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**ABLE SUCCESS ASIA LIMITED**  
**得勝亞洲有限公司**

*(Incorporated in the British Virgin Islands with limited liability)*



**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)**

## **JOINT ANNOUNCEMENT**

**(1) ACQUISITION OF CONTROLLING INTEREST IN  
CHINA PACKAGING GROUP COMPANY LIMITED  
BY ABLE SUCCESS ASIA LIMITED;**

**(2) UNCONDITIONAL MANDATORY CASH OFFERS BY**



**KINGSTON SECURITIES LTD.**

**ON BEHALF OF  
ABLE SUCCESS ASIA LIMITED  
FOR ALL THE ISSUED SHARES IN  
CHINA PACKAGING GROUP COMPANY LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY  
ABLE SUCCESS ASIA LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT) AND  
TO CANCEL ALL OUTSTANDING SHARE OPTIONS;**

**(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;**

**AND**

**(4) RESUMPTION OF TRADING**

**Financial Adviser to Able Success Asia Limited**



**KINGSTON CORPORATE FINANCE LTD.**

**Independent financial adviser to the Independent Board Committee**



**粵海證券有限公司**  
**GUANGDONG SECURITIES LIMITED**

## **INTRODUCTION**

On 23 November 2012, the Board was informed by IAM and BGL that IAM, BGL and the Offeror entered into the Sale and Purchase Agreement pursuant to which IAM and BGL agreed to sell and the Offeror agreed to purchase the Sale Shares, the Sale CN and the Sale CPS for an aggregate cash consideration of HK\$81,271,000 (equivalent to HK\$0.1213 per Sale Share and per Conversion Share). The Sale Shares represent approximately 59.00% of the entire issued share capital of the Company as at the date of this joint announcement. Completion took place on 26 November 2012.

## **UNCONDITIONAL MANDATORY CASH OFFERS**

Upon Completion, the Offeror and parties acting in concert with it are interested in 201,000,000 Shares, representing approximately 59.00% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued securities other than those already owned by the Offeror and parties acting in concert with it.

Taking into account the Irrevocable Undertaking, Kingston Securities will, on behalf of the Offeror, make the Offers, which is unconditional in all respects in compliance with the Takeovers Code, at HK\$0.1213 per Offer Share, which is equal to the price per Share issued and issuable (i.e. through the conversion of the Sale CN and the Sale CPS) under the Sale and Purchase Agreement and to cancel all the outstanding Share Options at HK\$0.0001 for each Share Option. Kingston Corporate Finance, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offers.

## **UNDERTAKING BY BGL**

Immediately after Completion, BGL remained interested in 29,000,000 Shares, 156,000,000 Convertible Preference Shares and the Convertible Notes in the principal amount of HK\$5,400,000 entitling BGL to convert into 45,000,000 Shares. Pursuant to the Irrevocable Undertaking, BGL has irrevocably undertaken to the Offeror, inter alia, that it shall not sell, transfer, dispose of, or convert (in case of the Convertible Preference Shares and the Convertible Notes) of the aforesaid from the date of the Irrevocable Undertaking to the closing date of the Offers (both days inclusive). Furthermore, it shall not accept the Share Offer in respect of the 29,000,000 Shares and any offer by the Offeror for the Convertible Preference Shares and the Convertible Notes owned by BGL pursuant to the Offeror's obligations under the Takeovers Code relating to the Sale and Purchase Agreement.

After the close of the Offers, BGL may consider selling, transferring, disposing of, or converting any outstanding Convertible Preference Shares and the Convertible Notes owned by it, depending on the then market conditions and subject to the requirements of the Listing Rules.

As at the date of this joint announcement, BGL does not have any plan as to when and the number of outstanding Convertible Preference Shares and Convertible Notes owned by it will be converted.

#### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Board wishes to announce that Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms and as to the acceptance of the Offers. The appointment of Guangdong Securities has been approved by the Independent Board Committee.

#### **GENERAL**

The Company has established the Independent Board Committee comprising all the independent non-executive Directors to advise the Independent Shareholders in relation to the terms and conditions of the Offers.

