中國包裝集團有限公司

China Packaging Group Company Limited

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL SUMMARY

The joint and several provisional liquidators (the "Provisional Liquidators") of China Packaging Group Company Limited (Provisional Liquidators Appointed) (the "Company") announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Notes	**2009** **RMB'000**	2008 *RMB'000*
Turnover	*4*	**74,066**	193,354
Cost of sales		**(79,631)**	(149,262)
Gross (loss)/profit		**(5,565)**	44,092
Other income	*5*	**2,972**	2,688
Selling expenses		**(4,104)**	(8,349)
Administrative expenses		**(18,924)**	(18,241)
(Loss)/profit from operations		**(25,621)**	20,190
Gain on termination of derivative financial instruments		**23,340**	–
Loss on change in fair values of derivative financial instruments		**–**	(3,806)

	Notes	**2009** *RMB'000*	2008 *RMB'000*
Loss on deconsolidation of subsidiaries, impairment on investment costs and amounts due from deconsolidated subsidiaries, amounts recovered from deconsolidated subsidiaries	*6*	**(3,451)**	(800,402)
Impairment loss on deposit for compensation		**–**	(12,400)
Provision for loss on bank loans guarantee for a deconsolidated subsidiary		**–**	(29,000)
Finance costs	*7*	**(2,876)**	(5,752)
Loss before tax	*8*	**(8,608)**	(831,170)
Income tax expense	*9*	**–**	(5,243)
Loss for the year attributable to equity holders of the Company		**(8,608)**	(836,413)
Other comprehensive loss			
Reversal upon deconsolidation of subsidiaries		**–**	(65,904)
Total comprehensive loss for the year attributable to equity holders of the Company		**(8,608)**	(902,317)
Loss per share for loss attributable to the equity holders of the Company during the year	*11*		
– Basic		**(RMB0.0133)**	(RMB1.366)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
Non-current assets			
Property, plant and equipment		**65,529**	55,426
Prepaid lease payments		**–**	–
		65,529	55,426
Current assets			
Inventories		**3,557**	4,341
Trade and other receivables	*12*	**28,646**	63,286
Escrow money		**4,400**	–
Pledged bank deposits		**–**	35,640
Bank balances and cash		**411**	11,313
		37,014	114,580
Current liabilities			
Trade and other payables	*13*	**7,898**	15,193
Amount due to a shareholder		**–**	42,544
Taxation payable		**1,971**	4,385
Bank borrowings		**59,727**	110,508
Other borrowings		**48,255**	–
Provision for bank loans guarantee for a deconsolidated subsidiary		**29,000**	29,000
Escrow money		**4,400**	–
Derivative financial instruments		**–**	96,198
Other financial liabilities		**71,453**	–
		222,704	297,828
Net current liabilities		**(185,690)**	(183,248)
Net liabilities		**(120,161)**	(127,822)
Capital and reserves			
Share capital		**67,399**	64,260
Reserves		**(187,560)**	(192,082)
Deficit attributable to equity holders of the Company		**(120,161)**	(127,822)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. GENERAL

China Packaging Group Company Limited (Provisional Liquidators Appointed) (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is 14/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended from trading since 28 April 2009.

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of tinplate cans for the packaging of beverage in Shanxi, the People's Republic of China (the "PRC").

The consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

2. BASIS OF PRESENTATION

2.1 Winding-up petitions, appointment of provisional liquidators, going concern and group restructuring

As at 31 December 2009, the Company and its subsidiaries (collectively the "Group") incurred a loss attributable to equity holders of the Company of approximately RMB8,608,000 for the year ended 31 December 2009 (2008: loss of approximately RMB836,413,000) and the Group had net current liabilities of approximately RMB185,690,000 (2008: RMB183,248,000) and net liabilities of RMB120,161,000 (2008: RMB127,822,000). These conditions indicate the existence of a fundamental uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 2 October 2009, pursuant to an order of the High Court of the Hong Kong Special Administrative Region, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of FTI Consulting (Hong Kong) Limited ("FTI Consulting") (formerly Ferrier Hodgson Limited), were appointed as the provisional liquidators to the Company (the "Provisional Liquidators") as a result of the winding up petition made by DBS Bank (Hong Kong) Limited, one of the major creditors, against the Company. Upon the appointment of the Provisional Liquidators, the powers of the directors were suspended with regard to the affairs and business of the Company.

The Provisional Liquidators are responsible for the accuracy and completeness of the contents of the annual report and the audited financial statements for the year ended 31 December 2009 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited financial statements for the year ended 31 December 2009 based on the books and records made available to the Provisional Liquidators.

