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NEW ISLAND DEVELOPMENT HOLDINGS LIMITED

新洲發展控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

MAJOR TRANSACTION INVESTMENT IN SHENG HUA FINANCIAL STABLE GROWTH INVESTMENT FUND SP

On 28 November 2014 (after trading hours), Huajun Capital, an indirect wholly-owned subsidiary of the Company, and GHGI Fund Series SPC entered into the Subscription Agreement, pursuant to which Huajun Capital has conditionally agreed to subscribe for, subject to the acceptance of GHGI Fund Series SPC and the satisfaction of the Conditions Precedent, the shares of GHGI Fund Series SPC in relation to the Fund in an aggregate amount of not less than HK\$375 million and not more than HK\$780 million.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the maximum amount of the Subscription are more than 25% but less than 100%, the Subscription constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and Shareholders' approval requirements under the Listing Rules. The Company has received a written approval given by Huajun International (holding approximately 62.62% of the issued ordinary share capital of the Company) for the Subscription and the transactions contemplated under it in lieu of holding a general meeting in accordance with Listing Rule 14.44. A circular containing further information about the Subscription and other information required by the Listing Rules is expected to be despatched to the Shareholders on or before 19 December 2014 for information purposes.

Shareholders and potential investors should be aware that completion of the Subscription is subject to the acceptance of GHGI Fund Series SPC and the satisfaction of the Conditions Precedent and consequently the Subscription may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

* For identification purposes only

MAJOR TRANSACTION

On 28 November 2014 (after trading hours), Huajun Capital, an indirect wholly-owned subsidiary of the Company, and GHGI Fund Series SPC entered into the Subscription Agreement, pursuant to which Huajun Capital has conditionally agreed to subscribe for, subject to the acceptance of GHGI Fund Series SPC and the satisfaction of the Conditions Precedent, the shares of GHGI Fund Series SPC in relation to the Fund in an aggregate amount of not less than HK\$375 million and not more than 780 million. The Fund will primarily invest in growing enterprises in the financial industry seeking flexible asset allocation.

THE SUBSCRIPTION AGREEMENT

Principal terms of the Subscription Agreement are set out below:

Date : 28 November 2014 (after trading hours)

Parties : (i) Huajun Capital; and
(ii) GHGI Fund Series SPC

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the counterparty to the Subscription, the Investment Manager, the Administrator, the Custodian and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets Acquired : Shares of GHGI Fund Series SPC in relation to the Fund.

Subscription Amount : Pursuant to the terms and conditions of the Subscription Agreement, Huajun Capital has conditionally agree to subscribe for the shares of GHGI Fund Series SPC in relation to the Fund in an aggregate amount of not less than HK\$375 million and not more than HK\$780 million (the exact amount to be determined at the sole and absolute discretion of Huajun Capital).

Conditions Precedent : The subscription money will not be sent to the Administrator, and Shares will not be issued, until (a) the GHGI Fund Series SPC provides each subscriber a copy of the certificate of registration as a mutual fund with the Cayman Islands Monetary Authority, and GHGI Fund Series SPC confirms to each subscriber that all relevant regulatory filings in the Cayman Islands have been made; and (b) if applicable, the Administrator has obtained any licenses required under any applicable jurisdictions in order to perform its services in respect of GHGI Fund Series SPC.

- Cooling-off Period : The Company shall have the right to cancel the Subscription in writing to the Investment Manager and obtain a full refund of any subscription amount paid within five (5) Business Days from the date of the Subscription Agreement.
- Subscription Period : The Shares will be available for subscription on the first Business Day of each month, subject to the terms and conditions of the Subscription Agreement.

INFORMATION ON GHGI FUND SERIES SPC

- Company Name : Global High Growth Industries Fund Series SPC
- Investment Manager : Sheng Yuan Asset Management Limited
- Administrator : Maples Fund Services (Cayman) Limited
- Custodian : China Everbright Securities (HK) Limited

GHGI Fund Series SPC is a Cayman Islands exempted segregated portfolio company incorporated with limited liability on 13 February 2014 to operate as a private investment fund. The Company is structured as an open-ended umbrella fund with segregated liability between sub-funds as a matter of Cayman Islands laws. Shares representing interests in different sub-funds may be issued from time to time. Shares of more than one class may be issued in relation to a sub-fund. All shares of each class in a sub-fund of GHGI Fund Series SPC will rank pari passu. A separate portfolio of assets will be maintained for each sub-fund and will be invested in accordance with the investment objective and policy applicable to such sub-fund.

