic products
Nupoly Medical Supply Development Co. Limited	Hong Kong 25 March 2010	HK$1	**100**	100	Investment holding
惠州市駿洋塑膠有限公司 Huizhou Junyang**	The PRC 24 October 2000	USD5,000,000	**100**	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**	The PRC 16 September 2010	HK$1,200,000	**100**	N/A	Inactive

* The subsidiary is directly owned by the Company.

** English translated name is for identification purpose only.

FINANCIAL SUMMARY

RESULTS

	Year ended 31 March			
	2011	2010	2009	2008
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**426,272**	427,116	311,607	282,080
Profit for the year	**54,925**	78,944	43,531	43,149
Total comprehensive income for the year attributable to owners of the Company	**57,179**	79,079	44,940	46,895

ASSETS AND LIABILITIES

	As at 31 March			
	2011	2010	2009	2008
	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**465,087**	382,682	254,965	206,235
Total liabilities	**(27,316)**	(156,629)	(108,069)	(100,279)
Net assets	**437,771**	226,053	146,896	105,956

Note 1: The Company was incorporated in the Cayman Islands on 9 June 2010 and became the holding company of the Group on 24 December 2010. The results and assets and liabilities of the Group for 2008, 2009 and 2010 have been prepared on a combined basis as if the current group structure had been in existence throughout and at the end of those years and have been extracted from the Prospectus.

Note 2: *Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange during the period from the date of the Listing (i.e. 13 January 2011) to 31 March 2011.*