Save as addressed above, the Provisional Liquidators make no representation as to the completeness and accuracy of the information contained in these financial statements.

The Company is in the first stage of the delisting procedures in accordance with Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as at the date of these financial statements. The Company is required to submit a viable resumption proposal to the Stock Exchange by 21 August 2010, to address the following issues:

1. Demonstrate that the Company has a sufficient level of operations or has assets of sufficient value as required under Rule 13.24 of the Listing Rules.

2. Publish all outstanding financial results and address any concerns that may be raised by the auditors.

3. Demonstrate that the Company has adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules.

4. Address certain issues raised by Deloitte Touche Tohmatsu, the then auditors of the Company, which details were set out in the announcement of the Company dated 30 April 2009, to the satisfaction of the Stock Exchange.

5. Withdrawal or dismissal of the winding-up petition, and discharge of the Provisional Liquidators.

If the Company failed to submit a viable resumption proposal to address the above conditions on or before 21 August 2010, the Stock Exchange may proceed to place the Company in the second stage of the delisting procedures.

The restructuring proposal submitted by Business Giant Limited (the "Investor") on 13 December 2009 has been accepted by the Provisional Liquidators (on behalf of the Company). On 28 December 2009, an exclusivity and escrow agreement was entered into amongst the Provisional Liquidators, on behalf of the Company, FTI Consulting (the "Escrow Agent") and the Investor ("the Escrow Agreement"). Pursuant to the Escrow Agreement, the Provisional Liquidators granted the Investor an exclusive right up to 27 December 2010 to negotiate a legally binding agreement for the implementation of the restructuring proposal.

The Provisional Liquidators appointed Partners Capital International Limited as financial adviser to the Company regarding the restructuring of the Group and submitting a viable resumption proposal to the Stock Exchange. A resumption proposal was submitted to the Stock Exchange on 21 August 2010.

The financial statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2.2 Deconsolidation of subsidiaries

The Provisional Liquidators consider that control of the Company over certain subsidiaries has been lost subsequent to the year ended 31 December 2008. Details are set out below:

- On 5 October 2009, Bloxworth Enterprises (HK) Limited ("Bloxworth HK"), a wholly owned subsidiary of the Company, which wholly owns Fujian Fuwang Metal Products Company Limited (福建福旺金屬製品有限公司) ("Fuwang"), was placed in creditors' voluntary liquidation pursuant to section 228A of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong. On 26 February 2010, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of FTI Consulting were appointed as Joint and Several Liquidators of Bloxworth HK.

- On 23 March 2010, Chinawinner Enterprises (HK) Limited, Chinawinner Enterprises Limited and Rich Victory Development Limited, all direct wholly owned subsidiaries of the Company and the subsidiary of Chinawinner Enterprises Limited, Sichuan Zhanwang Metal Products Company Limited (四川省展旺金屬製品有限公司) ("Zhanwang") (collectively, the "Disposed Group"), were transferred to a special purpose vehicle controlled by the Provisional Liquidators for realisation for the benefit of the creditors of the Company and to facilitate the restructuring as proposed by the Investor.

The Provisional Liquidators are of the view that the results and assets and liabilities of Bloxworth HK, Fuwang and the Disposed Group should not be consolidated to the financial statements of the Group since 1 January 2008. The consolidated financial statements as at and for the year ended 31 December 2008 prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole in light of the aforesaid situations. The non-consolidation of Bloxworth HK, Fuwang and the Disposed Group is not in compliance with the requirements of Hong Kong Accounting Standards ("HKAS") 27 "Consolidated and Separate Financial Statements".

2.3 Departure from the Hong Kong Financial Reporting Standards ("HKFRSs")

Due to the failure of getting access to the books and records of certain subsidiaries and the resignation of the majority of management personnel responsible for maintaining the books and records, the Provisional Liquidators do not have sufficient data to compile the financial statements of the Group for the year ended 31 December 2009 so as to comply with the HKFRSs. The following information, among others, are not disclosed in the said financial statements:

(a) Information about the extent and nature of the financial instruments as required by HKAS 32 "Financial Instruments: Disclosure and Presentation" issued by the HKICPA;

(b) Details of the Group's policy in respect of the financial risk management as required by HKFRS 7 "Financial Instruments: Disclosure" issued by the HKICPA;

(c) The consolidated cash flow statements for the year ended 31 December 2009 as required by HKAS 7 "Statement of Cash Flows" issued by the HKICPA;

