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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)

Integrated Asset Management (Asia) Limited
and

Business Giant Limited

(Incorporated in the British Virgin Islands with limited liability)

ENTERING INTO OF THE RESTRUCTURING AGREEMENT INVOLVING

- (1) PROPOSED CAPITAL REORGANISATION;**
 - (2) PROPOSED SUBSCRIPTION OF NEW SHARES;**
 - (3) PROPOSED SUBSCRIPTION OF PREFERENCE SHARES;**
 - (4) PROPOSED SUBSCRIPTION OF CONVERTIBLE NOTES;**
 - (5) PROPOSED GRANT OF OPTIONS;**
 - (6) PROPOSED BONUS ISSUE;**
 - (7) PROPOSED APPLICATION FOR WHITEWASH WAIVER;**
- AND**
- ### **AUTHORISED SHARE CAPITAL INCREASE**

Financial adviser to

China Packaging Group Company Limited
(Provisional Liquidators Appointed)



博大資本國際有限公司
Partners Capital International Limited

Financial adviser to

Integrated Asset Management (Asia) Limited
and Business Giant Limited



普頓資本有限公司
PROTON CAPITAL LIMITED

THE RESTRUCTURING AGREEMENT

The Company, the Provisional Liquidators, the Investors and the Escrow Agent entered into the Restructuring Agreement dated 17 June 2011 which provides for, inter alia, the proposed Capital Reorganisation, the proposed subscription of the New Shares, the Preference Shares and the Convertible Notes, the proposed grant of Options, the proposed Bonus Issue, the proposed implementation of the Schemes and the proposed application for the Whitewash Waiver. The credit arising from the Capital Reorganisation will be applied to set off part of the accumulated losses of the Company as at 31 December 2010. Principal terms of the Restructuring Agreement are set out in the main body of this announcement.

PROPOSED SCHEMES

Pursuant to the terms of the Restructuring Agreement, on Completion, all the claims of the Creditors shall be compromised and discharged by the arrangements contemplated under the Schemes. The Schemes will involve, among other things, (i) the cash payment of HK\$62,000,000 out of the gross proceeds from the Subscription to the Scheme Creditors; (ii) the issue and allotment of 56,000,000 Options to the Scheme Administrators for the benefit of the Scheme Creditors, representing approximately 5.39% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the Subscription Shares, the Bonus Issue, the full conversion of the Preference Shares and the Convertible Notes and the full exercise of the Options; and (iii) the Put Options. It is expected that upon completion of the Restructuring, the Group will consist of the Company, Bloxworth Enterprises Limited and 山西展鵬金屬製品有限公司 (Shanxi Zhanpen Metal Products Co., Ltd.*) which are principally engaged in the manufacturing and sale of tinplate can in the PRC.

AUTHORISED SHARE CAPITAL INCREASE

The Company proposes to increase the authorised share capital of the Company from HK\$200,000,000 to HK\$250,000,000 conditional on the Capital Consolidation and Capital Reduction becoming effective.

TAKEOVERS CODE IMPLICATIONS AND PROPOSED APPLICATION FOR WHITEWASH WAIVER

Pursuant to the terms of the Restructuring Agreement, the Investors shall subscribe for the Subscription Shares, the Preference Shares and the Convertible Notes. The beneficial shareholding interest of the Investors (and parties acting in concert with them) in the Company will increase from nil to (a) 230,000,000 Subscription Shares, in case of completion of subscription of the Subscription Shares and the Bonus Shares, representing approximately 73.43% of the enlarged issued share capital of the Company; and (b) 900,000,000 New Shares, in case of completion of subscription of the Subscription Shares, the Bonus Issue, the full conversion of the Preference Shares and the Convertible Notes and the full exercise of the Options, representing approximately 86.60% of the enlarged issued share capital of the Company.

Accordingly, the Investors, their ultimate beneficial owners and parties acting in concert with any of them will make an application to the Executive under the Takeovers Code for a Whitewash Waiver waiving their obligations to make a mandatory general offer for Shareholders under Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by the Independent Shareholders in the EGM, who are not interested or involved in the Restructuring Agreement and the Whitewash Waiver.

