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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in China Packaging Group Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

### GENERAL MANDATE TO ISSUE SHARES, ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

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A letter from the board of directors of China Packaging Group Company Limited (the “**Company**”) is set out on pages 5 to 10 of this circular. A notice convening an extraordinary general meeting of the Company to be held at Suite 06-07, 28th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong at 2:30 p.m., 22 February 2012 are set out on pages 22 to 25 of this circular. The proxy form for use at the aforesaid extraordinary general meeting is enclosed with this circular. Such proxy form is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you intend to attend the extraordinary general meeting, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the offices of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

6 February 2012

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the laws of Hong Kong)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Suite 06-07, 28th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on 22 February 2012 at 2:30 p.m. to consider and, if thought fit, approve the Issue Mandate, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company, its Subsidiaries or any Invested Entity
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by a written resolution of the then sole Shareholder on 2 June 2003, which became effective on 2 July 2003
“General Scheme Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and all other share option scheme(s) of the Company

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## DEFINITIONS

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“Grantee(s) of Share Option”	Participant(s) who accepted the offer of the grant of any Share Option(s) in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Share Option in consequence of the death of the original Grantee of the New Share Option Scheme
“Group”	the Company and its Subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds any equity interest
“Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the EGM passing the ordinary resolution to grant such mandate
“Latest Practicable Date”	1 February 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme for eligible Participants proposed to be conditionally approved at the EGM, a summary of the rules of which is set out in Appendix I to this circular
“Offer Date”	the date on which the Board makes an offer of the grant of a Share Option

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## DEFINITIONS

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“Participant(s)”	<p>any person belonging to any of the following classes of persons:</p> <ul style="list-style-type: none"><li>(a) any Eligible Employee;</li><li>(b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;</li><li>(c) any supplier of goods or services to any member of the Group or any Invested Entity;</li><li>(d) any customer of the Group or any Invested Entity;</li><li>(e) any consultant, adviser, agent and contractor engaged by the Group or any Invested Entity; and</li><li>(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;</li></ul> <p>The basis of eligibility of any of the above classes of Participants to the grant of any Share Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity</p>
“Shareholders”	holders of issued Shares
“Share Option(s)”	the option(s) under New Share Option Scheme
“Shares”	ordinary shares of HK\$0.001 each in the share capital of the Company

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	a subsidiary of the Company (within the meaning of Section 2 of the Companies Ordinance), whether incorporated in Hong Kong or elsewhere
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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# 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)

*Executive Directors:*

Leung Heung Ying, Alvin

Wong Tat Wai, Derek

*Independent Non-executive Directors:*

Lam Andy Siu Wing, J.P.

Siu Siu Ling, Robert

Tam Tak Wah

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal office of business:*

Suite 06-07, 28<sup>th</sup> Floor

Shui On Centre

6-8 Harbour Road

Wanchai, Hong Kong

6 February 2012

*To the Shareholders, and for information only,*

*holders of preference shares, convertible notes and options of the Company*

Dear Sir/Madam,

### **GENERAL MANDATE TO ISSUE SHARES, ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME**

#### **INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information regarding resolutions to be proposed at the EGM relating to the (i) granting of the Issue Mandate; and (ii) adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme.

The Board has confirmed that having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the resolutions as set out in the notice of the EGM.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 6 October 2011, no resolution has been proposed to grant the issue mandate to the Directors. At the EGM, an ordinary resolution will be proposed to consider and, if thought fit, approve the granting of the Issue Mandate to the Directors to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate nominal amount of issued ordinary share capital of the Company as at the date of passing the resolution.

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 314,207,957 Shares and 520,000,000 preference shares. Assuming that there is no change in the issued and fully paid up share capital of the Company from the Latest Practicable Date to the date of passing the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 62,841,591 Shares.

Details of the Issue Mandate is set out in ordinary resolution numbered 1 in the notice of the EGM on pages 22 to 25 of this circular.

The Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting, whichever is the earliest.

### ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

#### A. The Existing Share Option Scheme and the New Share Option Scheme

The Existing Share Option Scheme was adopted by a written resolution of the then sole Shareholder on 2 June 2003. The Existing Share Option Scheme became effective on the date on which dealings in the Shares first commence on the Stock Exchange, i.e. 2 July 2003. Under the Existing Share Option Scheme, the Directors were authorised to grant to any participant options to subscribe for Shares as incentives or rewards for their contribution to the Company and its subsidiaries. As the Existing Share Option Scheme is due to expire on 1 July 2013, in order to enable the continuity of the share option scheme of the Company, the Company proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme. An ordinary resolution will be proposed at the EGM to approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.



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## LETTER FROM THE BOARD

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It is proposed that subject to the approval of the Shareholders for the adoption of the New Share Option Scheme, the Existing Share Option Scheme will be terminated upon the adoption of the New Share Option Scheme after all conditions precedent as referred to under the paragraph headed “Conditions of the adoption of the New Share Option Scheme” have been fulfilled. Operation of the New Share Option Scheme will commence after all the conditions precedent as referred to under the paragraph headed “Conditions of the adoption of the New Share Option Scheme” have been fulfilled. A summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix I to this circular.

The purpose of the New Share Option Scheme is to grant options at the discretion of the Board to eligible Participants as incentives and rewards for their contribution to the Group. The Board shall be empowered to determine the subscription price of Shares pursuant to the exercise of options granted under the New Share Option Scheme, the basis of which is set out in Appendix I to this circular. Share Options granted under the New Share Option Scheme may be exercised at any time within certain period of time as set out in Appendix I to this circular so as to motivate and retain them for contribution to the benefit and success of the Group.

No trustees will be appointed under the New Share Option Scheme.

As at the Latest Practicable Date, the Company had 1,430,862 share options granted pursuant to the Existing Share Option Scheme which remained outstanding and not exercised. Other than the Existing Share Option Scheme, the Company currently does not maintain any other share option scheme.

Upon termination of the Existing Share Option Scheme, no further options may be granted but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect. Therefore, the adoption of the New Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Existing Share Option Scheme and the above outstanding options granted under the Existing Share Option Scheme shall continue to be valid and subject to the provisions of the Existing Share Option Scheme.

As at the Latest Practicable Date, the number of Shares in issue is 314,207,957 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the date of adoption of the New Share Option Scheme, the number of Shares issuable pursuant to the New Share Option Scheme and any other share option schemes of the Company on the date of approval of the New Share Option Scheme will initially be 31,420,795 Shares, being 10% of the total number of Shares in issue on the date of approval of the New Share

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## LETTER FROM THE BOARD

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Option Scheme, unless the Company obtains a fresh approval from its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

### **B. Conditions of the adoption of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders in general meeting approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme and authorising the Directors to grant Share Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Share Options granted under the New Share Option Scheme; and
- (ii) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of any Share Options granted under the New Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Share Options granted under the New Share Option Scheme.

### **C. Principal terms of the New Share Option Scheme**

The principal terms of the New Share Option Scheme are set out in Appendix I to this circular.

The rules of the New Share Option Scheme proposed to be adopted by the Company at the EGM will be available for inspection at the principal place of business in Hong Kong at Suite 06-07, 28th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of EGM and at the EGM.

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## LETTER FROM THE BOARD

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### **D. Values of all Options that can be granted under the New Share Option Scheme**

The Directors consider that it is not appropriate to state the value of all Share Options that may be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date, because the calculation of the value of the Share Options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. As no Share Options have been granted under the New Share Option Scheme, certain variables are not available for calculating the value of the Share Options. The Directors believe that any calculation of the value of the Share Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful to the Shareholders.

### **EXTRAORDINARY GENERAL MEETING**

The notice of the EGM is set out on pages 22 to 25 of this circular. At the EGM, resolutions will be proposed to approve the granting of the Issue Mandate, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished.

### **VOTING BY POLL**

According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the EGM will be taken by way of poll and an announcement will be made after the EGM.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the EGM on pages 22 to 25.

Your attention is drawn to the information set out in the appendix to this circular.

