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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)

CHANGE OF AUDITORS

The Board announces that Deloitte resigned as the auditors of the Company with effect from 24 January 2013, as the Company could not reach consensus with Deloitte on the auditors' remuneration in respect of the audit of the Company's financial statements. The Board further announces that BDO has been approved by the Board and the Audit Committee to be appointed as the auditors of the Company with effect from 25 January 2013 tentatively to fill the vacancy following the resignation of Deloitte.

The board (the "**Board**") of directors of Newtree Group Holdings Limited (the "**Company**", together with its subsidiaries as the "**Group**") announces that Deloitte Touche Tohmatsu ("**Deloitte**") has resigned as the auditors of the Company with effect from 24 January 2013, as the Company could not reach consensus with Deloitte on the auditors' remuneration in respect of the audit of the Company's financial statements. The following paragraph setting out reasons for the resignation is extracted from the letter of resignation issued by Deloitte to the Board and the audit committee of the Company (the "**Audit Committee**") on 24 January 2013:

"Our normal procedures include annual consideration of whether we wish to continue to act for our audit clients. In reaching a conclusion on this, we take into account many factors including the professional risk associated with the audit, the level of audit fees and our available internal resources in the light of current work flows. After careful consideration, we wish to inform you that we have decided to tender our resignation as auditor of the Company."

In its letter of resignation to the Company, Deloitte confirmed that there were no circumstances connected with their resignation that should be brought to the attention of the members or creditors of those subsidiaries incorporated in Hong Kong. Both the Board and the Audit Committee further confirmed that, other than disagreement of the auditors' remuneration, there was not any other disagreement between the Company and Deloitte and there were no circumstances connected with Deloitte's resignation which should be brought to the attention of the shareholders of the Company.

Both the Board and the Audit Committee further announce that BDO Limited ("BDO") has been approved by the Board and the Audit Committee to be appointed as the auditors of the Company with effect from 25 January 2013 tentatively to fill the vacancy following the resignation of Deloitte and will hold office until the conclusion of the next annual general meeting of the Company.

The Board would like to express its appreciations to Deloitte for its services rendered to the Company in the past.

By order of the Board
Newtree Group Holdings Limited
Mr. Chum Hon Sing
Chairman

Hong Kong, 24 January 2013

As at the date of this announcement, the executive directors of the Company are Mr. Chum Hon Sing, Mr. Wong Wai Sing, Mr. Lee Chi Shing, Caesar, Mr. Tsang Ho Ka, Eugene, Ms. Yick Mi Ching, Dawnibilly and Ms. Sung Ting Yee; and the independent non-executive directors are Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd and Dr. Hui Chik Kwan.