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular in a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, the composite offer document containing, among other things, (i) details of the Offers (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offers; and (iii) a letter of advice from Guangdong Securities to the Independent Board Committee on the fairness and reasonableness of the terms and as to the acceptance of the Offers, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may approve.

#### **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 23 November 2012 at the request of the Company pending the release of this joint announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 December 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares during the offer period of the Offers, and if they are in any doubt about their position, they should consult their professional advisers.

## **INTRODUCTION**

On 23 November 2012, the Board was informed by IAM and BGL that IAM, BGL and the Offeror have entered into the Sale and Purchase Agreement pursuant to which IAM and BGL agreed to sell and the Offeror agreed to purchase the Sale Shares, representing approximately 59.00% of the entire issued share capital of the Company, the Sale CN and the Sale CPS for an aggregate cash consideration of HK\$81,271,000, out of which, as stipulated in the Sale and Purchase Agreement, a cash consideration of HK\$24,381,300 is for the Sale Shares, HK\$44,153,200 is for the Sale CPS, and HK\$12,736,500 is for the Sale CN. Completion of the Sale and Purchase Agreement took place on 26 November 2012.

The consideration for the Sale Shares represents HK\$0.1213 per Sale Shares. Meanwhile, the consideration for each of the Sale CPS and the Sale CN was determined on arm's length negotiations between the Vendors and the Offeror having taken into account, amongst others, the respective exercise price of the Sale CN and the Sale CPS of HK\$0.12 and the respective number of the underlying shares falling to be issued upon full conversion of the Sale CN and the Sale CPS.

## **UNCONDITIONAL MANDATORY CASH OFFER**

Upon Completion, the Offeror and parties acting in concert with it are interested in 201,000,000 Shares, representing approximately 59.00% of the entire issued share capital of the Company. Save for the aforesaid, together with the Sale CN and the Sale CPS, the Offeror and parties acting in concert with it do not have any other interests in any securities of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 340,662,666 Shares in issue. In addition, the Company has outstanding (i) Convertible Notes; (ii) Convertible Preference Shares; and (iii) 1,430,862 Share Options conferring rights to subscribe for a total of 1,430,862 Shares. Save for the Convertible Notes, the Convertible Preference Shares and the outstanding Share Options, the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares as at the date of this joint announcement.

Upon Completion, the outstanding Convertible Notes of HK\$18,000,000 is owned as to: (i) HK\$12,600,000 by the Offeror carrying rights to convert into 105,000,000 Conversion Shares, being the Sale CN; and (ii) HK\$5,400,000 by BGL carrying rights to convert into 45,000,000 Conversion Shares; whereas the aggregate of 520,000,000 Convertible Preference Shares is owned as to: (i) 364,000,000 Convertible Preference Shares by the Offeror carrying rights to convert into 364,000,000 Conversion Shares, being the Sale CPS; and (ii) 156,000,000 Convertible Preference Shares by BGL, carrying rights to convert into 156,000,000 Conversion Shares.

## UNDERTAKING BY BGL

Immediately after Completion, BGL remained interested in 29,000,000 Shares, 156,000,000 Convertible Preference Shares and the Convertible Notes in the principal amount of HK\$5,400,000 entitling BGL to convert into 45,000,000 Shares. Pursuant to the Irrevocable Undertaking, BGL has irrevocably undertaken to the Offeror, inter alia, that it shall not sell, transfer, dispose of, or convert (in case of the Convertible Preference Shares and the Convertible Notes) the aforesaid from the date of the Irrevocable Undertaking to the closing date of the Offers (both days inclusive). Furthermore, it shall not accept the Share Offer in respect of the 29,000,000 Shares and any offer by the Offeror for the Convertible Preference Shares and the Convertible Notes owned by BGL pursuant to the Offeror's obligations under the Takeovers Code relating to the Sale and Purchase Agreement.

After the close of the Offers, BGL may consider selling, transferring, disposing of, or converting any outstanding Convertible Preference Shares and the Convertible Notes owned by it, depending on the then market conditions and subject to the requirements of the Listing Rules.

As at the date of this joint announcement, BGL does not have any plan as to when and the number of outstanding Convertible Preference Shares and Convertible Notes owned by it will be converted.

