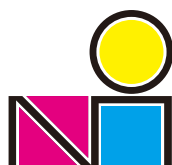


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# **NEW ISLAND DEVELOPMENT HOLDINGS LIMITED**

## **新洲發展控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 0377)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

The Board of Directors (the “Board”) of New Island Development Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2014. This announcement, containing the full text of the 2014/2015 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in relation to information to accompany preliminary announcements of interim results. The printed version of the Company’s 2014/2015 Interim Report will be delivered to the shareholders of the Company and available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.newisland.com](http://www.newisland.com) by the end of December 2014.

\* For identification purposes only

## INTERIM RESULTS

The board of directors (the “Board”) of New Island Development Holdings Limited (“the Company”) announces the unaudited consolidated results of the Company and its subsidiaries (“the Group”) for the six months ended 30 September 2014 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 September 2014*

|   |       | Six months ended<br>30 September<br>2014<br>(Unaudited)<br>HK\$'000 | 2013<br>(Unaudited<br>and restated)<br>HK\$'000 |
|---|-------|---|---|
|   | Notes |   |   |
| <b>Continuing operations</b>                          |       |   |   |
| Revenue   | 3     | 410,181   | 380,394   |
| Cost of sales   |       | (332,784)   | (308,768)                                       |
| <b>Gross profit</b>                                   |       | <b>77,397</b>   | <b>71,626</b>                                   |
| Other income  |       | 3,052   | 1,564   |
| Other gains and losses                                | 4     | 9,461   | 7,314   |
| Distribution and selling expenses                     |       | (24,266)  | (22,947)  |
| Administrative expenses                               |       | (43,947)  | (43,001)  |
| Finance costs   |       | (1,486)   | (1,485)   |
| Profit before tax                                     |       | 20,211  | 13,071  |
| Income tax expenses                                   | 5     | (5,210)   | (2,027)   |
| Profit for the period from continuing operations      | 6     | 15,001  | 11,044  |
| <b>Discontinued operation</b>                         |       |   |   |
| Profit for the period from discontinued operation     | 7     | 35  | 1,530   |
| <b>Profit for the period</b>                          |       | <b>15,036</b>   | <b>12,574</b>                                   |
| <b>Attributable to:</b>                               |       |   |   |
| Equity shareholders of the Company                    |       | 15,067  | 12,518  |
| Non-controlling interests                             |       | (31)  | 56  |
|   |       | <b>15,036</b>   | <b>12,574</b>                                   |
| Basic earnings per share                              | 8     |   |   |
| From continuing and discontinued operations (HK cent) |       | 0.57  | 0.47  |
| From continuing operations (HK cent)                  |       | 0.57  | 0.43  |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 September 2014*

|  | <b>Six months ended<br/>30 September</b> |                    |
|--|--|--------------------|
|  | <b>2014</b>                              | <b>2013</b>        |
|  | <b>(Unaudited)</b>                       | <b>(Unaudited)</b> |
|  | <b>HK\$'000</b>                          | <b>HK\$'000</b>    |
| <b>Profit for the period</b>                           | <b>15,036</b>                            | <b>12,574</b>      |
| <b>Other comprehensive (expenses) income</b>           |  |                    |
| Items that may be reclassified to profit or loss:      |  |                    |
| Exchange differences on translating foreign operations | (4,755)                                  | 3,014              |
| <b>Total comprehensive income for the period</b>       | <b>10,281</b>                            | <b>15,588</b>      |
| <b>Total comprehensive income attributable to:</b>     |  |                    |
| Equity shareholders of the Company                     | 10,312                                   | 15,532             |
| Non-controlling interests                              | (31)                                     | 56                 |
|  | <b>10,281</b>                            | <b>15,588</b>      |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 30 September 2014**

|   |              | <b>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2014<br/>(Audited)<br/>HK\$'000</b> |
|---|--------------|---|---|
|   | <i>Notes</i> |   |   |
| <b>Non-current assets</b>                                       |              |   |   |
| Property, plant and equipment                                   | 10           | 305,974   | 314,133   |
| Prepaid lease payments  |              | 17,287  | 17,823  |
| Investment properties   |              | 27,900  | 27,900  |
| Deferred tax assets   |              | 2,616   | 2,499   |
| Deposit paid for the acquisition of machineries                 |              | 30,149  | 10,986  |
|   |              | <b>383,926</b>  | <b>373,341</b>                                      |
| <b>Current assets</b>   |              |   |   |
| Inventories   |              | 94,764  | 99,095  |
| Trade and other receivables                                     | 11           | 172,192   | 126,271   |
| Tax recoverable   |              | —   | 216   |
| Trading securities  | 12           | —   | 183,838   |
| Bank balances and cash  |              | 845,932   | 99,444  |
|   |              | <b>1,112,888</b>  | <b>508,864</b>                                      |
| Assets classified as held for sale                              | 7            | —   | 94,405  |
|   |              | <b>1,112,888</b>  | <b>603,269</b>                                      |
| <b>Current liabilities</b>                                      |              |   |   |
| Trade and other payables  | 13           | 150,044   | 146,206   |
| Shareholder's loan  | 14           | 585,960   | —   |
| Bills payable   |              | 25,642  | 22,315  |
| Tax payable   |              | 4,588   | 2,243   |
| Bank borrowings   | 15           | 102,261   | 104,688   |
|   |              | <b>868,495</b>  | <b>275,452</b>                                      |
| Liabilities associated with assets classified as held for sales | 7            | —   | 45,809  |
|   |              | <b>868,495</b>  | <b>321,261</b>                                      |
| <b>Net current assets</b>                                       |              | <b>244,393</b>  | <b>282,008</b>                                      |
| <b>Total assets less current liabilities</b>                    |              | <b>628,319</b>  | <b>655,349</b>                                      |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014 (Continued)