For and on behalf of  
**China Packaging Group Company Limited**  
**Leung Heung Ying, Alvin**  
*Executive Director*

*This Appendix summarise the principal terms of the New Share Option Scheme (“**Share Option Scheme**”) but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as effecting the interpretation of the rules of the Share Option Scheme.*

**(a) PURPOSE OF THE SCHEME**

The purpose of the Share Option Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

**(b) WHO MAY JOIN**

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants (“Participant(s)”), to take up Share Options to subscribe for Shares:

- (aa) any Eligible Employee;
- (bb) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of the Group or any Invested Entity;
- (ee) any consultant, adviser, agent and contractor engaged by the Group or any Invested Entity; and
- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

For the avoidance of doubt, the grant of any share options by the Company for the subscription of Shares to any person who fall within any of the above classes of Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Share Option under the Share Option Scheme.

The basis of eligibility of any of the above classes of Participants to the grant of any Share Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

**(c) MAXIMUM NUMBER OF SHARES**

- (aa) The maximum number of Shares to be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent of the issued share capital of the Company from time to time.
- (bb) The total number of Shares which may be issued upon exercise of all Share Options (excluding, for this purpose, Share Options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10 per cent of the total number of Shares in issue as at the date of approval of the Share Option Scheme (the “General Scheme Limit”).
- (cc) Subject to (aa) above and without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10 per cent of the total number of Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit as “refreshed”, Share Options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Company) previously granted under the Share Option Scheme and any other share option schemes of the Company will not be counted.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may issue a circular to the Shareholders and seek separate Shareholders’ approval in general meeting to grant Share Options beyond the General Scheme Limit or, if applicable, the limit referred to in (cc) above to Participants specifically identified by the Company before such approval is sought.

**(d) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

- (aa) The total number of Shares issued and which may fall to be issued upon exercise of the Share Options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Share Options) to each Participant in any 12-month period must not exceed 1 per cent of the then total issued share capital of the Company (the “Individual Limit”).
- (bb) Any further grant of Share Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Share Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his associates abstaining from voting.

**(e) GRANT OF SHARE OPTIONS TO CONNECTED PERSONS**

- (aa) Each grant of Share Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must comply with the requirements of Rule 17.04(1) of Listing Rules. Each grant of Share Options to any of these persons must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Share Options).
- (bb) Where any grant of Share Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Share Options already granted and to be granted (including Share Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
  - (i) representing in aggregate over 0.1 per cent of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000;

such further grant of Share Options must be approved by the Shareholders. All connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting subject to the requirements of the Listing Rules. Any change in the terms of the Share Options granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates must be approved by the Shareholders in general meeting.

**(f) TIME OF ACCEPTANCE AND EXERCISE OF A SHARE OPTION**

An offer of grant of a Share Option may be accepted by a Participant within 28 days from the date of the offer of grant of the Share Option. A consideration of HK\$1 is payable on acceptance of the offer of grant of a Share Option. To the extent that the offer of grant of a Share Option is not accepted within twenty-eight (28) days from the Offer Date in the manner indicated herein, it will be deemed to have been irrevocably declined and lapsed automatically.

A Share Option shall be exercisable in whole or in part and in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the day on which the offer for the grant of Share Options is made but shall end in any event not later than 10 years from the date the Board makes an offer of the grant of a Share Option subject to the provisions for early termination thereof. Directors have discretion to impose a minimum period for which a Share Option has to be held before the exercise of the subscription rights attaching there to on case by case basis.

Unless the Directors otherwise determined and stated in the offer of the grant of Share Options to a Participant, there is no minimum period for which a Share Option granted under the Share Option Scheme must be held before it can be exercised.

**(g) PERFORMANCE TARGETS**

Unless the Directors otherwise determined and stated in the offer of the grant of Share Options to a Participant, a Participant is not required to achieve any performance targets before any Share Options granted under the Share Option Scheme can be exercised. Directors have discretion to impose the performance targets restriction on case by case basis.



