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China Packaging Holdings Development Limited

中華包裝控股發展有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1439)

TERMINATION OF PROPOSED ISSUE OF PROMISSORY NOTES AND UNLISTED WARRANTS UNDER GENERAL MANDATE

Reference is made to the announcement of China Packaging Holdings Development Limited (the “**Company**”) dated 22 May 2015 (the “**Announcement**”) in relation to, among other things, the Subscription Agreement entered into between the Company, Rich Kirin, Big Wealth, the Guarantors and the Investor (collectively referred to as “**Parties**” and each a “**Party**”) on 21 May 2015, pursuant to which the Company had conditionally agreed to issue and the Investor had conditionally agreed to subscribe for the Promissory Note with an aggregate principal amount of up to HK\$60,000,000 and the Warrants which carry purchase rights to subscribe for up to 24,000,000 Warrant Shares at the Subscription Price (being the initial price of HK\$0.85 per Warrant Share which is subject to normal adjustment) during the Exercise Period. Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as ascribed thereto in the Announcement.

TERMINATION OF THE SUBSCRIPTION AGREEMENT

After arm’s length negotiations, on 29 May 2015, the parties entered into a termination deed (the “**Termination Deed**”) in respect of the Subscription Agreement, pursuant to which it was agreed among the Parties that (i) the Subscription Agreement shall be terminated and become null and void and be of no further effect with effect from the date of the Termination Deed; and (ii) each Party would irrevocably and unconditionally release and discharge each other Party and their respective affiliates (collectively the “**Released Parties**”) from all actions, claims, proceedings and demands whatsoever which any Party may have against any of the Released Parties anywhere in the world in relation to or arising out of the Subscription Agreement after the date of the Termination Deed. As such, the Investor will not proceed with the Subscriptions.

The Board considers that the termination of the Subscription Agreement has no material adverse impact on the existing business operation and financial position of the Group.

By order of the Board
China Packaging Holdings Development Limited
Chen Wei Wei
Chairman

Jiangxi Province, the PRC, 29 May 2015

As at the date of this announcement, the executive Directors are Mr. Chen Wei Wei (Chairman), Mr. Sun Shao Hua and Ms. Hu Li Yu; and the independent non-executive Directors are Mr. Liu Da Jin, Mr. Ma Yiu Ho, Peter and Mr. Wu Ping.

This announcement is posted on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the website of the Company at www.hs-pack.com.