(d) Details of related party disclosures as required by HKAS 24 "Related Party Disclosures" issued by the HKICPA;

(e) Details of the Group's aging of debtors and creditors as required by the Listing Rules;

(f) Details of analysis of pledge of assets as required by the Hong Kong Companies Ordinance;

(g) Details of directors' and employees' emoluments as required by the Listing Rules and the Hong Kong Companies Ordinance; and

(h) Segment information disclosures as required by HKAS 14 "Segment Reporting" issued by the HKICPA and the Listing Rules.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied for the first time the following new and revised Hong Kong Accounting Standards ("HKAS"s), amendments and interpretations ("INT"s) (hereinafter collectively referred to as "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for accounting period beginning on or after 1 January 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial instruments
HKFRS 8	Operating Segments
HK(IFRIC)*-Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfer of assets from Customers (adopted from 1 July 2009)
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

* *IFRIC represents the International Financial Reporting Interpretations Committee.*

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Presentation of Financial Statements

HKAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. HKAS 1 (Revised) also requires disclosures of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. HKAS 1 (Revised) has been applied retrospectively.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010 [3]
HKAS 24 (Revised)	Related Party Disclosures [4]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [1]
HKAS 32 (Amendment)	Classification of Rights Issues [5]
HKAS 39 (Amendment)	Eligible Hedged Items [1]
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters [6]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters [8]
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions [6]
HKFRS 3 (Revised)	Business Combinations [1]
HKFRS 9	Financial Instruments [7]
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement [4]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners [1]
HK(IFRIC)-Int 18	Transfers of assets from customers [1]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments [8]
HK Interpretation 4 (Amendments)	Leases – determination of the length of lease term in respect of Hong Kong land leases [4]

[1] *Effective for annual periods beginning on or after 1 July 2009.*

[2] *Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.*

[3] *Amendments that are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.*

[4] *Effective for annual periods beginning on or after 1 January 2011.*

[5] *Effective for annual periods beginning on or after 1 February 2010.*

[6] *Effective for annual periods beginning on or after 1 January 2010.*

[7] *Effective for annual periods beginning on or after 1 January 2013.*

[8] *Effective for annual periods beginning on or after 1 July 2010.*

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The Provisional Liquidators anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. TURNOVER

Turnover represents the net amounts received and receivable for goods sold and services rendered during the year.

5. OTHER INCOME

	2009	2008
	RMB'000	*RMB'000*
Exchange gain	**–**	1,949
Interest income on bank deposits	**5**	739
Sales of scraped materials	**1,704**	–
Sundry income	**1,263**	–
	2,972	2,688

6. LOSS ON DECONSOLIDATION OF SUBSIDIARIES, IMPAIRMENT ON INVESTMENT COSTS AND AMOUNTS DUE FROM DECONSOLIDATED SUBSIDIARIES, AMOUNTS RECOVERED FROM DECONSOLIDATED SUBSIDIARIES

	2009	2008
	RMB'000	*RMB'000*
Loss on deconsolidation of subsidiaries	**–**	382,692
Impairment on investment costs in the deconsolidated subsidiaries	**–**	153,194
	–	535,886
Impairment on amounts due from the deconsolidated subsidiaries	**7,832**	287,085
Amounts recovered from the deconsolidated subsidiaries	**(4,381)**	(22,569)
	3,451	800,402

Note:

Loss on deconsolidation of subsidiaries

The Provisional Liquidators considered that the control over certain subsidiaries had been lost since 1 January 2008. The results, assets and liabilities of these subsidiaries were therefore deconsolidated from the financial statements of the Group since the financial year ended 31 December 2008.

7. FINANCE COSTS

	2009	2008
	RMB'000	*RMB'000*
Interest on:		
Bank loans wholly repayable within five years	**1,448**	5,500
Other borrowings	**797**	–
Other financial liabilities	**623**	–
	2,868	5,500
Bank charges	**8**	252
	2,876	5,752

8. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2009	2008
	RMB'000	*RMB'000*
Directors' remuneration	**607**	1,976
Other staff costs	**2,515**	3,146
Retirement benefit cost, other than directors	**43**	35
Share-based payments	**137**	6,176
Total staff costs	**3,302**	11,333
Auditor's remuneration	**396**	2,703
Cost of inventories recognised as an expense	**79,631**	149,262
Depreciation of property, plant and equipment	**5,917**	5,085
Impairment loss on trade receivables *(Note 12)*	**10,168**	–
Net foreign exchange loss	**231**	–
Minimum lease payments in respect of:		
– land and buildings	**349**	630
– machinery and equipment	**2,000**	2,000

