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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)

**CLARIFICATION AND FURTHER ANNOUNCEMENT RELATING TO
THE PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement issued by China Packaging Group Company Limited (the “**Company**”) dated 14 March 2014 relating to the placing of new shares under general mandate of the Company (the “**Announcement**”). Capitalized terms used herein shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

The Board wishes to announce that by a supplemental agreement (the “**Supplemental Agreement**”) dated 17 March 2014 entered into between the Company and the Placing Agent, the following terms of the Placing Agreement has been amended:

THE PLACING PRICE

The Placing Price has been amended to HK\$0.105 per Placing Share. This represents:

- (i) a discount of approximately 15.32% to the closing price of HK\$0.124 per Share as at the date of the Placing Agreement;
- (ii) a discount of approximately 18.60% to the average closing price of HK\$0.129 per Share for the five consecutive trading days immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 17.97% to the average closing price of HK\$0.128 per Share for the five consecutive trading days immediately prior to the date of the Supplemental Agreement.

As such, the gross proceeds from the Placing is estimated to be approximately HK\$17.7 million, and the net proceeds from the Placing, after deducting related Placing Commission and other related expenses in connection with the Placing, is estimated to be approximately HK\$17.5 million. The net Placing Price for the Placing is approximately HK\$0.103 per Placing Share. The net proceeds will be used as to (i) approximately HK\$5 million for trading business; and (ii) the remaining balance as general working capital of the Company to meet any future business development and obligations.

FULFILLMENT OF THE CONDITIONS PRECEDENT BY THE COMPANY

The Company shall use its best endeavors to procure the fulfillment of the Conditions Precedent on or before 5:00 p.m. (Hong Kong Time) on 28 March 2014, instead of 11 April 2014.

Save for the above no other terms in the Placing Agreement has been amended under the Supplemental Agreement.

RESUMPTION OF TRADING

Trading in the shares of the Company was halted at the request of the Company with effect from 9:00 a.m. on 17 March 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading of its shares from 9:00 a.m. on 18 March 2014.

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

Hong Kong, 17 March 2014

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