|   |       | 30 September<br>2014<br>(Unaudited)<br>HK\$'000 | 31 March<br>2014<br>(Audited)<br>HK\$'000 |
|---|-------|---|---|
|   | Notes |   |   |
| <b>Non-current liabilities</b>                            |       |   |   |
| Deferred tax liabilities                                  |       | 824   | 23,664                                    |
| <b>Net assets</b>   |       | <b>627,495</b>                                  | <b>631,685</b>                            |
| <b>Capital and reserves</b>                               |       |   |   |
| Share capital   | 16    | 26,653  | 26,653                                    |
| Reserves  |       | 600,321   | 590,009                                   |
| Equity attributable to equity shareholders of the Company |       | 626,974   | 616,662                                   |
| Non-controlling interests                                 |       | 521   | 15,023                                    |
| <b>Total equity</b>                                       |       | <b>627,495</b>                                  | <b>631,685</b>                            |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

|  | Share<br>capital<br><i>HK\$'000</i> | Share<br>premium<br><i>HK\$'000</i> | Statutory<br>surplus<br>reserve<br><i>HK\$'000</i> | Exchange<br>reserve<br><i>HK\$'000</i> | Other<br>reserve<br><i>HK\$'000</i> | Retained<br>profits<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> | Non-<br>controlling<br>interests<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|-------------------------------------|-------------------------------------|--|--|-------------------------------------|--|--------------------------|---|--------------------------|
| Balance at 1 April 2013 (Audited)                                | 26,653                              | 131,911                             | 27,747   | 74,971                                 | 4,890                               | 221,507                                | 487,679                  | 14,773  | 502,452                  |
| Changes in equity for the six months<br>ended 30 September 2013: |                                     |                                     |  |  |                                     |  |                          |   |                          |
| Profit for the period  | —                                   | —                                   | —  | —                                      | —                                   | 12,518                                 | 12,518                   | 56  | 12,574                   |
| Other comprehensive income for the period                        | —                                   | —                                   | —  | 3,014                                  | —                                   | —                                      | 3,014                    | —   | 3,014                    |
| Total comprehensive income for the period                        | —                                   | —                                   | —  | 3,014                                  | —                                   | 12,518                                 | 15,532                   | 56  | 15,588                   |
| Balance at 30 September 2013 (Unaudited)                         | 26,653                              | 131,911                             | 27,747   | 77,985                                 | 4,890                               | 234,025                                | 503,211                  | 14,829  | 518,040                  |
| Balance at 1 April 2014 (Audited)                                | 26,653                              | 131,911                             | 28,857   | 80,523                                 | 4,890                               | 343,828                                | 616,662                  | 15,023  | 631,685                  |
| Changes in equity for the six months<br>ended 30 September 2014: |                                     |                                     |  |  |                                     |  |                          |   |                          |
| Profit for the period  | —                                   | —                                   | —  | —                                      | —                                   | 15,067                                 | 15,067                   | (31)  | 15,036                   |
| Other comprehensive expenses for the period                      | —                                   | —                                   | —  | (4,755)                                | —                                   | —                                      | (4,755)                  | —   | (4,755)                  |
| Total comprehensive income for the period                        | —                                   | —                                   | —  | (4,755)                                | —                                   | 15,067                                 | 10,312                   | (31)  | 10,281                   |
| Disposal of subsidiaries   | —                                   | —                                   | —  | —                                      | —                                   | —                                      | —                        | (14,471)  | (14,471)                 |
| Balance at 30 September 2014 (Unaudited)                         | 26,653                              | 131,911                             | 28,857   | 75,768                                 | 4,890                               | 358,895                                | 626,974                  | 521   | 627,495                  |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six months ended 30 September 2014**

|   |             | <b>Six months ended 30<br/>September</b> |                                     |
|---|-------------|--|-------------------------------------|
|   |             | <b>2014</b>                              | <b>2013</b>                         |
|   |             | <b>(Unaudited)</b>                       | <b>(Unaudited<br/>and restated)</b> |
|   | <i>Note</i> | <b>HK\$'000</b>                          | <b>HK\$'000</b>                     |
| <b>NET CASH GENERATED FROM<br/>OPERATING ACTIVITIES</b>   |             | <b>196,853</b>                           | <b>17,129</b>                       |
| <b>INVESTING ACTIVITIES</b>   |             |  |                                     |
| Purchase of investment properties   |             | —  | (29,333)                            |
| Purchase of property, plant and equipment   |             | (33,496)                                 | (11,471)                            |
| Proceeds from disposal of property, plant and equipment   |             | 67                                       | 285                                 |
| Interest received   |             | 615                                      | 464                                 |
| Net proceeds from disposal of subsidiaries  | 7           | 1,156                                    | —                                   |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  |             | <b>(31,658)</b>                          | <b>(40,055)</b>                     |
| <b>FINANCING ACTIVITIES</b>   |             |  |                                     |
| Proceeds from new bank borrowings   |             | 178,286                                  | 179,642                             |
| Repayment of bank borrowings  |             | (180,712)                                | (148,461)                           |
| Proceeds from new shareholder's loan  |             | 585,960                                  | —                                   |
| Interest paid   |             | (1,486)                                  | (1,494)                             |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>   |             | <b>582,048</b>                           | <b>29,687</b>                       |
| <b>NET INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>  |             | <b>747,243</b>                           | <b>6,761</b>                        |
| <b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>   |             | <b>99,444</b>                            | <b>87,094</b>                       |
| Effect of foreign exchange rate changes   |             | (755)                                    | 458                                 |
| <b>CASH AND CASH EQUIVALENTS AT<br/>30 SEPTEMBER, REPRESENTED BY<br/>BANK BALANCES AND CASH</b> |             | <b>845,932</b>                           | <b>94,313</b>                       |

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 September 2014*

### **1. BASIS OF PREPARATION**

The condensed consolidated financial statements of New Island Development Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### **2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and trading securities, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2014.

In the current interim period, the Group has applied, for the first time, a new interpretation and certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the new interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

### **3. SEGMENT INFORMATION**

The Group manages its businesses by divisions, which are organised by different business lines. In a manner consistent with the way in which information is reported internally to the Group’s executive directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and performance assessment, the Group has identified the following four operating and reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Printing: Sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products in Hong Kong, Dongguan, Shanghai and Hunan
- Provision of financing services: Provision of finance
- Securities investments: Investment activities in equity securities
- Property investment: Property rental services

An operating segment regarding the provision of securities brokerage and margin financing services was discontinued in the current period. The segment information reported in this note has been restated and does not include any amounts from this discontinued operation which is disclosed in more detail in note 7.



