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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

FINANCIAL SUMMARY

The joint and several provisional liquidators (the "Provisional Liquidators") of China Packaging Group Company Limited (Provisional Liquidators Appointed) (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2010 together with comparative figures for the six months period ended 30 June 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2010

		Six months ended 30 June	
		2010	2009
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Turnover	*4*	**58,108**	58,518
Costs of sales		**(48,333)**	(47,548)
Gross profit		**9,775**	10,970
Other income		**33**	4
Restructuring costs and expenses		**(3,112)**	–
Selling expenses		**(2,638)**	(2,569)
Administrative expenses		**(401)**	(3,575)
Profit from operations		**3,657**	4,830
Gain on termination of derivative financial instruments		**–**	23,340
Impairment on amounts due from deconsolidated subsidiaries and amounts recovered from deconsolidated subsidiaries	*9*	**–**	22,056
Finance costs		**(407)**	(1,803)

		Six months ended 30 June	
		2010	2009
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Profit before taxation	*5*	**3,250**	48,423
Income tax expense	*6*	**(1,717)**	(1,177)
Profit and total comprehensive income for the period attributable to equity holders of the Company		**1,533**	47,246
Dividends recognised as distribution during the period	*7*	**–**	–
Earnings per share	*8*		
– Basic		**RMB0.0023**	RMB0.075

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2010

	Notes	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**61,980**	65,529
Current assets			
Inventories		**3,311**	3,557
Trade and other receivables	*10*	**49,113**	28,646
Escrow money	*11*	**1,288**	4,400
Bank balances and cash		**247**	411
		53,959	37,014
Current liabilities			
Trade and other payables	*12*	**18,128**	7,898
Taxation payable		**3,199**	1,971
Bank borrowings		**59,727**	59,727
Other borrowings		**48,660**	48,255
Provision for bank loans guarantee for a deconsolidated subsidiary		**29,000**	29,000
Derivative financial instruments	*13*	**–**	–
Escrow money		**4,400**	4,400
Other financial liabilities		**71,453**	71,453
		234,567	222,704
Net current liabilities		**(180,608)**	(185,690)
Net liabilities		**(118,628)**	(120,161)
Capital and reserves			
Share capital		**67,399**	67,399
Reserves		**(186,027)**	(187,560)
Deficit attributable to equity holders of the Company		**(118,628)**	(120,161)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2010

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

2. BASIS OF PRESENTATION

This unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34: "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the "Listing Rules") and the same accounting policies as those adopted in the annual financial statements for the year ended 31 December 2009 (the "2009 Annual Accounts"). These condensed consolidated financial statements should be read in conjunction with the 2009 Annual Report.

The interim financial report is unaudited and has not been reviewed by the audit committee of the Company or the auditors.

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

As at 30 June 2010, the Company and its subsidiaries (collectively the "Group") had unaudited net current liabilities of approximately RMB180,608,000 (31 December 2009: RMB185,690,000) and unaudited net liabilities of RMB118,628,000 (31 December 2009: RMB120,161,000). 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 this report and the condensed consolidated financial statements for the six months ended 30 June 2010 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 condensed consolidated financial statements for the six months ended 30 June 2010 based on the books and records made available to the Provisional Liquidators.

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. On 24 December 2010, the Provisional Liquidators, on behalf of the Company, the Escrow Agent and the Investor entered into a supplemental agreement to extend the Exclusivity Period to twenty four months up to 27 December 2011.

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 unaudited condensed consolidated 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 condensed consolidated 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 HK"), Chinawinner Enterprises Limited ("Chinawinner BVI"), and Rich Victory Development Limited ("Rich Victory"), all direct wholly owned subsidiaries of the Company and the subsidiary of Chinawinner BVI, 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 condensed consolidated financial statements as at and for the six months ended 30 June 2010 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".

Any adjustment as a result of the abovementioned action may have a significant effect to the Group's condensed consolidated financial statements for the six months ended 30 June 2010 and the relevant disclosures.

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 condensed consolidated financial statements of the Group for the six months ended 30 June 2010 so as to comply with the HKFRSs. The following information, among others, are not disclosed in the said condensed consolidated financial statements:

(a) Condensed consolidated statements of cash flow for the six months ended 30 June 2010 as required by HKAS 7 "Statement of Cash Flows" issued by the HKICPA;

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

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

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, 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 2010.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC)-Int 18	Transfers of Assets from Customers
HK Interpretation 4 (Amendments)	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

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

The adoption of the new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 [1]
HKAS 24 (Revised)	Related Party Disclosures [3]
HKAS 32 (Amendment)	Classification of Rights Issues [4]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures For First-time Adopters [2]
HKFRS 9	Financial Instruments [5]
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement [3]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments [2]

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

2 *Effective for annual periods beginning on or after 1 July 2010.*

3 *Effective for annual periods beginning on or after 1 January 2011.*

4 *Effective for annual periods beginning on or after 1 February 2010.*

5 *Effective for annual periods beginning on or after 1 January 2013.*

4. TURNOVER

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

5. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories recognized as an expense	**48,333**	47,548
Depreciation of property, plant and equipment	**3,121**	2,786
Minimum lease payments in respect of:		
– Land and buildings	**–**	349
– Machinery and equipment	**1,000**	1,000
And after crediting:		
Gain on disposal of property, plant and equipment	**22**	–
Interest income on bank deposits	**1**	4

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
Income tax calculated at the rates prevailing in the PRC	**1,717**	1,177

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 Co Ltd（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 in 2009, the chargeable corporate income tax rate is 30%. From year 2010 onward, corporate income tax rate of 25% will be applied to Zhanpen.