9. INCOME TAX EXPENSE

	2009	2008
	RMB'000	*RMB'000*
The charge comprises:		
Income tax calculated at the rates prevailing in the PRC	**–**	5,243

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

The PRC corporate income tax is calculated at the applicable tax rates in accordance with the relevant law and regulations in the PRC. A PRC subsidiary, Shanxi Zhanpen Metal Products Company Limited（山西展鵬金屬製品有限公司）("Zhanpen"), was approved as enterprise with foreign investment and therefore, it is exempted from corporate income tax for three years starting from the first year of profit-making after offsetting prior year tax losses, followed by a 50% reduction for the next two consecutive years thereafter. 2009 is the fifth year after first profitable year. Accordingly, corporate income tax for Zhanpen was provided at a reduced rate of 15% based on the corporate income tax rate of 30%. According to the letter issued by Fenyang State Tax Bureau on 24 February 2006, Zhanpen was approved as an enterprise with foreign investment and thus the local enterprise tax of 3% is exempted.

Under the Law of the People's Republic of China on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards. Because Zhanpen, is in the last year of the tax relief period, the chargeable corporate income tax rate is 30%. From year 2010 onward, corporate income tax rate of 25% will be applied to Zhanpen.

	2009	2008
	RMB'000	*RMB'000*
Loss before tax	**(8,608)**	(831,170)
Tax at the PRC corporate income tax rate of 30% (2008: 30%)	**(2,582)**	(249,351)
Tax effect of expenses that are not deductible in determining taxable profit	**5,341**	268,024
Tax effect of income that is not taxable in determining taxable profit	**(8,409)**	(8,187)
Tax effect of income that is under preferential tax rate	**–**	(5,243)
Temporary differences not recognised	**3,050**	–
Unrecognised tax loss	**2,600**	–
Tax charge for the year	**–**	5,243

Deferred tax asset has not been recognised due to the unpredictability of future profit streams to utilise the deductible temporary differences or to offset against the unrecognized tax losses arising from the subsidiary in the PRC that will expire in five years from the respective year of loss.

10. DIVIDEND

	2009	2008
	RMB'000	*RMB'000*
Ordinary shares:		
Final, paid for 2007 – RMB0.042 per share	**–**	24,190

No dividend in respect of the year ended 31 December 2009 is to be proposed at the forthcoming annual general meeting. (2008: Nil)

11. LOSS PER SHARE

(a) Basic

The calculation of the basic loss per share attributable to equity holders of the Company is based on the following data:

	2009	2008
	RMB'000	*RMB'000*
Loss:		
Loss for the year for the purpose of basic loss per share	**(8,608)**	(836,413)

	2009	2008
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**646,373,376**	612,513,376

(b) Diluted

Since the outstanding share options are anti-dilutive to the loss per share, no diluted loss per share is presented for both years.

12. TRADE AND OTHER RECEIVABLES

	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**33,950**	61,139
Less: Allowance for doubtful debts *(Note 8)*	**(10,168)**	–
	23,782	61,139
Other receivables, deposits and prepayments	**4,864**	2,147
	28,646	63,286

All trade receivables are expected to be recovered within one year and are denominated in RMB.

13. TRADE AND OTHER PAYABLES

	2009	2008
	RMB'000	*RMB'000*
Trade payables	**1,656**	8,314
Interest payable	**1,353**	1,353
Receipt in advance, other payables and accrued charges	**4,889**	5,526
	7,898	15,193

All trade payables are expected to be settled within one year.

AN EXTRACT OF AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

Basis for disclaimer of opinion

1. Going concern and basis of preparation

As disclosed in Note 2.1 to the financial statements, the Provisional Liquidators are in the process of restructuring the Group's indebtedness and revitalizing the Group's business and that the financial statements have been prepared on a going concern basis. The ability of the Group as a going concern assumes that the restructuring proposal by the Investor will be successfully implemented and that, following the restructuring, the Group will continue to meet in full its obligations as they fall due in the foreseeable future. We are unable to obtain information that is necessary to satisfy ourselves that the restructuring proposal will be successfully implemented and how the Group will be able to operate as a going concern after the restructuring. We are therefore unable to form an opinion as to whether the assumptions used to prepare the Group's financial statements on a going concern basis are appropriate and the Group will be able to continue as a going concern. Should the liquidation basis of accounting have to be used, adjustments would have to be made to restate the value of the Group's assets to their recoverable amounts and the liabilities to their estimated settlement amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities of the Group as current assets and liabilities, respectively.