* *for identification purposes only*

GENERAL

The Company will convene the EGM for the purposes of considering, and if thought fit, approving, among other things, the Authorised Share Capital Increase, the Capital Reorganisation, the Subscription, the grant of Options, the Bonus Issue, the Whitewash Waiver and any other matters as required by law, the Listing Rules, the Takeovers Code, the Stock Exchange and/or the SFC, which are necessary to give effect to the Restructuring and any transactions contemplated under the Restructuring Agreement.

To the best of the knowledge, information available to and belief of the Provisional Liquidators as at the date of this announcement, none of the Shareholders has direct or indirect material interest (other than solely as a Shareholder) nor any involvement in the Authorised Share Capital Increase, the Capital Reorganisation, the Subscription, the grant of Options, the Bonus Issue and the Whitewash Waiver and accordingly no Shareholder is required to abstain from voting in respect of the resolutions to approve the Authorised Share Capital Increase, the Capital Reorganisation, the Subscription, the grant of Options, the Bonus Issue and the Whitewash Waiver at the EGM.

With the appointment of the Provisional Liquidators on 2 October 2009, the power of the existing Directors have ceased since then. As such, no independent board committee will be established to advise the Independent Shareholders on the Restructuring Agreement and the Whitewash Waiver. An independent financial adviser will be appointed to advise the Independent Shareholders on the Restructuring Agreement and the Whitewash Waiver, and the Company will issue a further announcement regarding such appointment in due course.

A circular containing, among other things, details of the Authorised Share Capital Increase, the Restructuring Agreement, the pro forma financial information of the Group upon Completion, the letter of advice from the independent financial adviser to the Independent Shareholders in relation to the Restructuring Agreement and the Whitewash Waiver and a notice convening the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the Takeovers Code and the Listing Rules.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

The transactions contemplated under the Restructuring Agreement are subject to the fulfillment of Conditions Precedent, and therefore may or may not materialize.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 28 April 2009. Until satisfaction of all the Resumption Conditions set by the Stock Exchange, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the Restructuring Agreement will be successfully implemented and completed or that the resumption of trading in the Shares or the Resumption Proposal has been or will be approved by the Stock Exchange.

INTRODUCTION

Reference is made to the Company's announcements dated 23 March 2010 in relation to, amongst others, the disposal of the Non-Core Subsidiaries of the Company, and 27 May 2011 in relation to, amongst others, the in-principal approval granted by the Stock Exchange for resumption of trading in the Shares and the Resumption Conditions set by the Stock Exchange. Trading in the Shares has been suspended since 28 April 2009. On 8 July 2009, a winding up petition was served by Deutsche Bank Aktiengesellschaft on the Company. On 2 October 2009, DBS Bank (Hong Kong) Limited filed an application with the High Court of Hong Kong and the High Court appointed the Provisional Liquidators to act as provisional liquidators to the Company on the same day. On 28 December 2009, the Provisional Liquidators, on behalf of the Company, FTI Consulting (Hong Kong) Limited entered into the Exclusivity and Escrow agreement with Business Giant Limited, which granted a 12-month exclusivity to negotiate the restructuring of the Company, certain subsidiaries and associated companies in the Group, and in turn, the Investors agreed to advance funds (i.e. the Fee Advancement) to the Company to meet the costs and expenses in relations to the implementation of the restructuring of the Company. A resumption proposal was submitted to the Stock Exchange on 21 August 2010 and submissions in relation to, inter alia, proposed terms of the restructuring agreement and an update of operation and performance of the Group since suspension of trading of the Shares, have subsequently been made to the Stock Exchange thereafter. On 24 December 2010, a supplemental agreement was entered into between the same parties to extend the exclusivity period under the Exclusivity and Escrow Agreement to 24 months up to 27 December 2011.

By a letter dated 26 May 2011, the Stock Exchange, after its internal management meeting, informed the Company that the Stock Exchange allows trading resumption if the Company fulfils the following Resumption Conditions by 31 December 2011:

- (1) completion of the bonus issue, subscriptions of new shares, preference shares and convertible bonds, issuance of the creditors' options and the scheme and all other transactions contemplated under the resumption proposal;
- (2) inclusion of the following in the circular to shareholders:
 - (a) detailed disclosure of the resumption proposal which is comparable to prospectus standards;
 - (b) a profit forecast for the year ending 31 December 2011 together with reports from the auditors and the financial adviser under paragraph 29(2) of Appendix 1B of the Listing Rules;
 - (c) a pro forma balance sheet upon completion of the resumption proposal and a comfort letter from an independent accounting firm under Rule 4.29 of the Listing Rules;
- (3) demonstrating that the Company has adequate financial reporting systems to meet its obligations under the Listing Rules; and
- (4) discharge of the winding-up petition and the provisional liquidators.