### 3. SEGMENT INFORMATION (CONTINUED)

*Six months ended 30 September 2014*

#### Continuing operations

|                                    | Printing<br>(Unaudited)<br>HK\$'000 | Provision<br>of financing<br>services<br>(Unaudited)<br>HK\$'000 | Securities<br>investments<br>(Unaudited)<br>HK\$'000 | Property<br>investment<br>(Unaudited)<br>HK\$'000 | Total<br>(Unaudited)<br>HK\$'000 |
|------------------------------------|-------------------------------------|--|--|---|----------------------------------|
| Segment revenue                    |                                     |  |  |   |                                  |
| Revenue from external<br>customers | 409,856                             | 70   | —  | 255   | 410,181                          |
| Segment results                    | 12,416                              | 90   | 9,327  | 150   | 21,983                           |
| Unallocated amounts                |                                     |  |  |   |                                  |
| Unallocated expenses               |                                     |  |  |   | (1,772)                          |
| Group's profit before tax          |                                     |  |  |   | 20,211                           |

*Six months ended 30 September 2013 (Restated)*

#### Continuing operations

|                                    | Printing<br>(Unaudited)<br>HK\$'000 | Provision<br>of financing<br>services<br>(Unaudited)<br>HK\$'000 | Securities<br>investments<br>(Unaudited)<br>HK\$'000 | Property<br>investment<br>(Unaudited)<br>HK\$'000 | Total<br>(Unaudited)<br>HK\$'000 |
|------------------------------------|-------------------------------------|--|--|---|----------------------------------|
| Segment revenue                    |                                     |  |  |   |                                  |
| Revenue from external<br>customers | 379,931                             | 360  | —  | 103   | 380,394                          |
| Segment results                    | 4,642                               | 281  | 8,798  | (79)  | 13,642                           |
| Unallocated amounts                |                                     |  |  |   |                                  |
| Unallocated expenses               |                                     |  |  |   | (571)                            |
| Group's profit before tax          |                                     |  |  |   | 13,071                           |

Segment results represent the profit and loss of each segment without allocation of expenses arising from corporate administration expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### 3. SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's assets and liabilities by reportable segments:

|   | 30 September<br>2014<br>HK\$'000          | 31 March<br>2014<br>HK\$'000          |
|---|---|---------------------------------------|
| <b>Segment assets</b>   |   |                                       |
| Continuing operations   |   |                                       |
| Printing  | 903,745                                   | 719,408                               |
| Provision of financing services                                 | 47,687                                    | 4,269                                 |
| Securities investments  | 160,719                                   | 183,951                               |
| Property investment   | 28,016                                    | 27,972                                |
|   | <b>1,140,167</b>                          | 935,600                               |
| Elimination of inter-segment receivables                        | (232,172)                                 | (89,282)                              |
|   | <b>907,995</b>                            | 846,318                               |
| Unallocated assets  | 588,819                                   | 35,887                                |
| Assets classified as held for sales                             | —   | 94,405                                |
| Consolidated assets   | <b>1,496,814</b>                          | 976,610                               |
|   | <b>30 September<br/>2014<br/>HK\$'000</b> | <b>31 March<br/>2014<br/>HK\$'000</b> |
| <b>Segment liabilities</b>                                      |   |                                       |
| Continuing operations   |   |                                       |
| Printing  | 273,851                                   | 250,004                               |
| Provision of financing services                                 | 47,533                                    | 4,204                                 |
| Securities investments  | 160,719                                   | 69,154                                |
| Property investment   | 29,582                                    | 29,664                                |
|   | <b>511,685</b>                            | 353,026                               |
| Elimination of inter-segment payables                           | (232,172)                                 | (88,992)                              |
|   | <b>279,513</b>                            | 264,034                               |
| Unallocated liabilities   | 589,806                                   | 35,082                                |
| Liabilities associated with assets classified as held for sales | —   | 45,809                                |
| Consolidated liabilities  | <b>869,319</b>                            | 344,925                               |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than corporate assets; and
- all liabilities are allocated to operating segments other than loan from shareholder and corporate liabilities.

#### 4. OTHER GAINS AND LOSSES

|  | Six months ended<br>30 September |              |
|--|----------------------------------|--------------|
|  | 2014                             | 2013         |
|  | (Unaudited)                      | (Unaudited)  |
|  | HK\$'000                         | HK\$'000     |
| Net exchange losses                                    | (18)                             | (1,764)      |
| Gain from changes in fair value of trading securities  | 9,417                            | 9,013        |
| Gain on disposal of property, plant and equipment, net | 62                               | 65           |
|  | <b>9,461</b>                     | <b>7,314</b> |

#### 5. INCOME TAX EXPENSES

|   | Six months ended<br>30 September |              |
|---|----------------------------------|--------------|
|   | 2014                             | 2013         |
|   | (Unaudited)                      | (Unaudited)  |
|   | HK\$'000                         | HK\$'000     |
| <b>Continuing operations</b>                          |                                  |              |
| Current tax:  |                                  |              |
| Hong Kong   | 2,613                            | 96           |
| PRC Enterprise Income Tax ("EIT")                     | 143                              | 1,966        |
| Other jurisdictions                                   | 83                               | 83           |
| Underprovision in prior periods:                      |                                  |              |
| PRC EIT   | 1,289                            | 37           |
| Deferred tax  | 1,082                            | (155)        |
| Income tax expenses relating to continuing operations | <b>5,210</b>                     | <b>2,027</b> |

For the six months ended 30 September 2014 and 30 September 2013, provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

Under the Law of the People's Republic of China ("PRC") on EIT, the Company's major subsidiaries in the PRC are subject to a tax rate of 25%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 6. PROFIT FOR THE PERIOD — CONTINUING OPERATIONS