2. Changes of directors, appointment of Provisional Liquidators and lack of management representation

During the year, there were changes in the composition of the board of directors of the Company. On 9 March 2009, Mr. Ng Wai Man resigned as independent non-executive director of the Company. On 9 June 2009, Mr. Lu Zheng was appointed as independent non-executive director of the Company. On 31 July 2009, Mr. Tong Hing Wah resigned as independent non-executive director of the Company. On 18 September 2009, Mr. Yang Zongwang resigned as executive director and chairman of the Company. Mr. Xue De Fa and Mr. Xie Xi resigned as executive directors of the Company and Mr. Lu Zheng resigned as independent non-executive director of the Company. On the same day, Mr. So Chiu was appointed as executive director of the Company, Mr. Seto Man Fai, Mr. Chan Hoi Wan and Mr. Orr Joseph Wai Shing were appointed as independent non-executive directors of the Company.

On 2 October 2009, the Provisional Liquidators were appointed. On 3 October 2009, Mr. Seto Man Fai resigned as independent non-executive director of the Company. On 7 October 2009, Mr. So Chiu and Mr. Chan Hoi Wan resigned as executive director and independent non-executive director of the Company respectively. On 22 October 2009, Mr. Orr Joseph Wai Shing resigned as independent non-executive director of the Company. We are unable to obtain representation from the former directors/directors/management whether these financial statements present a true and fair view of the state of affairs of the Group as at 31 December 2009 and the results of the Group for the year then ended.

As explained in Note 2.1 to the financial statements, the Provisional Liquidators prepared the consolidated financial statements for the year ended 31 December 2009 based on books and records made available to them. The Provisional Liquidators make no representation as to the completeness and accuracy of the information contained in these financial statements and, as a consequence, the Provisional Liquidators are not making any representation that these financial statements of the Group present a true and fair view of the state of affairs of the Group as at 31 December 2009 and the results of the Group for the year then ended.

The lack of representation from the former directors/directors/management/Provisional Liquidators on the completeness and accuracy of the information contained in these financial statements constitutes a limitation of the scope of our audit.

3. Departure from the Hong Kong Financial Reporting Standards

As explained in Note 2.3 to the financial statements, a number of disclosures as required by the Hong Kong Financial Reporting Standards have not been made in these financial statements as the Provisional Liquidators did not have sufficient data and information as a result of unavailability of complete books and records of some of the subsidiaries of the Group. Accordingly, certain disclosures in these financial statements are not in full compliance with the relevant Hong Kong Financial Reporting Standards.

4. Scope Limitation – Opening balances and comparative figures

Our audit opinion on the financial statements of the Group for the year ended 31 December 2008 (the "2008 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the fundamental uncertainty in relation to going concern. Accordingly, we were then unable to form an opinion as to whether the 2008 Financial Statements gave a true and fair view of the state of affairs of the Group as at 31 December 2008 and of the Group's results for the year then ended.

5. Loss on deconsolidation of subsidiaries, impairment on investment costs and amounts due from deconsolidated subsidiaries, amounts recovered from deconsolidated subsidiaries

As explained in Note 2.2 to the financial statements, the Provisional Liquidators consider that the control of the Company over certain subsidiaries has been lost subsequent to the year ended 31 December 2008. Therefore, such subsidiaries have not been consolidated in the Group's consolidated financial statements for the year ended 31 December 2008.

The impairment on the amounts due from deconsolidated subsidiaries of approximately RMB7,832,000, which were funds transferred from a subsidiary, Bloxworth Enterprises Limited, during the year and amounts recovered from deconsolidated subsidiaries of RMB4,381,000 have been recognized in the consolidated statement of comprehensive income.

Whilst the Provisional Liquidators consider that the exclusion of these subsidiaries present more fairly the Group's financial position and the results for the year in the circumstances, the exclusion of the financial position and results of these subsidiaries in the consolidated financial statements is a departure from the requirements of Hong Kong Accounting Standard 27 "Separate and Consolidated Financial Statements" ("HKAS 27").

Since the Provisional Liquidators consider that the control of the Company over these subsidiaries has been lost and accordingly failed to get access to their books and records, we have not been able to obtain sufficient appropriate audit evidence and explanations to assess the accuracy and completeness of the impairment on amounts due from deconsolidated subsidiaries and amounts recovered from deconsolidated subsidiaries.

