

**CHINA PACKAGING HOLDINGS DEVELOPMENT LTD:  
THIS NINE-YEAR OLD COMPANY SEEMS  
TO BE HEADED IN THE RIGHT DIRECTION**

China Packaging Holdings Development Ltd () (Code: 1439, Main Board, The Stock Exchange of Hongkong Ltd), as the cliché goes, appears to be as clean as a whistle.

There is, of course, that little matter of the legal actions against the brother of the Controlling Shareholder, but, other than this, the Company appears to be lily-white.

China Packaging issued its Placing and Public Offer Prospectus on Friday, December 27, 2013, the first trading day, following the Christmas holiday period.

The Company is Offering a total of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from 40 cents to 60 cents.

Of the 200 million Shares on Offer, 20 million are for public consumption and 180 million are to be Placed with Institutional Investors.

This Company is engaged in the design, manufacture, printing and sales of paper-based packaging products, according to the Prospectus.

It has a history of just nine years, having been founded on November 29, 2005, with the incorporation in the People's Republic of China (PRC) of HongSheng (Jiangxi) Color Printing Packaging Company Ltd ([ ]).

The person behind the incorporation of HongSheng was Mr Sun Shao Hua (), a businessman who, today, is an Executive Director of China Packaging, beneficially owning 58.50 percent of the Issued and Fully Paid-Up Share Capital. He is, therefore, deemed the Controlling Shareholder of the Company.

The investing public is being Offered 25 percent of the Issued and Fully Paid-Up Share Capital.

The business of this Company is described in some detail at Page 100 of the Company's Prospectus as follows:

**‘OVERVIEW**

*‘We are principally engaged in the design, manufacture, printing and sale of paper-based packaging products, including flexo-printed cartons and offset-printed cartons. Since August 2013 we have started commercial production of stone-paper based packaging products in small scale. Our products are generally used in packaging of a wide variety of products mainly including food and beverages, glass and ceramics articles, metal hardware and chemicals products, bamboo articles and other products. Our customers are primarily manufacturers of these products with production bases in the Jiangxi Province of the PRC, while a few customers have production bases in other provinces in the PRC, such as Fujian and Hubei. According to ASKCI Report, we ranked 7th with a market share of approximately 3.2% in the paper and paperboard-based container manufacturing industry in the Jiangxi Province in the PRC in terms of our turnover in 2012. By having achieved a turnover of approximately RMB280.6 million in*

2012, we were therefore one of the largest paper-based packaging products manufacturer in Jiangxi Province. Jiangxi Province accounted for approximately 2.1% of the paper-based packaging product market in the PRC in 2012 in terms of the quantity of the paper-based packaging products. As at the Latest Practicable Date, we had acquired Wuhan University's entire interest in two invention patents ( ) related to the production and production method of stone paperboards which were jointly developed by Wuhan University and us. We are the registered owner of 15 utility model patents (in the PRC, and we have applied these utility model patents to develop the intelligent resource-saving corrugated paper carton production system for upgrading our production line of corrugated paperboards. Moreover, we have also submitted applications for registration of 11 patents (including two invention patents, two utility model patents and seven design patents which are mainly applied to the production of stone-paper based packaging products) in the PRC. We believe that these intellectual properties and our technical know-how have strengthened our market position in the paper-based packaging industry in the Jiangxi Province of the PRC.

*'The principal raw materials for production of our products are raw paper and corrugated paperboards. Apart from purchasing corrugated paperboards from external suppliers, we are also engaged in the manufacture of corrugated paperboards for our production of paper-based packaging products.*

*'Our production plant is located in Fengxin County, Yichun City of Jiangxi Province, the PRC with seven production lines including one production line for corrugated paperboards, three production lines for flexo-printed cartons and three production lines for offset-printed cartons with an estimated annual production capacity of approximately 37.0 million sq.m. (square metres), approximately 81.8 million sq.m. and approximately 28.5 million sq.m. for corrugated paperboards, flexo-printed cartons and offset-printed cartons respectively for the year ended 31 December 2012...'*

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