The directors of GHGI Fund Series SPC will delegate the performance of day-to-day operations of GHGI Fund Series SPC to service providers including the Investment Manager, Custodian and Administrator. The directors of GHGI Fund Series SPC will procure investment advisory, administrative, custodial, legal, accounting and other required services for GHGI Fund Series SPC. The directors of GHGI Fund Series SPC will review the performance of the Investment Manager for each sub-fund, the Administrator and other service providers on a periodic basis.

INFORMATION ON THE FUND

- Fund Name : Sheng Hua Financial Stable Growth Investment Fund SP
- Investment Objective : The investment objective of the Fund is to seek long term capital appreciation through investing in a portfolio consisting primarily of listed securities of companies established or operating in the PRC, Hong Kong and/or the US. The Fund will primarily invest in growing enterprises in the financial industry seeking flexible asset allocation. The Fund may invest in convertible bonds of companies in such industries and funds that focus on investing in businesses in such industries.

- Management Fee : The Fund pays to the Investment Manager a quarterly management fee in advance equal to 2% (annualized) of the subscription amount of the issued and outstanding shares of GHGI Fund Series SPC as at the beginning of each calendar quarter. For any subscription during the calendar quarter, the management fee is equal to 2% (annualized) of the subscription amount of the period from the subscription day to the end of such calendar quarter and is payable by the Fund in advance at the time of the Subscription. The Investment Manager may, in its sole discretion, reduce, rebate or waive any management fees at any time, including in particular during any wind-down of the Fund's business.
- Term of the Fund : The Fund will be liquidated (a) if the directors of GHGI Fund Series SPC upon receiving the advice of the Investment Manager so determine, and upon the passing of a special resolution of the management shareholder of GHGI Fund Series SPC under Cayman Islands law to liquidate the GHGI Fund Series SPC, (b) if the net asset value of the Fund falls below HK\$10,000,000.
- Redemption: Shares of GHGI Fund Series SPC must be held (and may not be redeemed) during the Lock-Up Period, although additional shares may be purchased or subscribed within the Lock-Up Period. At the end of the Lock-Up Period, shares may generally be redeemed on a day that falls on the 90th day after the expiration of the Lock-Up Period, and subsequently on any day that falls on the 90th day after the immediately preceding redemption day, subject to the terms and conditions of the Subscription Agreement. Written notice of redemption must generally be received by the Administrator at least 60 Business Days prior to the redemption day. The directors of GHGI Fund Series SPC may, in their absolute discretion, limit, delay or suspend redemption rights (including payment of redemption proceeds) and requests for any and all shareholders of GHGI Fund Series SPC for any period during which, among other reasons, in the opinion of the directors of GHGI Fund Series SPC, disposition of investments would not be reasonable or practicable or would be prejudicial to the shareholders.
- Dividends : The Fund is expected to pay dividend once a year. Timing of payment and the amount of dividends will be determined at the sole and absolute discretion of the Investment Manager.

The Fund is a sub-fund of GHGI Fund Series SPC. The Fund is not a separate legal entity. All actions and discretions are exercised by GHGI Fund Series SPC for the account of and on behalf of the Fund.

The assets of one segregated portfolio in a segregated portfolio company established and registered in the Cayman Islands will not be available to satisfy the liabilities of another segregated portfolio in the same segregated portfolio company under Cayman Islands law.

INFORMATION ON SHENG YUAN ASSET MANAGEMENT LIMITED

Sheng Yuan Asset Management Limited, a limited liability company incorporated in Hong Kong, is the Investment Manager to the Fund. It carries on, and is licensed to conduct, asset management business (regulated activity type 9) under the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

INFORMATION ON THE COMPANY

The principal business activity of the Company is investment holding. The Group is principally engaged in (1) the sale and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (2) provision of finance; (3) securities investments; and (4) property investments.

