



9 July 2012

**High Concentration of Shareholding
in
Newtree Group Holdings Limited (Stock Code: 1323)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Newtree Group Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 25 June 2012.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 25 June 2012, 16 shareholders held an aggregate of 123,472,000 Shares, representing 18.52% of the issued Shares. Such shareholding, together with 476,688,000 Shares beneficially owned by the substantial shareholder, Twin Star Global Limited and parties acting in concert with it (representing 71.50% of the issued Shares), represented 90.02% of the issued Shares. Thus, only 9.98% of the issued Shares were held by other investors.

As at 25 June 2012, the shareholding structure of the Company was as follows:

	Number of Shares held (shares)	% of total number of issued Shares (%)
Twin Star Global Limited (<i>Note 1</i>)	410,021,590	61.50
Smooth Auspicious International Limited (<i>Note 2</i>)	26,666,574	4.00
Imperishable Land Limited (<i>Note 3</i>)	19,999,918	3.00
Wise Attempt Limited (<i>Note 4</i>)	19,999,918	3.00
A group of 16 shareholders	123,472,000	18.52
Other shareholders	66,506,000	9.98
Total	666,666,000	100.00

Note 1: Twin Star Global Limited is incorporated in the BVI with limited liability and is owned as to 50% by Dr., Sir Wong Wai Sing, an executive director and vice-chairman of the Company, and 50% by Mr Chum Hon Sing Desmond, an executive director and chairman of the Company. Twin Star Global Limited was the Offeror in the mandatory unconditional cash offer announced by the Company on 16 March 2012.



Note 2: Smooth Auspicious International Limited is incorporated in the BVI with limited liability and is wholly owned by Mr Xu Yiming. It was a party acting in concert with the Offeror in the mandatory unconditional cash offer announced by the Company on 16 March 2012.

Note 3: Imperishable Land Limited is incorporated in the BVI with limited liability and is wholly owned by Mr Fang Yingang. It was a party acting in concert with the Offeror in the mandatory unconditional cash offer announced by the Company on 16 March 2012.

Note 4: Wise Attempt Limited is incorporated in the BVI with limited liability and is wholly owned by Mr Zeng Hao. It was a party acting in concert with the Offeror in the mandatory unconditional cash offer announced by the Company on 16 March 2012.

On 16 March 2012, the Company announced a mandatory unconditional cash offer (“Cash Offer”) by the Offeror, Twin Star Global Limited and parties acting in concert with it (namely, Smooth Auspicious International Limited, Imperishable Land Limited and Wise Attempt Limited) for all the issued Shares, other than those already owned by them. The offer price of HK\$0.524 represented a discount of 38.4% to the last closing price of HK\$0.85 before the announcement.

Since then, share price of the Company rose 56.5% from HK\$0.85 on 9 March 2012 (being last trading day before suspension for the Cash Offer announcement) to HK\$1.33 on 14 May 2012. After the Cash Offer completed on 14 May 2012, Twin Star Global Limited and parties acting in concert with it held a total of 476,688,000 shares, or 71.5% of the issued Shares.

Since the completion of the Cash Offer, closing price of the Company’s shares increased a further 11.3% to HK\$1.48 on 25 June 2012. As at 6 Jul 2012, the Company’s share closed at HK\$1.44, represents an increase of 69.4% over the closing price of HK\$0.85 prior to the Cash Offer announcement.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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