**(h) SUBSCRIPTION PRICE FOR SHARES**

Subject to the adjustment made in accordance with the terms of the Share Option Scheme, the subscription price in respect of any particular Share Option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the subscription price must be at least the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Day immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares. Without prejudice to the generality of the foregoing, the Directors may grant Share Options in respect of which the subscription price is fixed at different prices for different periods during the Share Option period provided that the subscription price for Shares for each of the different periods shall not be less than the subscription price determined in the manner set out herein.

**(i) RANKING OF SHARES**

- (aa) Shares allotted upon the exercise of a Share Option will be subject to all the provisions of the articles of association of the Company and the Companies Law (2010 Revision) of the Cayman Islands (as amended from time to time), and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Share Option falls on a day upon which the register of members of the Company is closed then the exercise of the Share Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of a Share Option shall not carry voting rights until the completion of the registration of the grantee as the holder thereof.
- (bb) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, reclassification or reduction of the share capital of the Company from time to time.

**(j) RESTRICTIONS ON THE TIME OF GRANT OF SHARE OPTIONS**

No offer for grant of Share Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required by the Listing Rules) and ending on the date of the results announcement, no Share Option may be granted. The Directors may not grant any Share Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(k) PERIOD OF THE SHARE OPTION SCHEME**

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

**(l) RIGHTS ON CEASING EMPLOYMENT**

If the Grantee of a Share Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or serious misconduct or other grounds referred to in sub-paragraph (o) below before exercising his Share Option in full, the Share Option (to the extent which has become exercisable and not already exercised) will lapse on the expiration of one (1) month from the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Share Option (to the extent which has become exercisable and not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

**(m) RIGHTS ON CEASING TO BE A PARTICIPANT**

If the Grantee of a Share Option, who is not an Eligible Employee, ceases to be a Participant by reason other than death, the Grantee of a Share Option shall be entitled within a period of one (1) month from the date of cessation (or such longer period as the Board may determine) to exercise the Share Option (to the extent which has become exercisable and not already exercised).

**(n) RIGHTS ON DEATH**

If the Grantee of a Share Option ceases to be a Participant by reason of death before exercising the Share Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (o) below arises prior to his or her death), the legal personal representative of this grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Share Option (to the extent which has become exercisable and not already exercised).

**(o) RIGHTS ON DISMISSAL**

If the Grantee of a Share Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of misconduct or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his or her Share Option will lapse automatically on the date the grantee ceases to be an Eligible Employee.

**(p) RIGHTS ON BREACH OF CONTRACT**

If the Directors at their absolute discretion determine that the Grantee of any Share Option (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Share Options granted to the grantee shall lapse. In such event, his or her Share Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**(q) RIGHTS ON A GENERAL OFFER**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Share Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his or her Share Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his or her Share Option at any time before the close of such offer (or any revised offer). Subject to the above, a Share Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

**(r) RIGHTS ON WINDING UP**

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is to be passed, exercise his or her Share Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Share Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, a Share Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

**(s) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY  
AND ITS CREDITORS**

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and

ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his or her Share Option (to the extent which has become exercisable and not already exercised), but the exercise of the Share Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Share Option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, a Share Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

**(t) ADJUSTMENTS OF THE SUBSCRIPTION PRICE OR OTHER TERMS**

In the event of a capitalisation issue, rights issue, open offer of Shares (if there is a price-dilutive element), consolidation or sub-division of shares or reduction of capital of the Company whilst a Share Option remains exercisable, such corresponding alterations (if any) certified by the then auditors of or an independent financial adviser to the Company as fair and reasonable and at the same time satisfy with the requirements of the Listing Rules will be made to the number of Shares and/or the subscription price for Shares subject to Share Option already granted; and/or the maximum number of Shares subject to the Share Option Scheme provided (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such adjustments; (ii) no adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction; and (iv) no adjustments shall be made to the advantage of the Grantee of the Share Option or that would increase the Intrinsic Value (as defined below) of any Share Option (immediately before and after any alteration in the capital structure of the Company as a result of the events set out in this clause). The Intrinsic Value is the difference between the market price (or theoretical entitlement price) of the Shares under the Share Option and the subscription price (or revised subscription price) of the Share Option. For avoidance of any doubt, (a) an issue of any securities of the Company as consideration in respect of a transaction; and (b) an issue of any securities of the Company under the authority of a general mandate or specific mandate granted to the Board by the Shareholders, will not be regarded as circumstances requiring adjustment under this clause. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, the Company's auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