### Principal terms of the Offers

Taking into account the Irrevocable Undertaking, Kingston Securities will, on behalf of the Offeror, make the Offers to all the Independent Shareholders to acquire all the issued Shares, other than those already owned by the Offeror and parties acting in concert with it, and to cancel all the outstanding Share Options in compliance with the Takeovers Code on terms to be set out in the composite offer document on the following basis:

For every Offer Share . . . . .HK\$0.1213 in cash  
For every Share Option (*note*) . . . . .HK\$0.0001 in cash

*Note:* As at the date of this joint announcement, the exercise prices of the outstanding Share Options are HK\$4.9911, HK\$6.3968 and HK\$7.2024 respectively, which are all out-of-money. Details of the Share Options are set out in the following table:–

Date of grant	Period during which Share Options are exercisable	Exercise price per Share HK\$	Number of new Shares to be issued upon exercise of Share Options by option holders	Offer price per Share Option HK\$
10 February 2004	10 February 2004 to 9 February 2014	6.3968	481,175	0.0001
2 May 2007	2 May 2007 to 1 May 2017	7.2024	316,562	0.0001
30 January 2008	30 January 2008 to 29 January 2018	4.9911	633,125	0.0001

The Offer Price of HK\$0.1213 per Offer Share is equal to the price paid by the Offeror per Share issued and issuable (i.e. through the conversion of the Sale CN and the Sale CPS) under the Sale and Purchase Agreement. The Offer Shares acquired under the Share Offer shall be fully paid and free and clear from all Encumbrances and together with all rights attaching to them, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of posting of the composite offer document.

As at the date of this joint announcement, the Company has 1,430,862 outstanding Share Options conferring rights to subscribe for a total of 1,430,862 Shares. Arrangement will be made under the Option Offer to cancel the Share Options for a nominal payment of HK\$0.0001 for each Share Option which was determined with reference to the intrinsic value of the Share Options. The exercise price of the Share Options of HK\$4.9911, HK\$6.3968 and HK\$7.2024 per Share are substantially above the Offer Price of HK\$0.1213 per Offer Share under the Share Offer and therefore the Share Options carry no intrinsic value.

### **Comparison of value**

The Offer Price of HK\$0.1213 per Offer Share represents:

- (i) a discount of approximately 43.32% to the closing price of HK\$0.214 per Share as quoted on the Stock Exchange on 22 November 2012, being the Last Trading Day;
- (ii) a discount of approximately 42.35% to the average closing price of approximately HK\$0.2104 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 41.79% to the average closing price of approximately HK\$0.2084 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 46.89% to the average closing price of approximately HK\$0.2284 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day.

### **Highest and lowest Share prices**

The highest closing price of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding 12 December 2012, being the date of this joint announcement that commences the Offer period, was HK\$0.300 per Share on 27 August 2012. The lowest closing price of the Shares as quoted on the Stock Exchange during the same period was HK\$0.164 per Share on 26 July 2012.



## **Value of the Offers**

On the basis of the Offer Price of HK\$0.1213 per Offer Share, offer price of HK\$0.0001 per outstanding Share Option and 340,662,666 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at approximately HK\$41.32 million. Excluding the 201,000,000 Sale Shares having been acquired by the Offeror pursuant to the Sale and Purchase Agreement and the 29,000,000 Shares and all conversion shares which may be issued under the 156,000,000 Convertible Preference Shares and the Convertible Notes of HK\$5,400,000 owned by BGL pursuant to the Irrevocable Undertaking, 110,662,666 Shares will be subject to the Share Offer and 1,430,862 outstanding Share Options will be subject to the Option Offer, which in aggregate are valued at approximately HK\$13.43 million.

## **Financial resources available for the Offers**

The Offeror will finance and satisfy the cash consideration payable under the Offers by the Facility granted by Kingston Securities.

Kingston Corporate Finance, being the financial adviser to the Offeror in respect of the Offers, is satisfied that there are sufficient financial resources available to the Offeror to satisfy full acceptances of the Offers.