Huajun Capital is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company, whose principal business is investing in financial products.

REASONS AND BENEFITS FOR THE SUBSCRIPTION

The Board considers that the Subscription is in line with the Group's objective to grow its investment return by adopting a proactive but prudent approach in its investments. Considering that the Fund will be well-managed by investment professionals, the Board expects that the Subscription will diversify the Group's securities investment risk and further enhance the rate of return of the Group's core business of securities investment through efficient access to a wider variety of investment channels to which the Group may not have access at present. The Subscription also provides the Group with an opportunity to manage its excess liquidity while giving the Group flexibility to redeem the shares of GHGI Fund Series SPC as and when the Board considers it to be beneficial to the Group.

The Group intends to hold the shares of GHGI Fund Series SPC for investment purpose and will realize the Subscription on terms that the Board considers appropriate. The Board will redeem the shares of GHGI Fund Series SPC, in part or in full, according to its funding need should any other more suitable investment opportunities arise.

The Directors are of the view that the Subscription is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company intends to fund the aggregate amount of the Subscription from its internal resources and other financial resources, if necessary.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable and on normal commercial terms, and the transactions contemplated under the Subscription Agreement are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the maximum amount of the Subscription are more than 25% but less than 100%, the Subscription constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and Shareholders' approval requirements under the Listing Rules. The Company has received a written approval given by Huajun International (holding approximately 62.62% of the issued ordinary share capital of the Company) for the Subscription and the transactions contemplated under it in lieu of holding a general meeting in accordance with Listing Rule 14.44. A circular containing further information about the Subscription and other information required by the Listing Rules is expected to be despatched to the Shareholders on or before 19 December 2014 for information purposes.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

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| “Administrator” | : Maples Fund Services (Cayman) Limited, the administrator of GHGI Fund Series SPC |
| “Board” | : the board of Directors |
| “Business Day” | : a day (excluding Saturday) on which banks in Hong Kong are open for business in Hong Kong throughout their normal business hours |
| “BVI” | : British Virgin Islands |
| “Company” | : New Island Development Holdings Limited (Stock Code: 377), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange |
| “Conditions Precedent” | : the conditions precedents of the Subscription Agreement |

“connected persons”	:	has the meaning ascribed thereto under the Listing Rules
“Custodian”	:	China Everbright Securities (HK) Limited, the custodian to hold GHGI Fund Series SPC’s assets in respect of each fund
“Director(s)”	:	the director(s) of the Company
“Fund”	:	Sheng Hua Financial Stable Growth Investment Fund SP, a sub-fund of GHGI Fund Series SPC
“GHGI Fund Series SPC”	:	Global High Growth Industries Fund Series SPC, is a Cayman Islands exempted segregated portfolio company incorporated with limited liability on 13 February 2014 to operate as a private investment fund.
“Group”	:	the Company and its subsidiaries
“HK\$”	:	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Huajun Capital”	:	Huajun Capital Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Huajun International”	:	Huajun International Limited, a company incorporated in the BVI with limited liability on 27 June 2014, being the controlling Shareholder of the Company
“Investment Manager”	:	Sheng Yuan Asset Management Limited, the investment manager to the Fund
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-Up Period”	:	the 12 month period commencing from the date of the Subscription Agreement
“PRC”	:	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	:	the holder(s) of the ordinary share(s) in the issued share capital of the Company
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited

- “Subscription” : the subscription of the shares of GHGI Fund Series SPC in relation to the Fund pursuant to the terms and conditions of the Subscription Agreement
- “Subscription Agreement” : the subscription agreement dated 28 November 2014 entered into between the Company and GHGI Fund Series SPC (after trading hours) in relation to the Subscription
- “subsidiaries” : has the meaning ascribed thereto under the Listing Rules
- “US” : the United States of America
- “%” : per cent.

By Order of the Board
Meng Guang Bao
Chairman

Hong Kong, 28 November 2014

As at the date of this announcement, the Board comprises Mr. Meng Guang Bao (Chairman), Mr. Wu Jiwei (Chief Executive Officer) and Mr. Guo Song (Deputy Chief Executive Officer) as executive Directors; and Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping as independent non-executive Directors.