Profit for the period from continuing operations is arrived at after crediting (charging) the following items:

|   | <b>Six months ended</b> |             |
|---|-------------------------|-------------|
|   | <b>30 September</b>     |             |
|   | <b>2014</b>             | 2013        |
|   | <b>(Unaudited)</b>      | (Unaudited) |
|   | <b>HK\$'000</b>         | HK\$'000    |
| Amortisation of prepaid lease payments        | (367)                   | (367)       |
| Depreciation of property, plant and equipment | (19,825)                | (19,449)    |
| Cost of inventories sold                      | (332,784)               | (308,768)   |

## 7. DISPOSAL OF SUBSIDIARIES (DISCONTINUED OPERATION)

On 28 March 2014, the Group entered into a conditional Sales and Purchase Agreement with Mr. Law Man Lung (“Mr. Law”), who is a 8% shareholder of CEPA Alliance Holdings Limited, to dispose of its entire 70% interest in CEPA Alliance Holdings Limited and its subsidiary, CEPA Alliance Securities Limited (together referred to as the “CEPA Group”) at a total cash consideration of HK\$34,800,000, subject to the approval of Securities and Futures Commission of Hong Kong. A deposit of HK\$17,400,000 was received from Mr. Law as at 31 March 2014. The disposal was completed on 17 July 2014, on which date the Group ceased to control CEPA Group.

The (loss) profit from the discontinued operation for the current and preceding interim periods is analysed as follows:

|                                  | <b>Six months ended</b> |             |
|----------------------------------|-------------------------|-------------|
|                                  | <b>30 September</b>     |             |
|                                  | <b>2014</b>             | 2013        |
|                                  | <b>(Unaudited)</b>      | (Unaudited) |
|                                  | <b>HK\$'000</b>         | HK\$'000    |
| (Loss) profit for the period     | (91)                    | 1,530       |
| Gain on disposal of subsidiaries | 126                     | —           |
|                                  | <b>35</b>               | 1,530       |

## 7. DISPOSAL OF SUBSIDIARIES (DISCONTINUED OPERATION) (CONTINUED)

The results of the discontinued operation for the current and preceding interim periods were as follows. The comparative figures in the condensed consolidated statement of profit or loss have been restated to re-present the operation as a discontinued operation.

|                                    | <b>Six months ended</b> |                    |
|------------------------------------|-------------------------|--------------------|
|                                    | <b>30 September</b>     |                    |
|                                    | <b>2014</b>             | <b>2013</b>        |
|                                    | <b>(Unaudited)</b>      | <b>(Unaudited)</b> |
|                                    | <b>HK\$'000</b>         | <b>HK\$'000</b>    |
| Revenue                            | <b>2,951</b>            | 5,846              |
| Commission rebate expenses         | <b>(442)</b>            | (913)              |
| Other income                       | <b>115</b>              | 403                |
| Administrative expenses            | <b>(2,679)</b>          | (4,148)            |
| Finance costs                      | <b>—</b>                | (9)                |
| (Loss) profit before tax           | <b>(55)</b>             | 1,179              |
| Income tax (expenses) credit       | <b>(36)</b>             | 351                |
| (Loss) profit for the period       | <b>(91)</b>             | 1,530              |
| Attributable to:                   |                         |                    |
| Equity shareholders of the Company | <b>(64)</b>             | 1,071              |
| Non-controlling interests          | <b>(27)</b>             | 459                |
|                                    | <b>(91)</b>             | 1,530              |

Major classes of assets and liabilities as at 31 March 2014 were as follows:

|  | <i>HK\$'000</i> |
|--|-----------------|
| Goodwill   | 930             |
| Property, plant and equipment  | 447             |
| Other assets   | 2,350           |
| Intangible assets  | 1,260           |
| Deferred tax assets  | 215             |
| Trade and other receivables  | 34,214          |
| Cash held on behalf of brokerage clients                             | 39,301          |
| Cash and cash equivalents  | 15,688          |
| Total assets classified as held for sale                             | 94,405          |
| Trade and other payables   | 45,809          |
| Total liabilities associated with assets classified as held for sale | 45,809          |

## 7. DISPOSAL OF SUBSIDIARIES (DISCONTINUED OPERATION) (CONTINUED)

The net assets of CEPA Group at the date of disposal were as follow:

|  | <i>HK\$'000</i> |
|--|-----------------|
| Net assets disposed of (excluding goodwill)          | 33,744          |
| Attributable goodwill                                | 930             |
|  | <hr/>           |
|  | 34,674          |
| Gain on disposal of subsidiaries                     | 126             |
|  | <hr/>           |
| Total consideration                                  | 34,800          |
|  | <hr/>           |
| Satisfied by:  |                 |
| Cash   | 34,800          |
|  | <hr/>           |
| Net cash inflow arising on disposal of subsidiaries: |                 |
| Total cash consideration received                    | 34,800          |
| Deposit received during the year ended 31 March 2014 | (17,400)        |
| Bank balances and cash disposed of                   | (16,244)        |
|  | <hr/>           |
|  | 1,156           |
|  | <hr/>           |

|  | <b>Six months ended</b><br><b>30 September</b><br><b>2014</b><br><b>(Unaudited)</b><br><b>HK\$'000</b> | <b>2013</b><br><b>(Unaudited)</b><br><b>HK\$'000</b> |
|--|--|--|
| Cash flows of the discontinued operation:              |  |  |
| Net cash generated from (used in) operating activities | <b>16,768</b>  | (3,896)  |
| Net cash used in investing activities                  | <b>(524)</b>   | (5)  |
| Net cash generated from financing activities           | <b>—</b>   | 9  |
|  | <hr/>  | <hr/>  |
| Net cash flows   | <b>16,244</b>  | (3,892)  |
|  | <hr/>  | <hr/>  |

## 8. EARNINGS PER SHARE

### *From continuing and discontinued operations*

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company for the period of HK\$15,067,000 (six months ended 30 September 2013: HK\$12,518,000) and the number of ordinary shares of 2,665,290,000 (six months ended 30 September 2013: 2,665,290,000) during the period.

