

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中國包裝集團有限公司**  
**China Packaging Group Company Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS,  
INSIDE INFORMATION,  
PROFIT WARNING,  
AND  
RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS**

Reference is made to the announcement of China Packaging Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 3 July 2014 in relation to the unusual price and trading volume movements of the Company on 3 July 2014.

The board of directors of the Company (the “**Board**”) has noted a continued increase in the price and the trading volume of the shares of the Company (the “**Shares**”) on 4 July 2014. Having made such further enquiries with respect to the Company as is reasonable in the circumstances, the Board (excluding Mr. He Jianhong and Mr. Zhang Zhantao, whose positions, functions and duties have been suspended from 27 January 2014 and 6 March 2014 respectively) confirms that save as disclosed below, it is not aware of any reason for such increase or of any information which must be announced to avoid a false market in the Shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

## INJUNCTION AGAINST ABLE SUCCESS

In the afternoon of 4 July 2014, the Board was informed by the solicitors of Skyway Securities Investment Limited (“**Skyway**”) in writing that they have been instructed to seek an injunction against Able Success Asia Limited (“**Able Success**”) to restrain it from exercising the voting rights attached to its entire shareholding in the Company (the “**Charged Shares**”) that has been allegedly charged by Able Success to Skyway as securities for a loan (the “**Injunction**”).

It has also come to the attention of the Board that in June 2014, the solicitors of Skyway has taken out a petition to wind-up Able Success. Hearing is scheduled on 13 August 2014.

As at the date of this announcement, Able Success has approximately 33% shareholding in the Company. Able Success is wholly-owned by Mr. He Jianhong, the chairman and an executive director of the Company, whose position, functions and duties have been suspended from 27 January 2014 due to his continued absence since November 2013.

As Able Success has more than 30% voting rights in the Company, any change or transfer of its shareholding (i.e. voting rights) in the Company may have a significant impact on the Company. This may result in the potential transferee(s) being required to make a mandatory offer for all issued shares of the Company (other than those already owned by or to be transferred to such transferee(s)) in accordance with Rule 26.1 of The Codes on Takeovers and Mergers and Share Repurchases and/or a change of management of the Company.

On 8 July 2014, the Company wrote to the solicitors of Skyway to ascertain, amongst other things, (i) to what extent the Injunction against Able Success would affect the Company and (ii) whether Skyway has been trading or in anyway involved in the unusual increase in price and/or trading volume of the Shares on 3 and 4 July 2014.

On the same date, the Company wrote to Able Success to ascertain, amongst other things, (i) their updated position in its legal proceedings concerning the Charged Shares including the Injunction and (ii) whether Able Success has been trading or in anyway involved in the unusual increase in price and/or trading volume of the Shares on 3 and 4 July 2014.

As at the date of this announcement, the Company has yet to receive the response of Able Success on the above.

By a letter dated 9 July 2014, the solicitors of Skyway informed the Company that (i) they are taking their client's instructions on our enquiries made on 8 July 2014 and (ii) at their client's instructions, a summons has been taken out to apply for an injunction to restrain Able Success from exercising any of the voting rights attached to the Charged Shares. Hearing is scheduled on 11 July 2014.

As at the date of this announcement, the Company has yet to receive the response of Skyway on whether it has been trading or in anyway involved in the unusual increase in price and/or trading volume of the Shares on 3 and 4 July 2014.

On 11 July 2014, the Company was informed by solicitors of Skyway that an interim injunction order was made against Able Success, restraining it from exercising the voting rights attached to the Charged Shares until 23 July 2014 or further order of the court, upon Skyway undertaking not to do the same.

## **LETTERS ISSUED BY SOLICITORS OF ABLE SUCCESS TO BROKERAGE FIRMS**

Reference is made to the announcements of the Company dated 22 April 2014, 5 May 2014, 9 May 2014, 15 May 2014, 23 May 2014, 16 June 2014, 19 June 2014, 20 June 2014 and 27 June 2014 in relation to the Open Offer, the Open Offer Injunction, the Interim Injunction and the Revised Interim Injunction. Capitalised terms used herein shall have the same meaning ascribed thereto, unless the context requires otherwise.

### **The Open Offer and the Open Offer Injunction**

On 22 April 2014, the Company announced its proposed open offer, whereby not less than 1,095,162,666 Shares and not more than 1,096,112,353 Shares (the "**Offer Shares**") were offered to the then shareholders of the Company on the basis of one (1) Offer Share for every two (2) then existing Shares held on the record date (the "**Open Offer**"). Shares were dealt with in an ex-entitlement basis from 5 May 2014.

On 2 May 2014, the Company received a sealed copy of an originating summons issued by Able Success against the Company seeking an injunction against the Open Offer (the "**Open Offer Injunction**"). Hearing for the said injunction took place on 9 May 2014 and was adjourned to 15 May 2014.