6. Scope Limitation – Transactions, income and expense items for the year/ lack of complete books and records of the Company and a subsidiary

As detailed in Note 2.1 to the financial statements, the preparation of the financial statements for the year ended 31 December 2009 are based on the books and records made available to the Provisional Liquidators. The Provisional Liquidators considered that certain books and records of the Company and a subsidiary, Bloxworth Enterprises Limited, were not complete for the year ended 31 December 2009.

(a) Included in the Company's bank borrowings were amounts of approximately RMB2,472,000, which we have been unable to obtain sufficient evidences to verify the accuracy and completeness of these balances and the related income and expenses to be recognized in the consolidated financial statements.

(b) Included in other income and administrative expenses in the consolidated statement of comprehensive income were sundry income of approximately RMB660,000 and other expenses of approximately RMB1,366,000 arising from unreconciled credit balance or debit balance of bank accounts of the Company and a subsidiary closed during the year respectively. We have been unable to obtain sufficient evidences to verify the nature, accuracy and completeness of these amounts.

There are no other alternative audit procedures we could adopt to satisfy ourselves that the bank borrowings and the related income and expense items, other income and administrative expenses of approximately RMB2,472,000, RMB660,000 and RMB1,366,000 respectively were properly accounted for in the consolidated financial statements for the year ended 31 December 2009 and these balances were free from material misstatement and were fairly stated.

7. Scope Limitation – Impairment of property, plant and equipment

Included in the consolidated statement of financial position at 31 December 2009 were property, plant and equipment with an aggregate carrying amount of approximately RMB65,529,000. As set out in Note 2.1 to the financial statements, the Group incurred a loss of approximately RMB8,608,000 for the year ended 31 December 2009 and together with the fact that production activities of certain of the Group's facilities were not in full capacities during the year, in our opinion this constituted an indicator of impairment of property, plant and equipment. However, no impairment loss was recognised for the year ended 31 December 2009. We were unable to satisfy ourselves as to the appropriateness of the assumptions made by the Company regarding the impairment review of the property, plant and equipment in the absence of their value-in-use calculation and accordingly, we were unable to assess whether the recoverable amounts of property, plant and equipment exceeded their carrying amounts as at 31 December 2009 and whether any impairment loss should be recognised in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets".

8. Scope Limitation – Inventories

We were appointed auditors of the Group on 2 February 2010 by the Provisional Liquidators to report on the consolidated financial statements for the year ended 31 December 2009. In consequence we were unable to attend the Company's physical inventory count as at 31 December 2009. We were invited to attend the inventory count which the Company further carried out on 5 May 2010. However, we had not been provided with sufficient evidence and detailed movements of inventories between the date of physical inventory count and the financial reporting date to verify the existence, completeness and valuation of the inventories as at 31 December 2009. There were no other satisfactory alternative audit procedures that we could adopt to satisfy ourselves that the inventories as stated in the consolidated statement of financial position as at 31 December 2009 were free from material misstatement and were fairly stated.

9. Scope Limitation – Provision for bank loans guarantee for a deconsolidated subsidiary

As disclosed in Note 25 to the financial statements, as at 31 December 2009, the Group had made full provision for bank loans guarantee for a deconsolidated subsidiary of approximately RMB29,000,000. Since no direct confirmation from third parties and other sufficient evidence have been received by us up to the date of this announcement, we were unable to assess the accuracy and completeness of this liability. There are no other satisfactory alternative procedures that we could perform to satisfy ourselves that the balance and related disclosures have been properly recorded and reflected in the consolidated financial statements as at 31 December 2009.

10. Scope Limitation – Commitment, contingent liabilities and related party transactions

As disclosed in Note 2, 31, 32, 33 and 35 to the financial statements, the Provisional Liquidators make no representation as to the completeness and accuracy of the information contained in these consolidated financial statements and the completeness of the disclosure of commitments, contingent liabilities and related party transactions and balances in the consolidated financial statements as at 31 December 2009. Therefore we were unable to satisfy ourselves as to the existence and completeness of the disclosures of commitment, contingent liabilities and related party transactions as at 31 December 2009.

11. Scope Limitation – Events after the reporting period

As disclosed in Note 2.1 to the financial statements, the preparation of the financial statements for the year ended 31 December 2009 are based on the books and records made available to the Provisional Liquidators and the Provisional Liquidators make no representation to the completeness of the books and records. We were unable to perform the audit procedures we consider necessary to complete our review of events after the reporting period from the end of the reporting period up to the date of this report. Such procedures might result in the identification of adjustments to the amounts reported in the financial statements and/or additional disclosures in respect of events after the reporting period.

