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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)**

### **(1) TRANSFER OF SHARES IN THE INTERMEDIATE CONTROLLING SHAREHOLDER OF THE COMPANY; AND**

### **(2) AMENDMENTS TO THE TERMS OF THE CONVERTIBLE BONDS AND THE NOTES**

#### **TRANSFER OF SHARES IN THE INTERMEDIATE CONTROLLING SHAREHOLDER OF THE COMPANY**

On 29 March 2016, Mr. Sun transferred his entire interest in Novel Blaze to his spouse, Ms. Zheng at nil consideration. The ultimate control over the Company remains with Mr. Sun's family before and after the Transfer.

#### **AMENDMENTS TO THE TERMS OF THE CONVERTIBLE BONDS AND THE NOTES**

On 29 March 2016, the Company, the Investor, Mr. Sun, Novel Blaze, Rich Kirin and Big Wealth entered into the Supplemental Convertible Bond and the Supplemental Note, pursuant to which the parties agreed to amend the terms of the Notes and the Convertible Bonds. Further, on the same date, Mr. Sun, Ms. Zheng and Novel Blaze and the Investor entered into the Supplemental Guarantee pursuant to which the parties agreed to amend the Guarantee.

The amendments under the Supplemental Convertible Bond and the Supplemental Guarantee have been approved by the Stock Exchange prior to the issue of this announcement in accordance with Rule 28.05 of the Listing Rules.

## **TRANSFER OF SHARES IN THE INTERMEDIATE CONTROLLING SHAREHOLDER OF THE COMPANY**

Reference is made to the Circular.

As disclosed in the Circular, upon completion of the Acquisition, (i) the Group will have effective control over the VIE Company so as to obtain the economic interests through certain contractual arrangements; and (ii) Novel Blaze and Peng Dongmiao will hold approximately 36.62% and 28.21% interest in the Company respectively.

In order that the VIE Company would be controlled by the PRC investors as defined under the Draft Law upon completion of the Acquisition so as to reduce the risks of non-compliance in case the Draft Law is adopted and becomes law, upon the request of the Company,

- (a) on 18 February 2016, Ms. Zheng entered into the Undertaking that subject to completion of the Acquisition, she undertakes to the Company that, among other things, (i) Novel Blaze shall continue to be wholly owned by her and (ii) Ms. Zheng shall not dispose of any of the Shares directly or indirectly held by her, including the 408,000,000 Shares beneficially owned by Novel Blaze unless certain conditions are satisfied. Please refer to the Circular for further details of the Undertaking; and
- (b) on 29 March 2016, Mr. Sun, who is a Philippine national, transferred his entire interest in Novel Blaze to his spouse, Ms. Zheng (who is of Chinese nationality), at nil consideration. The ultimate control over the Company remains with Mr. Sun's family before and after the Transfer. Ms. Zheng has applied for, and the SFC has granted, a waiver to Ms. Zheng from her obligation to make a general offer for the Shares as a result of the Transfer pursuant to Note 6(a) to Rule 26.1 of the Code on Takeovers and Mergers.

## **AMENDMENTS TO THE TERMS OF THE CONVERTIBLE BONDS AND THE NOTES**

Reference is made to the announcements of the Company dated 10 June 2015 and 10 September 2015 in relation to, among other things, the issue of redeemable fixed coupon note and redeemable fixed coupon convertible bonds.

It is an event of default under both the Notes and the Convertible Bonds if any encumbrance has been created by Mr. Sun or Novel Blaze over the Shares directly or indirectly owned by any of them, except those with the prior written consent of the Investor. In order to avoid the occurrence of an event of default under the Notes and the Convertible Bonds as a result of the Transfer and/or Ms. Zheng's execution of the Undertaking, (i) the Company, the Investor, Mr. Sun, Novel Blaze, Rich Kirin and Big Wealth entered into the Supplemental Convertible Bond and the Supplemental Note, pursuant to which the parties agreed to amend the terms of the Notes and the Convertible Bonds on 29 March 2016; and (ii) Mr. Sun, Ms. Zheng and Novel Blaze and the Investor entered into the Supplemental Guarantee pursuant to which the parties agreed to amend the Guarantee on 29 March 2016. The material amendments are set out below:

## **Supplemental Convertible Bond**

Pursuant to the Supplemental Convertible Bond, the following terms of the Convertible Bond are amended:

- (i) the definition of “Guarantee” is amended such that Ms. Zheng will be added as a guarantor in addition to Mr. Sun and Novel Blaze under the Guarantee;
- (ii) the representation and undertaking that “no encumbrances have been or will be created by Mr. Sun and Novel Blaze over the Shares directly or indirectly owned by them, except those with the prior written consent of the Investor” shall be amended to “no encumbrances have been or will be created by Ms. Zheng and Novel Blaze over the Shares directly or indirectly owned by them, except for the Undertaking and those with the prior written consent of the Investor”; and
- (iii) the event of default that “any encumbrance has been created by Mr. Sun or Novel Blaze over the Shares directly or indirectly owned by any of them, except those with the prior written consent of the Investor” shall be amended to “any encumbrance has been created by Ms. Zheng or Novel Blaze over the Shares directly or indirectly owned by any of them, except for the Undertaking and those with the prior written consent of the Investor”.