## **Effects of accepting the Offers**

By accepting the Offers, (a) the relevant Shareholders will sell their Shares to the Offeror free from Encumbrances and with all rights attached to them, including the right to receive all dividends and distributions declared, made or paid on which the Share Offer is made, that is, the date of posting of the composite offer document; and (b) as the case may be, the relevant holders of the Share Options will surrender to the Company their Share Options for cancellation by the Company.

## **Dealing and interests in the Company's securities**

Save for the acquisition of the Sale Shares, the Sale CN and the Sale CPS under the Sale and Purchase Agreement, none of the Offeror nor parties acting in concert with it has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement that the offer period for the Offers commences.

As at the date of this joint announcement, save for the Irrevocable Undertaking, the Offeror and parties acting in concert with it have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor have any of them borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this joint announcement, save for the Sale Shares, the Sale CN and the Sale CPS held by the Offeror, the Offeror and parties acting in concert with it do not hold, own or control, nor has direction over, any Shares, outstanding options, derivatives, warrants or other securities convertible into Shares.

### **Stamp duty**

Seller's Hong Kong ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholders on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the accepting Shareholders and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfers of the Shares. No stamp duty is payable in connection with the Option Offer.

### **Payment**

Payment in cash in respect of acceptances of the Share Offer, net of seller's Hong Kong ad valorem stamp duty, will be made as soon as possible but in any event within 7 business days (as defined in the Takeovers Code) from the date of receipt of the relevant documents of title and duly completed acceptance(s) by the Offeror to render each such acceptance complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

### **Overseas Shareholders**

The availability of the Offers to persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they are resident. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

### **Other arrangements**

As at the date of this joint announcement, save for the Irrevocable Undertaking, (i) there is no other arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers; (ii) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers. None of the Offeror nor parties acting in concert with it has received any irrevocable commitment to accept the Offers as at the date of this joint announcement.



## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion.

Shareholders	Immediately before Completion		Immediately after Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
IAM (Note 1)	161,000,000	47.26%	–	0.00%
BGL (Note 2)	69,000,000	20.25%	29,000,000	8.51%
Offeror and parties acting in concert with it	–	0.00%	201,000,000	59.00%
Public Shareholders	110,662,666	32.49%	110,662,666	32.49%
<b>Total</b>	<b>340,662,666</b>	<b>100.00%</b>	<b>340,662,666</b>	<b>100.00%</b>

Notes:

1. IAM is holding such 161,000,000 Shares via its trustee, Oriental Idea Group Limited, in which Mr. Yam Tak Cheung is the ultimate beneficial owner.
2. BGL is holding such Shares via its trustee, Market Giant Investments Limited in which Mr. Leung Heung Ying, Alvin, an executive Director, is the ultimate beneficial owner.

### Offeror's intention for the Group

The Offeror intends that the Company will continue with its existing principal activities. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company. The Offeror will conduct a more detailed review on the operations of the Group with a view to formulating a comprehensive business strategy for the Group and subject to the result of the review, the Offeror may explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth. The Offeror has no intention to discontinue the employment of the employees (save for a change in the composition of the Board) or to dispose of or deploy the assets of the Group other than those in its ordinary course of business. As at the date of this joint announcement, the Offeror has no intention or plans for any acquisition or disposal of assets and/or business by the Group.

The Board currently comprises two executive Directors and three independent non-executive Directors.

The two executive Directors, namely Mr. Leung Heung Ying, Alvin and Mr. Wong Tat Wai Derek, and Dr. Lam Andy Siu Wing JP, an independent non-executive Director and the chairman of the audit, remuneration and nomination committees of the Company will resign from their office with effect from the earliest time permitted under the Takeovers Code. The Offeror will nominate Mr. He and Mr. Zhang Zhantao as executive Directors and such appointment will not take effect earlier than the date of posting of the composite offer document subject to the requirements under the Takeovers Code.

The biographical details of Mr. He and Mr. Zhang Zhantao are as follows:

**Mr. HE Jianhong**, aged 42, is a Chinese entrepreneur engaging in the steel trading and manufacturing business. Mr. He has over 12 years' sales and marketing experience in steel and mould steel and over 10 years' production experience in mould steel. He has working experience in product development, business development, corporate strategy and corporate management. Mr. He is a director (理事) of the Shunde Young Entrepreneurs Association (順德青年企業家協會).