On 15 May 2014, the Court refused to grant the Open Offer Injunction on the grounds that Able Success' claims were mere speculations and assertions without evidential basis.

The latest time for acceptance of and payment for the Offer Shares was 4:00 p.m. on 10 June 2014 and the Open Offer became unconditional after 4:00 p.m. on 13 June 2014.

The Open Offer was under-subscribed by 671,838,335 Offer Shares. Pursuant to the underwriting agreement, the Underwriter procured for subscription of these under-subscribed Shares. Certificates for the Offer Shares were dispatched to the subscribers on 17 June 2014, and dealings on the Offer Shares commenced from 9:00 a.m. on 18 June 2014.

For details of the Open Offer please refer to the Company's announcements dated 22 April 2014, 9 May 2014, 23 May 2014, 16 June 2014 and the prospectus of the Open Offer dated 26 May 2014.

For details of the Open Offer Injunction, please refer to the Company's announcements dated 5 May 2014, 9 May 2014, and 15 May 2014.

### **The New Proceedings, the Interim Injunction and the Revised Interim Injunction**

On 20 June 2014, the solicitors of the Company received a letter through fax enclosing a copy of a writ of summons dated 19 June 2014 issued by Able Success against, amongst others, the Company and the Underwriter seeking, amongst other things, an injunction against the Company and the Underwriter restraining them from disposing of, dealing with, or trading of 548,604,802 Offer Shares (the "**Alleged Shares**") which Able Success allegedly subscribed for but subsequently rejected by the Company pursuant to the Open Offer (the "**New Proceedings**").

On 20 June 2014, the Court granted, amongst other things, an interim injunction restraining the Company and the Underwriter from disposing of, dealing with, or trading of the Alleged Shares and it shall remain in force up to and including the return date for hearing on 27 June 2014 (the "**Interim Injunction**"). At the hearing on 27 June 2014, the Interim Injunction was revised and was ordered that, amongst other things, the interim injunction restraining the underwriter from disposing of, dealing with, or trading of the Alleged Shares would remain in force until the determination of the New Proceedings or the further order of the Court (the "**Revised Interim Injunction**").

For details of the New Proceedings, the Interim Injunction and the Revised Interim Injunction, please refer to the Company's announcements dated 19 June 2014, 20 June 2014 and 27 June 2014.

### **The Letters to Brokerage Firms**

It has come to the attention of the Company that the solicitors of Able Success has dispatched letters (the "**Said Letters**") to certain brokerage firms requesting them not to dispose of, deal with or dissipate Shares that were transferred from the Underwriter or its nominees on or about 23 June 2014. It is alleged that such Shares may form part of the Alleged Shares and the subject of the Revised Interim Injunction.

**Shareholders of the Company and potential investors that are in any doubt as to the implications of the Said Letters to their investment in our Shares should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.**

The Board would like to emphasise that the Company has taken no part in the issues nor disputes between Able Success and Skyway. At all times this remains the private matters of Able Success.

The Company will continue to carry out its obligations of information disclosure in accordance with relevant rules and regulations. The Company will make further announcement(s) once there is any further information regarding the abovementioned.

### **PROFIT WARNING**

The Board wishes to inform shareholders of the Company and potential investors that, based on the preliminary review of the Group's currently available unaudited consolidated management accounts for the 6 months ended 30 June 2014 and the information available for the time being, the Group expects to record a net loss for the 6 months ended 30 June 2014.

The expected net loss for the 6 months ended 30 June 2014 is mainly attributable to the increase in legal and other related expenses as a result of recent proceedings against the Company.

The Company is still in the process of finalising the consolidated results of the Group for the 6 months ended 30 June 2014. This profit warning is only an assessment by the Board based on the information currently available, which has not been reviewed nor audited by the Company's auditor. Shareholders of the Company and potential investors are advised to read carefully the announcement of the Company in relation to the results of the Group for the 6 months ended 30 June 2014, which is expected to be released in August 2014.

## **RESUMPTION OF TRADING**

Pending the issuance of this announcement, trading in the shares of the Company on the Stock Exchange was halted with effect from 2:00 p.m. on Friday, 4 July 2014.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 17 July 2014.

This announcement is made by the order of the Board. The Board (excluding Mr. He Jianhong and Mr. Zhang Zhantao, whose positions, functions and duties have been suspended from 27 January 2014 and 6 March 2014 respectively) collectively and individually accepts responsibility for the accuracy of this announcement.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Packaging Group Company Limited**  
**Lau Cheuk Pun**  
*Company Secretary*

Hong Kong, 16 July 2014

*As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. He Jianhong (position, functions and duties suspended from 27 January 2014), Mr. Zhang Zhantao (position, functions and duties suspended from 6 March 2014), Mr. Siu Yun Fat and Mr. Lau Fai Lawrence; and (ii) three independent non-executive Directors, namely Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Chan Yee Por, Simon.*