**(u) CANCELLATION OF SHARE OPTIONS**

Unless the Grantee of Share Option otherwise agrees, the Board may only cancel a Share Option (which has been granted but not yet exercised) if, at the election of the Board:

- (a) the Company pays to the Grantee of Share Option an amount equal to the fair market value of the Share Option at the date of cancellation as determined by the Board, after consultation with the Auditors or an independent financial adviser appointed by the Board; or
- (b) the Board offers to grant to the grantee replacement Share Options (or options under any other share option scheme) of equivalent value to the Share Options to be cancelled, provided that the grant of such replacement Share Options (or options under any other share option scheme) shall not cause the limits set out in the applicable clauses of the Share Option Scheme to be breached; or
- (c) the Board makes such arrangements as the grantee may agree to compensate him/her for the loss of the Share Option.

Where the Company cancels Share Options and issues new ones to the same grantee, the issue of such new share options may only be made under the Share Option Scheme and any other share option schemes of the Company with available unissued share options (excluding the cancelled Share Options) within the limit approved by Shareholders as mentioned in note (1) to Rule 17.03(3) of the Listing Rules.

**(v) TERMINATION OF THE SHARE OPTION SCHEME**

The Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further Share Options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Share Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

**(w) RIGHTS ARE PERSONAL TO THE GRANTEE OF SHARE OPTION**

A Share Option is personal to the Grantee of Share Option and shall not be assignable and no Grantee of Share Option shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Share Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Share Option or part thereof granted to such Grantee of Share Option.

**(x) LAPSE OF OPTION**

A Share Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (f);
- (bb) the expiry of the periods or dates referred to in paragraphs (l), (m), (n), (o), (p), (r) and (s);
- (cc) the date on which the offer (or, as the case may be, the revised offer) referred to in paragraph (q) closes; and
- (dd) the date on which a breach of the provision of paragraph (w) is committed.

**(y) OTHERS**

- (aa) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees of the Share Options in the absence of the prior approval of the Shareholders in general meeting.
- (bb) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Share Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (cc) The amended terms of the Share Option Scheme or the Share Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (dd) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### 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)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of China Packaging Group Company Limited (the “**Company**”) will be held at Suite 06-07, 28th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong at 2:30 p.m. on 22 February 2012 for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

1. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued ordinary shares and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares, shall not exceed the aggregate of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law (2010 Revision) of the Cayman Islands as amended from time to time (the **“Companies Law”**), or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

**“Rights Issue”** means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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2. “THAT:

- (a) subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the ordinary shares to be issued pursuant to the exercise of any options granted under the share option scheme of the Company (the “**New Share Option Scheme**”), a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof, the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation:
  - (i) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for ordinary shares of the Company;
  - (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
  - (iii) to issue and allot from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme provided always that the total number of ordinary shares subject to the New Share Option Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (iv) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may then be listed, for listing of and permission to deal in any ordinary shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and
  - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.
- (b) subject to and conditional upon the New Share Option Scheme becoming effective, the existing share option scheme (the “**Existing Share Option Scheme**”) for the Company which was adopted by the then sole shareholder of the Company on 2 June 2003 be and is hereby terminated upon the New Share Option Scheme becoming effective (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

For and on behalf of  
**China Packaging Group Company Limited**  
**Leung Heung Ying, Alvin**  
*Executive Director*

Hong Kong, 6 February 2012

*Notes:*

1. A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. In case of a recognised clearing house (or its nominees(s) and in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives of the meeting and vote in its stead.
2. In order to be valid, proxy form, together with the power of attorney (if required by the Board) or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the EGM or adjourned meeting.
3. Completion and deposit of the proxy form will not preclude a member of the Company from attending and voting in person at the EGM convened or any adjourned meeting and in such event, the proxy form will be deemed to be revoked.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled to vote, but if more than one of such joint holders are present at the EGM, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the name stands first on the registrar of members of the company in respect of the joint holding.