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

(Provisional Liquidators Appointed)

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

**(Stock Code: 572)**

**DISCLOSEABLE TRANSACTION RELATING TO  
DISPOSAL OF SUBSIDIARIES  
AND  
UPDATE ON THE STATUS OF A SUBSIDIARY**

On 23 March 2010, the Company entered into the Deed with the Purchaser whereby the Purchaser, which is controlled by one of the Provisional Liquidators, agreed to purchase and the Company agreed to sell the Sale Shares for an aggregate nominal consideration of HK\$3.00. The Sale Shares represent the entire issued share capital of Chinawinner BVI, Chinawinner HK and Rich Victory. The Company and the Purchaser entered into the Deed for the furtherance of the Restructuring Proposal.

The entering into of the Deed and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements.

The Company would like to inform the Shareholders that the first meetings of members and creditors of Bloxworth HK, a wholly owned subsidiary of the Company, were held on 26 February 2010. It was resolved in the meetings that Mr. Fok Hei Yu and Mr. Roderick John Sutton of Ferrier Hodgson Limited were appointed as Joint and Several Liquidators of Bloxworth HK.

Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 28 April 2009 and will remain suspended until further announcement.

Reference is made to the announcement of the Company dated 30 December 2009 in relation to the Exclusivity and Escrow Agreement entered into among the Investor, the Company, acting by the Provisional Liquidators, and the Escrow Agent. The Provisional Liquidators have agreed to grant the Investor exclusivity, upon the terms set out in the Exclusivity and Escrow Agreement while they and their advisers negotiate in good faith the Restructuring Agreement for the implementation of the Restructuring Proposal with the Investor and its advisers. Accordingly, the Company and the Purchaser entered into the Deed for the furtherance of the Restructuring Proposal.

## **THE DEED DATED 23 MARCH 2010**

### **Parties**

the Vendor:                   the Company (Provisional Liquidators Appointed)

the Purchaser:               Sino Gather Limited, is a special purpose vehicle controlled by Mr. Fok Hei Yu, one of the Provisional Liquidators

The Provisional Liquidators confirm that, save for the fact that the Purchaser is controlled by one of the Provisional Liquidators, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. Save for the entering into of the Deed, the Purchaser has not conducted any business since its incorporation.

### **Assets to be disposed of**

The assets to be disposed of comprise the Sale Shares. The Sale Shares represent the entire issued share capital of Chinawinner BVI, Chinawinner HK and Rich Victory.

### **Consideration**

The total consideration for the sale and purchase of the entire issued share capital of Chinawinner BVI, Chinawinner HK and Rich Victory shall be HK\$1.00 each and has been paid in cash by the Purchaser to the Company on Completion.

Given that the Disposal is primarily pursued in furtherance of the restructuring of the Group in accordance with the Restructuring Proposal for the benefit of the creditors of the Company and there are arrangements as set out in the section headed “Subsequent transfer of the Sale Shares” below, the Provisional Liquidators are of the view that the nominal consideration is fair and reasonable and that it is in the interest of the Company and the Shareholders as a whole.

### **Completion**

Completion of the sale and purchase of the Sale Shares pursuant to and in accordance with the Deed took place upon signing of the Deed.

### **Subsequent transfer of Sale Shares**

The Company and the Purchaser acknowledged and agreed that the sale and purchase of the Sale Shares is in furtherance of the Restructuring Proposal with the intention that the Provisional Liquidators shall make available the benefit of the Disposed Group, if any, to the creditors of the Company pursuant to the Scheme of Arrangement.

Unless otherwise agreed in writing by the Company and the Purchaser, the Provisional Liquidators shall transfer the Sale Shares upon the occurrence of the following events (the “Event(s)”), whichever is the earlier, on substantially the same terms as the Deed:

- (i) in the event that the Company enters into the Scheme of Arrangement, to those persons appointed as the scheme administrator pursuant thereto; or
- (ii) in the event that the court grants a winding up order against the Company or upon the termination of the Exclusivity and Escrow Agreement in accordance with its terms or that the Restructuring Proposal fails to complete on or before the Long Stop Date, to the Company.

