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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)

AMENDMENTS TO THE TERMS OF THE CONVERTIBLE BONDS

On 31 March 2017, the Company executed the Amendment Deeds to amend certain terms of the Convertible Bonds.

The amendments under the Amendment Deeds have been approved by the Stock Exchange prior to the issue of this announcement in accordance with Rule 28.05 of the Listing Rules.

BACKGROUND OF THE FIRST CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 10 June 2015, 10 September 2015 and 29 March 2016 in relation to, among other things, the First Convertible Bonds.

On 10 June 2015, a subscription agreement was entered into among, inter alia, the Company and the Investor, pursuant to which the Company agreed to issue the First Convertible Bonds in the aggregate principal amount of HK\$20,000,000 to the Investor. The First Convertible Bonds were issued by the Company on 19 June 2015.

On 19 June 2015 and 29 March 2016, the parties executed supplemental deeds to amend the terms and conditions of the First Convertible Bonds, details of which are set out in the Company's announcements dated 10 September 2015 and 29 March 2016.

BACKGROUND OF THE SECOND CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 28 April 2016 and 20 May 2016 in relation to, among other things, the Second Convertible Bonds.

On 28 April 2016, a subscription agreement was entered into among, inter alia, the Company and the Investor, pursuant to which the Company agreed to issue the Second Convertible Bonds in the aggregate principal amount of HK\$30,000,000 to the Investor. The Second Convertible Bonds were issued by the Company on 20 May 2016.

On 11 August 2016, the Investor served a conversion notice to the Company and immediately upon such conversion, the outstanding principal amount for the Second Convertible Bonds became HK\$10,000,000.

AMENDMENT DEEDS

The Company was informed by the Investor that the Investor will transfer all outstanding Convertible Bonds to two persons (“**New Bondholder**”), both of whom, to the best knowledge of the Directors having made reasonable enquiry, are independent of the Company and its connected persons.

Pursuant to the original terms of the Convertible Bonds, the Company shall take all necessary actions and sign all documents as required by the transferring convertible bondholder to ensure that the transferee obtains the benefit of the guarantee and the share charges as correspond to its pro rata share of the Convertible Bonds by execution of amended and restated guarantee and share charge including such transferee as a secured party. After the arms’ length negotiation between the Company and the Investor, it was agreed that (i) new guarantees in the form similar to the guarantees previously given to the Investor would be executed in favour of the New Bondholders; (ii) the original share charges under both of the Convertible Bonds will not be re-executed so that such share charges are only in favour of the Investor, but not for the New Bondholder.

On 31 March 2017, the Company executed the First Amendment Deed to amend certain terms of the First Convertible Bonds Deeds and the Company executed the Second Amendment Deed to amend certain terms of the Second Convertible Bonds. The material amendments under the Amendment Deeds are as follows:

- (a) Each of the Convertible Bonds is secured by additional guarantees executed in favour of the New Bondholders and such guarantees are in the form similar to the guarantees previously given to the Investor.
- (b) All share charges under the Convertible Bonds are specified to be security for all sums due and payable to the Investor only (instead of the holders of the Convertible Bonds); and
- (c) the Company's obligation to take necessary actions and sign all documents as required by the transferring convertible bondholder to ensure that the transferee obtains the benefit of the guarantee and the share charges as correspond to its pro rata share of the Convertible Bonds by execution of amended and restated guarantee and share charge including such transferee as a secured party is removed.

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

As previously announced by the Company, 23,529,411 conversion shares under the First Convertible Bonds and 40,000,000 conversion shares under the Second Convertible Bonds would be allotted and issued under the general mandate granted at the annual general meeting of the Company held on 28 May 2015. As at the date hereof, 23,529,411 conversion shares and 13,333,333 conversion shares may still be issued under the First Convertible Bonds and the Second Convertible Bonds respectively and in view of the Amendments, the Company will issue the aggregate of 36,862,744 conversion shares under the general mandate granted to the Directors at the annual general meeting of the Company convened and held on 20 May 2016 and this utilised 16.54% of the said general mandate. Therefore, 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 Amendment Deeds 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:

“Amendments”	the amendments to the Convertible Bonds under the First Amendment Deeds
“Amendment Deeds”	the First Amendment Deed and the Second Amendment Deed
“Board”	the board of Directors
“Company”	China Packaging Holdings Development Limited (中華包裝控股有限公司), 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 Bonds”	the First Convertible Bonds and the Second Convertible Bonds
“Directors”	the directors of the Company
“First Amendment Deed”	the amendment deed dated 31 March 2017 executed by, inter alia, the Company, pursuant to which the parties agreed to amend the terms of the First Convertible Bonds
“First Convertible Bonds”	the 7.5 per cent convertible bonds issued by the Company on 19 June 2015
“Investor”	Chance Talent Management Limited, a limited company incorporated under the laws of the BVI
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“ Second Amendment Deed”	the amendment deed dated 31 March 2017 executed by, inter alia, the Company, pursuant to which the parties agreed to amend the terms of the Second Convertible Bonds
“Second Convertible Bonds”	the 7.5 per cent convertible bonds issued by the Company on 20 May 2016
“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

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

Jiangxi Province, the PRC, 31 March 2017

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