**Mr. ZHANG Zhantao**, aged 38, holder of a certificate in finance from the Guangdong Radio & TV University (廣東廣播電視大學) in September 2000. Mr. Zhang has over 10 years' working experience in a bank in the PRC. He has experience in bank finance business operations. Mr. Zhang was a chief financial controller of a Chinese enterprise for five years. He established working experience in corporate financial planning and corporate management.

A separate announcement will be made in this regard as and when appropriate.

### **Maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after closing of the Offers. As at the date of this joint announcement, the Offeror intends to convert all or part of the Sale CN and Sale CPS after the close of the Offers. The sole director of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

As at the date of this joint announcement, notwithstanding the Offeror has intention to convert the Sale CN and the Sale CPS, it does not have any plan as to when and the number of outstanding Sale CN and Sale CPS will be converted.

**The Stock Exchange has stated that if, at the closing of the Offers, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the Shares.**

### **Information on the Offeror**

The Offeror is an investment holding company incorporated in the BVI with limited liability. The sole shareholder and director of the Offeror is Mr. He. Immediately prior to the entering into of the Sale and Purchase Agreement, the Offeror and its ultimate beneficial shareholder are Independent Third Parties and do not hold any Shares. Other than the entering into of the Sale and Purchase Agreement, the Offeror has not conducted any business since its incorporation.

Details of Mr. He are set out in the paragraph headed "Offeror's intention for the Group" above.

## **Information on the Group**

The Company is principally engaged in investment holding. The Group is principally engaged in the manufacture and sale of tinplate cans for the packaging of beverage in Shanxi, the PRC and general trading.

The Group recorded an audited profit of approximately RMB9.25 million and RMB157.52 million respectively for the years ended 31 December 2010 and 2011. The audited net liabilities of the Group as at 31 December 2010 was approximately RMB110.91 million, while the audited net assets of the Group as at 31 December 2011 was approximately RMB129.63 million. Unaudited profit of the Group for the six months ended 30 June 2011 amounted to approximately RMB1.9 million, while the unaudited loss for the six months period ended 30 June 2012 was approximately RMB2.77 million. Unaudited net liabilities of the Group as at 30 June 2011 was approximately RMB109.01 million, while unaudited net assets of the Group as at 30 June 2012 was approximately RMB128.58 million.

## **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Board wishes to announce that Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms and as to the acceptance of the Offers. The appointment of Guangdong Securities has been approved by the Independent Board Committee.

## **GENERAL**

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Lam Andy Siu Wing *JP*, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah, to advise the Independent Shareholders in relation to the terms and conditions of the Offers.

## **DESPATCH OF THE COMPOSITE OFFER DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular in a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, the composite offer document containing, among other things, (i) details of the Offers (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee; and (iii) a letter of advice from Guangdong Securities to the Independent Board Committee on the fairness and reasonableness of the terms and as to the acceptance of the Offers, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may approve.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 23 November 2012 at the request of the Company pending the release of this joint announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 December 2012.

## **DEALINGS DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the Company and the Offeror hereby remind their respective associates (including those who hold 5% or more of the relevant securities in the Company) and parties acting in concert with them to disclose their dealings in any securities of the Company. For this purpose, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

### **“Responsibility of stockbrokers, banks and other intermediaries**

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares during the Offer period, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in this joint announcement:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associates”	has the same meaning as defined in the Listing Rules
“BGL”	Business Giant Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. Leung Heung Ying, Alvin, an executive Director
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	China Packaging Group Company Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the aggregate consideration of HK\$81,271,000 for the sale and purchase of the Sale Shares, the Sale CN and the Sale CPS under the Sale and Purchase Agreement
“Conversion Share(s)”	the new Share(s) to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes and/or the Convertible Preference Shares
“Convertible Notes”	the outstanding 2% convertible notes of the Company in the aggregate principal amount of HK\$18,000,000 carrying rights to convert into 150,000,000 Conversion Shares at a conversion price of HK\$0.12 per Conversion Share (subject to adjustments)
“Convertible Preference Share(s)”	the 520,000,000 convertible preference share(s) of par value HK\$0.001 each of the Company which are convertible into 520,000,000 Conversion Shares at a conversion price of HK\$0.12 per Conversion Share (subject to adjustments)