Any adjustments to the figures above might have a significant consequential effect on the Group's results for two years ended 31 December 2008 and 2009, the financial positions of the Group as at 31 December 2008 and 2009, and the related disclosures thereof in the consolidated financial statements.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2.1 to the financial statements which explain the circumstances giving rise to the fundamental uncertainty. The appropriateness of preparing the Group's consolidated financial statements on the going concern basis depends on the successful outcome of the conclusion of the resumption proposal and the scheme of arrangement.

We consider that appropriate disclosures have been made; however, we consider that this material uncertainty is so fundamental that we disclaim our opinion in respect of the appropriateness of the going concern basis. The financial statements of the Group do not include any adjustments that would be necessary if the Group failed to operate as a going concern. Had the going concern basis not been used, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. Such adjustments may have a consequential significant effect on the net liabilities of the Group as at 31 December 2009 and the Group's loss attributable to the equity holders for the year then ended.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2009 and of the Group's loss for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether they have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

FINANCIAL RESULTS

For the year ended 31 December 2009, the Group's turnover was approximately RMB74 million (31 December 2008: RMB193 million), representing a decrease of approximately 61.70% as compared to the corresponding period of last year. The loss for the year attributable to equity holders of the Company amounted to approximately RMB9 million (31 December 2008: RMB836 million) for the year ended 31 December 2009. Basic loss per share was approximately RMB0.0133 (31 December 2008: RMB1.366) for the year ended 31 December 2009. No dividend is declared by the Company for the year ended 31 December 2009 (31 December 2008: Nil).

BUSINESS REVIEW

The Company acts as an investment holding company. The Group is principally engaged in the manufacture and sale of tinplate cans for the packaging of beverage in Shanxi, the PRC.

On 2 October 2009, DBS Bank (Hong Kong) Limited filed an application with the High Court of Hong Kong (the "High Court") for the winding up petition against the Company. Accordingly, the High Court appointed Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of FTI Consulting, to act as provisional liquidators to the Company on the same day.

On 5 October 2009, Bloxworth HK, a wholly owned subsidiary of the Company, which wholly owns Fuwang, was placed in creditors' voluntary liquidation pursuant to section 228A of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong. On 26 February 2010, Mr. Fok Hei Yu and Mr. Roderick John Sutton were appointed as Joint and Several Liquidators of Bloxworth HK.

On 28 December 2009, the Provisional Liquidators, on behalf of the Company, and the Escrow Agent entered into the Escrow Agreement with the Investor. The Escrow Agreement granted the Investor a 12-month exclusivity to negotiate the restructuring of the Company, certain subsidiaries and associated companies in the Group, and in turn, the Investor paid a sum of HK$5 million to the Company to meet the costs and expenses in relation to the implementation of the restructuring of the Company during the 12-month exclusivity period. Furthermore, the Investor acknowledges that the Company and its business in the PRC may require working capital for its normal operations during this period and agrees to make available a working capital facility to the Group, if necessary.

As such, the Provisional Liquidators do not have the same knowledge of the financial affairs of the Group as the directors of the Company would have, particularly in relation to the transactions entered into by the Group prior to the appointment date. Although the Group was principally engaged in the manufacture and sale of tinplate cans for the packaging of foods and beverage in the PRC and the provision of tinplate lacquering and printing services, due to the lost in control and winding up the subsidiaries engaged in the lacquering and printing services, only the manufacture and sale of tinplate cans for the packaging of beverage business in Shanxi, the PRC is maintained.

CONTINGENT LIABILITIES

Since the Provisional Liquidators lost control of certain subsidiaries and failed to get access to the complete books and records of the Company and its subsidiaries, the Provisional Liquidators make no representation as to the completeness and accuracy of the contingent liabilities for the year ended 31 December 2009.

EVENTS AFTER THE REPORTING PERIOD AND KEY EVENTS AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS AND RESTRUCTURING OF THE GROUP

Partners Capital International Limited has been appointed by the Provisional Liquidators as the financial advisor to the Company regarding the restructuring of the Group.

On 22 February 2010, the Stock Exchange issued a letter to the Company, inter alia, requiring the Company to submit a viable resumption proposal to address the following issues:

1. Demonstrate that the Company has a sufficient level of operations or has assets of sufficient value as required under Rule 13.24 of the Listing Rules.

2. Publish all outstanding financial results and address any concerns that may be raised by the auditors.

3. Demonstrate that the Company has adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules.

4. Address certain issues raised by Deloitte Touche Tohmatsu, the then auditors of the Company, which details were set out in the announcement of the Company dated 30 April 2009, to the satisfaction of the Stock Exchange.