### *From continuing operations*

The calculation of basic earnings per share from continuing operations attributable to the equity shareholders of the Company is based on the following data:

|   | <b>Six months ended<br/>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | <b>2013<br/>(Unaudited)<br/>HK\$'000</b> |
|---|--|--|
| <b>Earnings:</b>  |  |  |
| Profit for the period attributable to the equity shareholders of the Company  | <b>15,067</b>  | 12,518                                   |
| Less: (Loss) profit for the period from discontinued operation attributable to the equity shareholders of the Company | <b>(64)</b>  | 1,071                                    |
|   | <hr/>  | <hr/>                                    |
| Earnings for the purpose of calculating basic earnings per share from continuing operations                           | <b>15,131</b>  | 11,447                                   |
|   | <hr/>  | <hr/>                                    |
| <b>Number of shares:</b>  |  |  |
| Number of ordinary shares for the purpose of basic earnings per share   | <b>2,665,290,000</b>   | 2,665,290,000                            |
|   | <hr/>  | <hr/>                                    |

### *From discontinued operation*

Basic loss (2013: earnings) per share from discontinued operation is HK0.002 cent per share (2013: HK0.04 cent per share), based on the loss (2013: profit) for the period from discontinued operation attributable to the equity shareholders of the Company of HK\$64,000 (2013: HK\$1,071,000) and the denominators detailed above for both basic earnings per share.

No diluted earnings (loss) per share is presented as there is no potential ordinary shares of the Company outstanding during both periods.

## 9. DIVIDEND

The directors of the Company have resolved not to declare any interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2014, the Group acquired property, plant and equipment of approximately HK\$14,333,000 (six months ended 30 September 2013: HK\$15,773,000) in the current interim period.

During the six months ended 30 September 2014, the Group disposed of certain machineries with an aggregate carrying amount of HK\$5,000 (six months ended 30 September 2013: HK\$220,000) for cash proceeds of HK\$67,000 (six months ended 30 September 2013: HK\$285,000), resulting in a gain on disposal of HK\$62,000 (six months ended 30 September 2013: HK\$65,000).

## 11. TRADE AND OTHER RECEIVABLES

The Group normally allows average credit period of 30 to 90 days to its trade customers.

The following is an ageing analysis of trade receivables, presented based on invoice date, which approximates to revenue recognition date, at the end of the reporting period is as follows:

|              | <b>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2014<br/>(Audited)<br/>HK\$'000</b> |
|--------------|---|---|
| 0 – 30 days  | <b>77,816</b>   | 65,791  |
| 31 – 90 days | <b>69,570</b>   | 49,713  |
| Over 91 days | <b>5,763</b>  | 3,424   |
|              | <b>153,149</b>  | 118,928   |

## 12. TRADING SECURITIES

|                                  | <b>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2014<br/>(Audited)<br/>HK\$'000</b> |
|----------------------------------|---|---|
| Listed investment, at fair value | —   | 183,838   |

During the six months ended 30 September 2014, the Group has received a consideration in cash of HK\$160,719,000 for selling all trading securities through disposal of the subsidiary that held the trading securities. The Group sold all trading securities held by that subsidiary and the directors accordingly has regarded this transaction as an operating transaction in the statement of cash flows. The major assets and liabilities of the disposed subsidiary are the trading securities of HK\$184,808,000 and the corresponding deferred tax liability of HK\$24,061,000.



### 13. TRADE AND OTHER PAYABLES

Ageing analysis of trade payables at the end of the reporting period based on purchase invoice date is as follows:

|              | <b>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | 31 March<br>2014<br>(Audited)<br>HK\$'000 |
|--------------|---|---|
| 0 – 30 days  | <b>48,610</b>   | 41,030                                    |
| 31 – 90 days | <b>45,911</b>   | 27,111                                    |
| Over 91 days | <b>9,582</b>  | 10,512                                    |
|              | <b>104,103</b>  | 78,653                                    |

The average credit period on purchases of goods is from 30 to 90 days.

### 14. SHAREHOLDER'S LOAN

On 29 September 2014, the Company entered into a loan agreement with a controlling shareholder, Huajun International Limited, who lent HK\$585,960,000 to the Company. The loan is unsecured, interest free and repayable on demand.

### 15. BANK BORROWINGS

|  | <b>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | 31 March<br>2014<br>(Audited)<br>HK\$'000 |
|--|---|---|
| Carrying amount repayable*:  |   |   |
| Within one year  | <b>58,668</b>   | 58,316                                    |
| More than one year, but not exceeding two years  | <b>5,410</b>  | 5,479                                     |
| More than two years but not more than five years   | <b>13,839</b>   | 15,031                                    |
| More than five years   | <b>24,344</b>   | 25,862                                    |
|  | <b>102,261</b>  | 104,688                                   |
| Amounts due within one year (shown under current liabilities)  | <b>58,668</b>   | 58,316                                    |
| Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities) | <b>43,593</b>   | 46,372                                    |
| Amounts shown under current liabilities  | <b>102,261</b>  | 104,688                                   |

\* The amounts due are based on the scheduled repayment dates set out in the loan agreements.

**15. BANK BORROWINGS (CONTINUED)**

|           | <b>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2014<br/>(Audited)<br/>HK\$'000</b> |
|-----------|---|---|
| Secured   | <b>40,744</b>   | 50,193  |
| Unsecured | <b>61,517</b>   | 54,495  |
|           | <b>102,261</b>  | 104,688   |

**16. SHARE CAPITAL**

|  | <b>Ordinary<br/>shares<br/>'000</b>  | <b>Amount<br/>HK\$'000</b> |
|--|--------------------------------------|----------------------------|
| <b>Authorised</b>  |                                      |                            |
| At 1 April 2013, 30 September 2013, 1 April 2014 and 30 September 2014<br>— 40,000,000,000 shares of HK\$0.01 each | 40,000,000                           | 400,000                    |
|  |                                      |                            |
|  | <b>Number of<br/>shares<br/>'000</b> | <b>Amount<br/>HK\$'000</b> |
| <b>Issued and fully paid</b>   |                                      |                            |
| At 1 April 2013, 30 September 2013, 1 April 2014 and 30 September 2014<br>— 2,665,290,000 shares of HK\$0.01 each  | 2,665,290                            | 26,653                     |