“Director(s)”	the director(s) of the Company
“Encumbrances”	includes without any limitation, with respect to any asset, any option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title retention, right of set-off, counterclaim, trust arrangement or other security or any equity or restriction (including any restriction imposed under the Companies Ordinance, Chapter 32 of the laws of Hong Kong)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Facility”	a standby loan facility of not less than HK\$13.43 million granted by Kingston Securities to the Offeror pursuant to a facility letter
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO and the independent financial adviser to the Independent Board Committee in respect of the terms and as to the acceptance of the Offers
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IAM”	Integrated Asset Management (Asia) Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. Yam Tak Cheung
“Independent Board Committee”	the independent committee of the Board comprising all the non-executive Directors to advise and give recommendation to the Independent Shareholders in respect of the Offers
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it
“Independent Third Party(ies)”	third party(ies) who is (are) independent of and not connected with the Company and its connected persons



“Irrevocable Undertaking”	the irrevocable undertaking dated 23 November 2012 (as supplemented by a supplemental undertaking dated 30 November 2012) executed by BGL in respect of the 29,000,000 Shares, the 156,000,000 Convertible Preference Shares and the Convertible Notes in the principal amount of HK\$5,400,000 owned by BGL, details of which are summarized under the section headed “Undertaking by BGL” in this joint announcement
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licenced corporation to carry out business in type 6 (advising on corporate finance) regulated activity under the SFO
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO
“Last Trading Day”	22 November 2012, being the last trading day of the Shares prior to the date of the suspension of trading of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the PRC
“Mr. He”	Mr. He Jianhong, the sole beneficial owner and the sole director of the Offeror
“Offers”	the Share Offer and the Option Offer
“Offer Price”	the price per Offer Share in cash at which the Offer will be made, being HK\$0.1213 per Offer Share
“Offer Share(s)”	issued Share(s) other than those already owned by the Offeror and parties acting in concert with it
“Offeror”	Able Success Asia Limited, a company incorporated in the BVI with limited liability which is wholly and beneficially owned by Mr. He
“Option Offer”	the mandatory unconditional cash offer to be made by Kingston Securities, on behalf of the Offeror, to cancel all outstanding Share Options at HK\$0.0001 for each Share Option in cash

“Overseas Shareholder(s)”	holder(s) of Share(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 November 2012 entered into among IAM, BGL (as vendors) and the Offeror (as purchaser) relating to the sale and purchase of the Sale Shares, the Sale CN and the Sale CPS
“Sale CN”	the Convertible Notes in the principal amount of HK\$12,600,000 carrying rights to convert into 105,000,000 Conversion Shares at a conversion price of HK\$0.12 per Conversion Share (subject to adjustments)
“Sale CPS”	the 364,000,000 Convertible Preference Shares carrying rights to convert into 364,000,000 Conversion Shares at a conversion price of HK\$0.12 per Conversion Share (subject to adjustments)
“Sale Share(s)”	an aggregate of 201,000,000 Shares, of which 161,000,000 Shares are acquired by the Offeror from IAM and 40,000,000 Shares are acquired by the Offeror from BGL respectively pursuant to the terms and conditions of the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Share Offer”	the unconditional mandatory cash offer to be made by Kingston Securities on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) in accordance with Rule 26.1 of the Takeovers Code
“Shareholder(s)”	holder(s) of Share(s)
“Share Option(s)”	share options granted by the Company pursuant its share option scheme adopted on 2 June 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Vendors”	IAM and BGL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the board  
**Able Success Asia Limited**  
**He Jianhong**  
*Sole Director*

By order of the Board  
**China Packaging Group Company Limited**  
**Leung Heung Ying, Alvin**  
*Executive Director*

Hong Kong, 12 December 2012

*As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Leung Heung Ying, Alvin and Mr. Wong Tat Wai, Derek; and (ii) three independent non-executive Directors, namely Dr. Lam Andy Siu Wing JP, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the sole director of the Offeror is Mr. He Jianhong.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendors and parties acting in concert with any of them), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement in this joint announcement misleading.*