5. Withdrawal or dismissal of the winding-up petition, and discharge of the Provisional Liquidators.

On 23 March 2010, the Provisional Liquidators and Sino Gather Limited ("Sino Gather") (a special purpose vehicle controlled by the Provisional Liquidators) entered into a sale and purchase agreement where Sino Gather agreed to acquire and the Provisional Liquidators (on behalf of the Company) agreed to sell the entire share capital of Chinawinner Enterprises Limited, Chinawinner Enterprises (HK) Limited, Rich Victory Development Limited, at an aggregate nominal consideration of HK$3. The said transaction is primarily in furtherance of the Group's restructuring.

On 13 May 2009, the two structured five year interest rate swaps entered by the Company on 31 December 2007 ("the Swaps") were early terminated by the Deutsche Bank as a result of the Company not paying the interest payment under the Swaps on the due dates and the Company received a statement of demand dated 15 May 2009 for an early termination amount of US$10,319,033 (equivalent to approximately RMB70,830,000) and a gain of RMB23,340,000 was recognised upon termination of the Swaps on the same date. The Provisional Liquidators had negotiated with Deutsche Bank the basis for calculation of the early termination amount. In August 2010, both parties agreed the revised early termination amount of US$10,069,033.

The Stock Exchange placed the Company in the first stage of the delisting procedures in accordance with Practice Note 17 to the Listing Rules. If the Company failed to submit a viable resumption proposal by 21 August 2010, the Stock Exchange may proceed to place the Company in the second stage of the delisting procedures. A resumption proposal was submitted to the Stock Exchange on 21 August 2010.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon (i) the Investor signing a formal restructuring agreement with the Provisional Liquidators (on behalf of the Company without personal liability) to revive the Group; and (ii) completion of the proposed restructuring of the Group as contemplated under such agreement. The Investor and the Provisional Liquidators anticipate all existing liabilities owed to the creditors of the Company and creditors of its subsidiaries holding guarantees given by the Company will be compromised and discharged through a proposed scheme of arrangement and the Group will be able to turnaround its existing net liabilities position upon completion of the restructuring.

Subject to, among other things, the approvals of the shareholders of the Company and the Stock Exchange upon completion of the abovementioned restructuring agreement, the Company's shares will resume trading on the Stock Exchange.

It is the Investor's intention to maintain the Group's existing business in Shanxi, the PRC, currently conducted through Shanxi Zhanpen Metal Products Co Ltd (山西展鵬金屬製品有限公司), an indirect wholly owned subsidiary of the Company.

SUSPENSION OF TRADING OF THE COMPANY'S SHARES AND APPOINTMENT OF THE JOINT AND SEVERAL PROVISIONAL LIQUIDATORS

Trading in the shares of the Company has been suspended from trading on the Stock Exchange since 28 April 2009.

On 2 October 2009, DBS Bank (Hong Kong) Limited filed an application with the High Court for the winding up petition against the Company. Accordingly, the High Court appointed the Provisional Liquidators to the Company on the same day.

The Provisional Liquidators are responsible for the accuracy and completeness of the contents of this announcement and the audited financial statements for the year ended 31 December 2009 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited financial statements for the year ended 31 December 2009 based on the books and records made available to the Provisional Liquidators.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

As the Provisional Liquidators were appointed on 2 October 2009, the Provisional Liquidators are unable to comment on whether the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the directors of the Company for the financial year ended 31 December 2009. The Provisional Liquidators make no representation as to whether the directors of the Company have complied with the required standard set out in the Model Code during the year ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Provisional Liquidators make no representation as to whether the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2009.

AUDIT COMMITTEE

Following the resignations of the majority of the Company's independent non-executive directors in March and July 2009, there has been no replacement of members of the audit committee. No audit committee is therefore maintained as required by Rule 3.21 of the Listing Rules. As a result, the audited accounts of the Group for the year ended 31 December 2009 have not been reviewed by the audit committee.

CORPORATE GOVERNANCE

Since the Provisional Liquidators were appointed on 2 October 2009 pursuant to an order of the High Court, the Provisional Liquidators are unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2009.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.cpackaging.com.hk.

For and on behalf of
CHINA PACKAGING GROUP COMPANY LIMITED
(Provisional Liquidators Appointed)
FOK Hei Yu
Roderick John Sutton
Joint and Several Provisional Liquidators
who act without personal liabilities

Hong Kong, 28 October 2010

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