Completion of the sale and purchase of the Sale Shares as mentioned above shall take place on such date as may be notified by the Provisional Liquidators upon the occurrence of the relevant Event, whereupon, among others, the Purchaser shall sell the Sale Shares to the scheme administrator or the Company (as the case may be) who shall, in return, pay the consideration of HK\$1.00 each by way of cash to the Purchaser in respect of each of the entire issued share capital of Chinawinner BVI, Chinawinner HK and Rich Victory, the sufficiency of which was acknowledged by the parties.

### **Lock-up period**

Subject to Completion, the Purchaser undertakes to the Company that, unless with the prior written consent of the Company, it shall not, directly or indirectly sell, transfer or otherwise dispose of (including without limitation the creation of any options, rights, interests or encumbrance in respect of), any of the Sale Shares from the date of Completion until the occurrence of any of the Events.

### **INFORMATION ON THE DISPOSED GROUP**

Chinawinner HK is a company incorporated in Hong Kong on 14 December 2007 with limited liability and is wholly and beneficially owned by the Company. Chinawinner HK is a dormant company. Based on the unaudited management accounts of Chinawinner HK, the unaudited loss before and after taxation for the year ended 31 December 2007 were both approximately HK\$10,017 and the unaudited profit before and after taxation for the year ended 31 December 2008 were both approximately HK\$143. As at 31 December 2008, the unaudited net liabilities of Chinawinner HK were approximately HK\$8,920.

Rich Victory is a company incorporated in Hong Kong on 28 July 2004 with limited liability and is wholly and beneficially owned by the Company. Rich Victory is a dormant company. Based on the unaudited management accounts of Rich Victory, the unaudited loss before and after taxation for the year ended 31 December 2007 were both approximately HK\$3,028 and the unaudited profit before and after taxation for the year ended 31 December 2008 were both approximately HK\$534. As at 31 December 2008, the unaudited net liabilities of Rich Victory were approximately HK\$16,348.

Chinawinner BVI is a company incorporated in the British Virgin Islands on 16 May 2006 with limited liability and is an investment holding company wholly and beneficially owned by the Company. The principal asset of Chinawinner BVI is its holding of the entire equity interest in Zhanwang. Based on the unaudited management accounts of Chinawinner BVI, the unaudited loss before and after taxation for the year ended 31 December 2007 were both approximately HK\$23,811 and the unaudited profit before and after taxation for the year ended 31 December 2008 were both approximately HK\$283,302. As at 31 December 2008, the unaudited net asset value of Chinawinner BVI was approximately HK\$262,504.

Zhanwang is a limited liability company incorporated in the PRC on 29 November 2007 and is wholly owned by Chinawinner BVI. In the Company's annual report for the year ended 31 December 2007, Zhanwang was disclosed as principally engaged in manufacturing and selling of tins cans for the packaging of food and beverage in the PRC but it indeed has never commenced any operations. Based on the unaudited management accounts of Zhanwang prepared under the PRC Financial Reporting Standards, the unaudited loss before and after taxation for the year ended 31 December 2007 were both approximately RMB40,032 (equivalent to approximately HK\$45,236) and the unaudited loss before and after taxation for the year ended 31 December 2008 were both approximately RMB646,868 (equivalent to approximately HK\$730,961). As at 31 December 2008, the unaudited net asset value of Zhanwang was approximately RMB4,745,920 (equivalent to approximately HK\$5,362,890).

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon Completion, the Disposed Group will cease to be subsidiaries of the Company and their financial results will not be consolidated into the Group's future financial statements. Based on the unaudited net assets value of the Disposed Group as at 31 December 2008, the Group will recognize a loss on Disposal of approximately HK\$5,600,123 upon Completion. The nominal proceeds from the Disposal will be retained as internal resources of the Group.

## **REASONS FOR THE DISPOSAL**

The principal business activity of the Company is investment holding. The principal business activities of its subsidiaries include the manufacturing and sales of tins cans for the packaging of food and beverages in the PRC and the provision of tins lacquering and painting services.