No provision for deferred taxation has been recognised in the condensed consolidated financial statements as there are no significant temporary differences arising during the period or at end of the reporting period.

7. DIVIDEND

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Ordinary shares:		
Interim dividend – NIL per share	**–**	–

8. EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share is based on the following data:

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period for the purposes of basic earnings per share	**1,533**	47,246

	Six months ended 30 June	
	2010	2009
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**657,121,081**	628,427,075

(b) Diluted

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

9. IMPAIRMENT ON AMOUNTS DUE FROM DECONSOLIDATED SUBSIDIARIES AND AMOUNTS RECOVERED FROM DECONSOLIDATED SUBSIDIARIES

	Six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Impairment on amounts due from the deconsolidated subsidiaries	**–**	(8)
Amounts recovered from the deconsolidated subsidiaries	**–**	22,064
	–	22,056

Note:

As disclosed in note 2.2 to the financial statements, 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 then.

10. TRADE AND OTHER RECEIVABLES

	30 June	31 December
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**45,848**	23,782
Other receivables, deposits and prepayments	**3,265**	4,864
	49,113	28,646

All the trade and other receivables are expected to be recovered within one year.

11. ESCROW MONEY

	30 June 2010 (Unaudited) *RMB'000*	31 December 2009 (Audited) *RMB'000*
Professional fees	**1,288**	4,400

On 28 December 2009, the Provisional Liquidators, on behalf of the Company, and the Escrow Agent entered into an exclusivity and escrow agreement with the Investor. The said agreement granted the Investor a 12-month exclusivity to negotiate the restructuring of the Company, certain subsidiaries and associated companies, if any, in the Group. On 24 December 2010, the Provisional Liquidators, on behalf of the Company, the Escrow Agent and the Investor entered into a supplemental agreement to extend the Exclusivity Period to twenty four months up to 27 December 2011.

During the year ended 31 December 2009, the Investor provided HK$5,000,000 (equivalent to approximately RMB4,400,000) to the Provisional Liquidators for the cost and expenses of the Company to proceed with the restructuring.

12. TRADE AND OTHER PAYABLES

	30 June 2010 *RMB'000* (Unaudited)	31 December 2009 *RMB'000* (Audited)
Trade payables	**9,481**	1,656
Interest payable	**1,353**	1,353
Receipt in advance, other payables and accrued charges	**7,294**	4,889
	18,128	7,898

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

13. DERIVATIVE FINANCIAL INSTRUMENTS

Swaps derivatives

	30 June 2010	31 December 2009
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At 1 January	**–**	96,198
Payments made during the year/period	**–**	(2,028)
Changes in fair value	**–**	–
Gain on termination	**–**	(23,340)
Derecognition upon termination	**–**	(70,830)
Structure interest rate swap at 30 June/31 December	**–**	–

14. CONTINGENT LIABILITIES

To the best of their knowledge and information, the Provisional Liquidators, is unaware of any significant contingent liabilities of the Group and the Company as at 30 June 2010.

15. RELATED PARTY TRANSACTION

To the best knowledge and information of the Provisional Liquidators, there was no related party transaction during the six months period ended 30 June 2010.

The Provisional Liquidators make no representation as to whether the Group entered into any related party transaction during the six months ended 30 June 2009.

BUSINESS REVIEW

To the best of the Provisional Liquidators' knowledge and information since the time of their appointment, 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.

For the six months ended 30 June 2010, the Group's turnover was approximately RMB58.11 million (30 June 2009: RMB58.52 million), representing a decrease of approximately 1% as compared to the corresponding period of last year. The profit for the period attributable to equity holders of the Company amounted to approximately RMB1.53 million (30 June 2009: RMB47.25 million) for the six months ended 30 June 2010. Basic earnings per share was approximately RMB0.0023 (30 June 2009: RMB0.075) for the six months ended 30 June 2010. No dividend is declared by the Company for the six months ended 30 June 2010 (30 June 2009: Nil).

RESTRUCTURING OF THE GROUP AND THE KEY EVENTS AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS UP TO THE DATE OF THIS REPORT

On 28 December 2009, the Provisional Liquidators, on behalf of the Company, and the Escrow Agent entered into an exclusivity and escrow agreement with the Investor. The said agreement granted the Investor a 12-month exclusivity ("the Exclusivity Period") to negotiate the restructuring of the Company, certain subsidiaries and associated companies, if any, 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. On 24 December 2010, the Provisional Liquidators, on behalf of the Company, the Escrow Agent and the Investor entered into a supplemental agreement to extend the Exclusivity Period to twenty four months up to 27 December 2011.

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:

- 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.

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

- 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.

- 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.

- 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 BVI, Chinawinner HK, Rich Victory, 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 Zhanpen, 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 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 condensed consolidated financial statements for the six months ended 30 June 2010 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 condensed consolidated financial statements for the six months ended 30 June 2010 based on the books and records made available to the Provisional Liquidators.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 six months ended 30 June 2010.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

To the best of the Provisional Liquidators' knowledge, the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

INTERIM DIVIDEND

There will not be a payment of an interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

AUDIT COMMITTEE

Following the resignations of the majority of the Company's independent non-executive directors in March and July 2009 up to date of this report, there has been no replacement of members at the audit committee. No audit committee is therefore maintained as required by Rule 3.21 of the Listing Rules. As a result, the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2010 have not been reviewed by the audit committee or the auditor.

CORPORATE GOVERNANCE

The Company's code on corporate governance practices was adopted by reference to the provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules. However, due to the severe financial difficulties of the Group and the appointment of the Provisional Liquidators, the Provisional Liquidators are unable to comment as to whether the Company has complied with the CG Code contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010.

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, 14 January 2011

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.