**17. CAPITAL COMMITMENTS**

|   | <b>30 September<br/>2014<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2014<br/>(Audited)<br/>HK\$'000</b> |
|---|---|---|
| Commitments in respect of the acquisition of property, plant and equipment<br>— contracted for but not provided for | <b>17,750</b>   | 10,609  |

## 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### *Fair value of the Group's financial assets that are measured at fair value on a recurring basis*

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Financial assets   | 31 March 2014<br>HK\$'000 | Fair value hierarchy | Valuation technique(s) and key input(s) |
|--------------------|---------------------------|----------------------|---|
| Trading securities | 183,838                   | Level 1              | Quoted bid prices in active market      |

During the six months ended 30 September 2014, there were no transfer between Level 1 and Level 2 or transfers into or out of Level 3 (six months ended 30 September 2013:Nil). The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their respective fair values.

## 19. RELATED PARTY TRANSACTIONS

The Group has entered into the following significant transactions with related parties:

### *Compensation of key management personnel*

The key management of the Group comprises all directors of the Company, details of their emoluments are as follows:

|                               | Six months ended<br>30 September<br>2014<br>(Unaudited)<br>HK\$'000 | 2013<br>(Unaudited)<br>HK\$'000 |
|-------------------------------|---|---------------------------------|
| Short-term employees benefits | 3,741   | 3,658                           |
| Post-employment benefits      | 128   | 111                             |
|                               | <b>3,869</b>  | <b>3,769</b>                    |

## 20. EVENTS AFTER THE END OF REPORTING PERIOD

On 5 November 2014, Huajun Capital Limited (an indirect wholly-owned subsidiary of the Company) and Sheng Yuan Holdings Limited entered into a subscription agreement, pursuant to which Sheng Yuan Holdings Limited has conditionally agreed to issue, and Huajun Capital Limited has conditionally agreed to subscribe the convertible bond in an aggregate principal amount of HK\$100,000,000. The convertible bond shall bear interest at a rate of 8% per annum. The initial conversion price of the convertible bond is HK\$0.70 per ordinary share of Sheng Yuan Holdings Limited. The subscription of the convertible bond was completed on 19 November 2014.

## 21. COMPARATIVE FIGURES

Certain comparative figures for the condensed consolidated statement of cash flows have been reclassified to conform with the current period's presentation. Details are set out as follows:

|  | As previously<br>restated<br>HK\$'000 | Reclassification<br>HK\$'000 | As reported<br>HK\$'000 |
|--|---------------------------------------|------------------------------|-------------------------|
| Net cash generated from operating activities | 20,674                                | (3,545)                      | 17,129                  |
| Net cash used in investing activities        | (43,600)                              | 3,545                        | (40,055)                |

The effect is from cash outflows of HK\$3,545,000 for trading securities.

## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF NEW ISLAND DEVELOPMENT HOLDINGS LIMITED

新洲發展控股有限公司

(incorporated in Bermuda with limited liability)

#### Introduction

We have reviewed the condensed consolidated financial statements of New Island Development Holdings Limited (the “Company”) and its subsidiaries set out on page 2 to 20, which comprise the condensed consolidated statement of financial position as of 30 September 2014 and the related condensed consolidated statement of profit or loss, condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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.

#### Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

28 November 2014

## **BUSINESS REVIEW AND OUTLOOK**

For the six months ended 30 September 2014 (“Review Period”), the Group discontinued its provision of securities brokerage and margin financing services and continued to engage in the business of (1) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (2) provision of financing services; (3) securities investments; and (4) property investment.

### **Continuing operations**

The Group reported revenue of HK\$410,181,000 for the Review Period, which comprised of revenue from sales of printing products of HK\$409,856,000, provision of financing services of HK\$70,000 and rental income from property investment of HK\$255,000. Revenue increased by 7.8% amounted to HK\$29,787,000, compared to HK\$380,394,000 for the six months ended 30 September 2013 (“Corresponding Period”). The sale of printing products reported 7.9% rise in revenue compared to the Corresponding Period, which was attributed to strategic efforts made in developing new customers and growth in certain existing clients.

Gross profit margin has slightly risen from 18.8% in the Corresponding Period to 18.9% in the Review Period. Gross profit increased by approximately 8.1% to HK\$77,397,000 for the Review Period which mainly contributed to our rigorous control and improvement of productivity through investment of machineries in automation.

In line with the increase in revenue, distribution and selling expenses during the Review Period increased by 5.7% from HK\$22,947,000 for the Corresponding Period to HK\$24,266,000, standing at 5.9% of total revenue. Notwithstanding the stringent cost control measures adopted by the Group under difficult operating conditions, administrative expenses have slightly increased by 2.2% to HK\$43,947,000 during the Review Period. It was caused by high inflation environment and increase in rental expenses.

Finance costs remained at HK\$1,486,000 for the Review Period compared with HK\$1,485,000 for the Corresponding Period given the stable interest rate and average outstanding bank borrowings during the Review Period.

The gain from changes in fair value of trading securities of HK\$9,417,000 for the Review Period was attributable to the increase in market prices of certain listed securities held by the Group during the Review Period. During the Review Period, the Group has received a consideration in cash of HK\$160,719,000 for selling all trading securities through disposal of the subsidiary that held the trading securities.

As a result of the combined effects of the foregoing, profit before tax for the Review Period amounted to HK\$20,211,000 as compared with HK\$13,071,000 for the Corresponding Period. Income tax expense increased to HK\$5,210,000 during the Review Period, it was mainly caused by the increase in profit before tax, under-provision for tax in prior periods and deferred tax expenses for gain from changes in fair value of trading securities.

### **Discontinued operation**

The provision of securities brokerage and margin financing services recorded revenue of HK\$2,951,000 for the period from 1 April to 17 July 2014. The disposal of CEPA Group was completed whilst the Group has ceased this operation on 17 July 2014. The profit from the discontinued operation for the period was HK\$35,000.