As mentioned above, the members of the Disposed Group are either dormant or have not commenced any operations and the Provisional Liquidators consider that any realization of the assets of the Disposed Group is uncertain and likely to be minimal. The removal of the Disposed Group will not have any material impact on the continuing operations of the Group after Completion. In light of the facts that (i) the Provisional Liquidators have been appointed for the Company; (ii) the Purchaser is a special purpose vehicle controlled by one of the Provisional Liquidators; (iii) the Disposal serves as a corporate reorganization for the purpose of implementing the Restructuring Proposal; and (iv) the arrangement for the subsequent transfer of the Sale Shares upon occurrence of any of the Events, the Provisional Liquidators consider that the terms of the Deed are fair and reasonable and the entering into of the Deed and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

## **GENERAL**

The entering into of the Deed and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements.

The Company would like to inform the Shareholders that the first meetings of members and creditors of Bloxworth HK, a wholly owned subsidiary of the Company, were held on 26 February 2010. It was resolved in the meetings that Mr. Fok Hei Yu and Mr. Roderick John Sutton of Ferrier Hodgson Limited were appointed as Joint and Several Liquidators of Bloxworth HK. Bloxworth HK will be dissolved by way of a creditors' voluntary winding up under s228A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 28 April 2009 and will remain suspended until further announcement.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Bloxworth HK”	Bloxworth Enterprises (HK) Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Chinawinner BVI”	Chinawinner Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“Chinawinner HK”	Chinawinner Enterprises (HK) Limited, a company incorporated in Hong Kong with limited liability
“Company”	China Packaging Group Company Limited (Provisional Liquidators appointed), an exempt company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	the completion of the sale and purchase of the Sale Shares pursuant to and in accordance with the Deed
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Deed”	the sale and purchase deed dated 23 March 2010 and entered into between the Purchaser and the Company in respect of the Disposal
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser under the Deed
“Disposed Group”	the group of companies consisting of Chinawinner BVI, Chinawinner HK, Rich Victory and Zhanwang

“Escrow Agent”	Ferrier Hodgson Limited, a company incorporated in Hong Kong with limited liability
“Exclusivity and Escrow Agreement”	the legally-binding exclusivity and escrow agreement dated 28 December 2009 entered into between the Company, the Escrow Agent and the Investor, relating to the Proposed Restructuring
“Group”	the Company and its certain subsidiaries and its associated companies (if any)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investor”	Business Giant Limited, a company incorporated in British Virgin Islands with limited liability and an investment holding company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	(i) the long stop date set out in the Restructuring Agreement (or such other date as may be mutually agreed between the parties thereto) or (ii) if no Restructuring Agreement has been executed, the date on which it comes to the knowledge of the Provisional Liquidators that the Restructuring Proposal fails to complete
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Restructuring”	the restructuring of the Group proposed by the Investor



“Provisional Liquidators”	Mr. Fok Hei Yu and Mr. Roderick John Sutton in their capacity as Joint and Several Provisional Liquidators
“Purchaser”	Sino Gather Limited, a company incorporated in Hong Kong with limited liability, is a special purpose vehicle controlled by Mr. Fok Hei Yu, one of the Provisional Liquidators
“Restructuring Agreement”	a legally-binding agreement for the implementation of the Restructuring Proposal to be entered into by the Investor and the Company
“Restructuring Proposal”	a proposal submitted by the Investor to the Provisional Liquidators for the Proposed Restructuring
“Rich Victory”	Rich Victory Development Limited, a company incorporated in Hong Kong with limited liability
“Sale Shares”	the entire issued share capital of Chinawinner BVI, Chinawinner HK and Rich Victory
“Scheme of Arrangement”	the scheme of arrangement under Section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhanwang”	四川省展旺金屬製品有限公司 (Sichuan Zhanwang Metal Products Co., Ltd.*), a company incorporated in the PRC with limited liability

\* for identification purpose only

“HK\$” Hong Kong dollars

“RMB” Renminbi, the lawful currency of the PRC

*In this announcement, for reference only, the translation of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1.00 = HK\$1.13.*

For and on behalf of  
**CHINA PACKAGING GROUP COMPANY LIMITED**  
(Provisional Liquidators Appointed)  
**Fok Hei Yu and Roderick John Sutton**  
*Joint and Several Provisional Liquidators*  
*acting as agents for and on behalf of*  
*China Packaging Group Company Limited*  
*without personal liability*

Hong Kong, 23 March 2010

*On the basis of the information available from the previous announcements made by the Company, the board of directors of the Company comprises one executive director, namely, Mr. Liu Zhi Qiang, and one independent non-executive director, namely Mr. Chong Hoi Fung.*