## **Supplemental Note**

Pursuant to the Supplemental Note, the following terms of the Note are amended:

- (i) the definition of “Guarantee” is amended such that Ms. Zheng will be added as a guarantor in addition to Mr. Sun and Novel Blaze under the Guarantee;
- (ii) the representation and undertaking that “no encumbrances have been or will be created by Mr. Sun and Novel Blaze over the Shares directly or indirectly owned by them, except those with the prior written consent of the Investor” shall be amended to “no encumbrances have been or will be created by Ms. Zheng and Novel Blaze over the Shares directly or indirectly owned by them, except for the Undertaking and those with the prior written consent of the Investor”; and
- (iii) the event of default that “any encumbrance has been created by Mr. Sun or Novel Blaze over the Shares directly or indirectly owned by any of them, except those with the prior written consent of the Investor” shall be amended to “any encumbrance has been created by Ms. Zheng or Novel Blaze over the Shares directly or indirectly owned by any of them, except for the Undertaking and those with the prior written consent of the Investor”.

## Supplemental Guarantee

Pursuant to the Supplemental Guarantee, Ms. Zheng will be added as a guarantor in addition to Mr. Sun and Novel Blaze under the Guarantee.

Save for the amendments as disclosed above, there are no other material amendments to the principal terms and conditions of the Convertible Bonds and the Notes.

Up to the date of this announcement, no conversion notice has been received for the conversion of any portion of the Convertible Bonds, and no portion of the Convertible Bonds has been redeemed or converted into Shares. The Shares falling to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds with the above revised terms will be issued under the general mandate granted to the Directors at the annual general meeting of the Company convened and held on 28 May 2015 and the Company has sufficient mandate to cover the issue of the Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds after the amendments take effect.

The amendments under the Supplemental Convertible Bond and the Supplemental Guarantee have been approved by the Stock Exchange prior to the issue of this announcement in accordance with Rule 28.05 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the proposed acquisition of the entire issued share capital of Cable King Limited by the Company pursuant to the agreement dated 17 November 2015 entered into between the Company and Mr. Peng Dongmiao
“Big Wealth”	Big Wealth Limited (大富有限公司), a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Circular”	the Company’s circular dated 29 February 2016 in relation to, among other things, the Acquisition
“Company”	China Packaging Holdings Development Limited (中華包裝控股發展有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange

“Convertible Bond”	the 7.5 per cent convertible bond in the aggregate principal amount of HK\$20,000,000 issued by the Company
“Directors”	the directors of the Company
“Draft Law”	a draft law on foreign investment published by the Ministry of Commerce of the PRC on 19 January 2015
“Guarantee”	the deed of guarantee dated 19 June 2015 executed by Mr. Sun and Novel Blaze in favour of the Investor as a security for the Convertible Bonds and the Notes
“Investor”	Chance Talent Management Limited, a limited company incorporated under the laws of the BVI, acting as the initial investor, as well as an agent and trustee for subsequent transferees of the Note and the Convertible Bonds
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Sun”	Mr. Sun Shao Hua (孫少華), the controlling shareholder and a director of the Company
“Ms. Zheng”	Ms. Zheng Xue Xia (鄭雪霞), the spouse of Mr. Sun
“Note”	the 7.5 per cent secured note in the aggregate principal amount of HK\$80,000,000 issued by the Company
“Novel Blaze”	Novel Blaze Limited (嶄亮有限公司), a company incorporated in the BVI
“PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rich Kirin”	Rich Kirin Holdings Limited (富麟控股有限公司), a company incorporated in the BVI and a direct wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Supplemental Convertible Bond”	the supplemental deed dated 29 March 2016 entered into among the Company, the Investor, Mr. Sun, Novel Blaze, Rich Kirin and Big Wealth pursuant to which the parties agreed to amend the terms of the Convertible Bonds
“Supplemental Guarantee”	the supplemental deed dated 29 March 2016 executed by Mr. Sun, Novel Blaze, Ms. Zheng and the Investor, pursuant to which the parties agreed to amend the terms of the Guarantee
“Supplemental Note”	the supplemental deed dated 29 March 2016 entered into among the Company, the Investor, Mr. Sun, Novel Blaze, Rich Kirin and Big Wealth pursuant to which the parties agreed to amend the terms of the Note
“Transfer”	the transfer of the entire shareholding in Novel Blaze from Mr. Sun to Ms. Zheng on 29 March 2016
“Undertaking”	the undertaking dated 18 February 2016 and executed by Ms. Zheng in favour of the Company
“VIE Company”	Binghe (Xiamen) Information Technology Company Limited* (冰河(廈門)信息技術有限公司), a limited liability company established in the PRC

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

Jiangxi Province, the PRC, 29 March 2016

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

\* *For identification purpose only*