## **BUSINESS REVIEW AND OUTLOOK (CONTINUED)**

As a result, profit attributable to the equity shareholders of the Company was HK\$15,067,000 for the Review Period, representing an increase of HK\$2,549,000 or 20.4% as compared with the Corresponding Period.

The outlook for second half year is challenging in printing industry with the uncertainty in Europe market and comparable slower growth of China economy despite a more stable market in USA. The Group will strengthen our productivity with automation in machine and invest in more advanced machinery.

However, in view of the competitive printing industry, the Group is exploring other investment opportunities and may streamline its existing business in order to improve the performance of the Group and enhance our shareholders' returns to diversify the Group's business. Further to the subscription of the convertible bond (the "Subscription") completed on 19 November 2014, the Board considered that the Subscription would provide the Group with a stable return under the present volatile economic environment.

## **FINANCIAL AND CAPITAL RESOURCES**

During the Review Period, the Group expended HK\$14,333,000 on property, plant and equipment. These investments and the daily operating activities of the Group were funded by retained earnings and bank borrowings and by the cash flows generated from the Group's operations.

As at 30 September 2014, the Group had bank borrowings, which were either denominated in Hong Kong dollars or Chinese Renminbi, totalling HK\$127,903,000 (31 March 2014: HK\$127,003,000), comprising bank loans of HK\$102,261,000 (31 March 2014: HK\$104,688,000) and bills payable of HK\$25,642,000 (31 March 2014: HK\$22,315,000). Of these borrowings, HK\$43,530,000 (31 March 2014: HK\$55,362,000) were secured by property, plant and equipment and an investment property with an aggregate carrying value of HK\$73,010,000 and HK\$27,900,000 on respectively in the Group's consolidated statement of financial position as at 30 September 2014 (31 March 2014: HK\$73,789,000 and HK\$27,900,000). The net debt-to-capital ratio (defined as total interest-bearing borrowings less cash and cash equivalents divided by total equity) of the Group as at 30 September 2014 was Nil (31 March 2014: 4.4%). During the Review Period, the Company entered into a loan agreement with a controlling shareholder, Huajun International Limited, who lent HK\$585,960,000 to the Company. The loan is unsecured, interest free and repayable on demand.

The Group's total cash and bank balances amounted to HK\$845,932,000 as at 30 September 2014 (31 March 2014: HK\$99,444,000). The Directors are of the opinion that the Group will be able to generate adequate cash flow from its operations and to secure necessary facilities from the banks to meet its ongoing obligations and commitments.

## **SEGMENTAL INFORMATION**

Details of segmental information are set out in Note 3 to the condensed consolidated financial statements.

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

On 28 March 2014, the Group entered into a conditional sale and purchase agreement with Mr. Law Man Lung, to dispose of its 70% interest in CEPA Alliance Holdings Limited and its subsidiary, CEPA Alliance Securities Limited at a consideration of HK\$34,800,000. The transaction was completed on 17 July 2014.

## **CONTINGENT LIABILITIES**

As at 30 September 2014, the Group has no material contingent liabilities (31 March 2014: Nil).

## **FOREIGN EXCHANGE RISK MANAGEMENT**

The Group is primarily exposed to foreign currency risk on sales and purchases in respect of the printing segment that are denominated in foreign currencies. The Group does not use any derivative financial instruments to manage its exposure to foreign currency risk as the Directors are of the opinion that the net exposure is not significant. The majority of the Group's foreign currency transactions and balances are denominated in US dollars and Euros.

## **STAFF**

As at 30 September 2014, the Group had a total of 2,632 staff (31 March 2014: 2,873) of which 2,554 (31 March 2014: 2,808) were employed in the PRC for the Group's printing business.

The Group provides employee benefits such as staff insurance, retirement schemes and discretionary bonus and also provides in-house training programmes and external training sponsorship. The Group aims to design a remuneration policy that attracts and retains employees needed to run the Group successfully and to motivate employees to pursue appropriate growth strategies whilst taking into account the performance of the individuals. The remuneration of the Directors is reviewed by the Remuneration Committee. Their remuneration should reflect, inter alia, the performance and responsibilities of the Directors.

## **INTERIM DIVIDEND**

The Board resolved not to pay an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: HK\$Nil).

## **CORPORATE GOVERNANCE**

The Company is committed to the establishment of good governance practices and procedures. The Company has complied with the code provisions in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules during the six months ended 30 September 2014, except for the deviation of code provisions of the CG Code as disclosed below.

### **Code Provision E.1.2**

The Code Provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board, Mr. Suen Cho Hung, Paul, was unable to attend the annual general meeting of the Company held on 13 August 2014 (the "2014 AGM") as he had other important business engagement. However, Mr. Lo Ming Chi, Charles an Executive Director and the Chief Executive Officer of the Company had chaired the meeting in accordance with Article 63 of the Company's Articles of Association.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code.



## CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of information on directors of the Company is as follows:

| <b>Name of Director</b>  | <b>Details of Changes</b>  |
|--------------------------|--|
| Mr. Meng Guang Bao       | <ul style="list-style-type: none"><li>— Appointed as an Executive Director on 4 September 2014</li><li>— Appointed as the Chairman of the Board on 25 September 2014</li></ul>   |
| Mr. Wu Jiwei             | <ul style="list-style-type: none"><li>— Appointed as an Executive Director on 4 September 2014</li><li>— Appointed as the Chief Executive Officer and a member of the Remuneration Committee and the Nomination Committee on 25 September 2014</li></ul>   |
| Mr. Guo Song             | <ul style="list-style-type: none"><li>— Appointed as an Executive Director on 4 September 2014</li><li>— Appointed as the Deputy Chief Executive Officer on 25 September 2014</li></ul>  |
| Mr. Zheng Bailin         | <ul style="list-style-type: none"><li>— Appointed as an Independent Non-executive Director on 4 September 2014</li><li>— Appointed as the Chairman of the Remuneration Committee, a member of the Nomination Committee and the Audit Committee on 25 September 2014</li></ul>  |
| Mr. Shen Ruolei          | <ul style="list-style-type: none"><li>— Appointed as an Independent Non-executive Director on 4 September 2014</li><li>— Appointed as the Chairman of the Nomination Committee, a member of the Remuneration Committee and the Audit Committee on 25 September 2014</li></ul>  |
| Mr. Suen Cho Hung, Paul  | <ul style="list-style-type: none"><li>— Stepped down from his position as Chairman of the Board and resigned as an Executive Director on 25 September 2014</li><li>— Resigned as a non-executive director of Sunlink International Holdings Limited, a company listed on the main board of the Stock Exchange with stock code of 2336, on 3 June 2014</li></ul>  |
| Mr. Lo Ming Chi, Charles | <ul style="list-style-type: none"><li>— Stepped down from his position as Chief Executive Officer and resigned as an Executive Director, a member of the Remuneration Committee and the Nomination Committee on 25 September 2014</li></ul>  |
| Ms. Chan Yuk Yee         | <ul style="list-style-type: none"><li>— Resigned as an Executive Director on 25 September 2014</li></ul>   |
| Dr. Wong Yun Kuen        | <ul style="list-style-type: none"><li>— Resigned as an Independent Non-executive Director, Chairman of the Nomination Committee, a member of the Remuneration Committee and the Audit Committee on 25 September 2014</li><li>— Resigned as an independent non-executive director of KuangChi Science Limited, a company listed on the main board of the Stock Exchange with stock code of 439, on 23 August 2014</li></ul> |
| Mr. Ip Man Tin, David    | <ul style="list-style-type: none"><li>— Resigned as an Independent Non-executive Director, Chairman of the Remuneration Committee, a member of the Nomination Committee and the Audit Committee on 25 September 2014</li></ul>   |

## CHANGE OF AUDITORS

Pursuant to an ordinary resolution passed by the shareholders of the Company at a special general meeting held on 10 November 2014, Deloitte Touche Tohmatsu has been appointed as the auditors of the Company to fill the casual vacancy arising from the resignation of Grant Thornton Hong Kong Limited (“GT”), as the Company and GT were unable to agree on the audit fee for the year ended 31 March 2015. Details of the change of auditors are, among other things, set out in the Company’s circular dated 24 October 2014 and the Company’s announcements dated 21 October 2014 and 10 November 2014.

## AUDIT COMMITTEE

The audit committee comprises three Independent Non-Executive Directors and reports directly to the Board. The audit committee meets regularly with the Group’s senior management and the Company’s external auditor to review the financial reporting and internal control systems of the Group as well as the financial statements of the Company.

The audit committee has reviewed the interim results of the Group for the six months ended 30 September 2014.

## PROPOSED CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders of the Company at the special general meeting held on 17 November 2014, the shareholders in general meeting have approved to change the English name of the Company from “New Island Development Holdings Limited” to “HuaJun Holdings Limited”, and upon the proposed change of the Company’s English name becoming effective, the adoption of the Chinese name of “華君控股有限公司” in replacement of “新洲發展控股有限公司” for identification purpose only. The change of Company name is subject to approval of the Registrar of Companies in Bermuda. Details of the change of Company name are, among other things, set out in the Company’s circular dated 24 October 2014 and the Company’s announcements dated 22 October 2014 and 17 November 2014.

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

As at 30 September 2014, the following Director and chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer set out in Appendix 10 of the Listing Rules.

| Name                            | Capacity/Nature of interest         | Long/Short position | Total number of shares held | Approximate                                   |
|---------------------------------|-------------------------------------|---------------------|-----------------------------|---|
|                                 |                                     |                     |                             | % of total issued shares at 30 September 2014 |
| Mr. Meng Guang Bao (“Mr. Meng”) | Interests of controlled corporation | Long position       | 1,669,061,000 <i>(note)</i> | 62.62%  |

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

*Note:*

These shares are held by Huajun International Limited ("Huajun International"), which is wholly-owned by Mr. Meng, the sole director of Huajun International and an executive Director and Chairman of the Board. Mr. Meng is taken to be interested in all the shares of the Company in which Huajun International Limited is interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2014, none of the directors or chief executive of the Company had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## INTERESTS AND SHORT POSITION OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 September 2014, so far as is known to the Directors, the following persons had interests of more than 5% of the issued share capital of the Company according to the register of interests kept by the Company pursuant to section 336 of the SFO:

| Name                 | Capacity/Nature of interest         | Long/Short position | Total number of shares held     | Approximate % of total issued shares at 30 September 2014 |
|----------------------|-------------------------------------|---------------------|---------------------------------|---|
| Huajun International | Beneficial owner                    | Long position       | 1,669,061,000                   | 62.62%  |
| Mr. Meng             | Interests of controlled corporation | Long position       | 1,669,061,000 <sup>(note)</sup> | 62.62%  |

*Note:*

These shares are held by Huajun International, which is wholly-owned by Mr. Meng, the sole director of Huajun International and an executive Director and Chairman of the Board. Mr. Meng is taken to be interested in all the shares of the Company in which Huajun International Limited is interested by virtue of the SFO.

Save as disclosed above, no other interest or short position in the shares and underlying shares of the Company were recorded in the register required to be kept under section 336 of the SFO as at 30 September 2014.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 28 September 2007. The purpose of the Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to Executive or Non-Executive Directors including Independent Non-Executive Directors or any employees (whether full-time or part-time) of each member of the Group (the "Participants") and for such other purpose as the Board may approve from time to time. Details of the Scheme are set out in the 2014 annual report of the Company. The Scheme shall remain valid and effective until 27 September 2017.

No share option has been granted by the Company since the adoption of the Scheme.

## **ARRANGEMENT TO PURCHASE SHARES**

Apart from the Scheme as disclosed above, at no time during the six months ended 30 September 2014 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or the chief executive of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

During the six months ended 30 September 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

## **COMPOSITION OF BOARD**

As at the date of this report, 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.

By Order of the Board

**WU Jiwei**

*Executive Director and Chief Executive Officer*

Hong Kong, 28 November 2014