The Company should also comply with the Listing Rules. The Stock Exchange may modify the resumption conditions if the Company's situation changes.

In order to satisfy the Resumption Conditions, the Company, the Provisional Liquidators, the Investors and the Escrow Agent entered into the Restructuring Agreement dated 17 June 2011 which provides for, inter alia, the proposed Capital Reorganisation, the proposed subscription of the New Shares, the Preference Shares and the Convertible Notes, the grant of Options, the Bonus Issue, the proposed implementation of the Schemes and the proposed application for the Whitewash Waiver.

AUTHORISED SHARE CAPITAL INCREASE

As at the date of this announcement, the Company has an authorised share capital of HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.10 each and an issued share capital of HK\$65,712,108.10 divided into 657,121,081 Shares of HK\$0.10 each. The Company proposes to increase the authorised share capital of the Company from HK\$200,000,000 to HK\$250,000,000 conditional on the Capital Consolidation and Capital Reduction becoming effective.

THE RESTRUCTURING AGREEMENT

Date: 17 June 2011

Parties:

- (1) the Company
- (2) the Provisional Liquidators
- (3) the Investors
- (4) the Escrow Agent

1. Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 comprising 2,000,000,000 Shares of HK\$0.10 each, of which 657,121,081 Shares have been issued and fully paid. The issued share capital of the Company is HK\$65,712,108.10. Pursuant to the terms of the Restructuring Agreement, the Company will use its reasonable endeavours to effect the Capital Reorganisation in the following manner:

(a) Capital Consolidation

Every eight Shares of HK\$0.10 each in the issued share capital of the Company will be consolidated into one Consolidated Share with par value of HK\$0.80 each.

(b) Capital Reduction

Upon the Capital Consolidation becoming effective, the par value of each issued Consolidated Share will be reduced from HK\$0.80 to HK\$0.001 by cancellation of HK\$0.799 of the paid-up capital of each issued Consolidated Share.

(c) Partial Accumulated Loss Set-Off

Upon the Capital Consolidation and the Capital Reduction becoming effective, the credit generated therefrom of approximately RMB283,094,000 (or equivalent to HK\$333,201,638 converted at the Exchange Rate) will be applied in a manner consistent with the Cayman Companies Law, including but not limiting to setting off against part of the accumulated losses of the Company of approximately RMB404,238,000 (or equivalent to HK\$475,788,126 converted at the Exchange Rate) as at 31 December 2010.

(d) Share Split

Following the Capital Consolidation and the Capital Reduction, the authorised unissued share capital of the Company of HK\$134,287,891, comprised 1,342,878,919 Shares each with a nominal value of HK\$0.10, shall be altered so as to be comprised of 134,287,891,900 New Shares of HK\$0.001 each.

The Capital Reduction shall be implemented in accordance with the Cayman Companies Law, with the sanction of the Cayman Court.

The following table sets out the effect of the Capital Reorganisation and the Authorised Share Capital Increase on the share capital of the Company:

	As at the date of this announcement	After Capital Consolidation but before Capital Reduction, Share Split and Authorised Share Capital Increase	After Capital Consolidation and Capital Reduction but before Share Split and Authorised Share Capital Increase	After Capital Consolidation, Capital Reduction and Share Split but before Authorised Share Capital Increase	After Capital Consolidation, Capital Reduction, Share Split and Authorised Share Capital Increase
Nominal value	HK\$0.10	HK\$0.80	HK\$0.001	HK\$0.001	HK\$0.001
Issued and paid-up share capital	HK\$65,712,108.10 divided into 657,121,081 Shares	HK\$65,712,108.10 divided into 82,140,135 New Shares	HK\$82,140.14 divided into 82,140,135 New Shares	HK\$82,140.14 divided into 82,140,135 New Shares	HK\$82,140.14 divided into 82,140,135 New Shares
Authorised unissued share capital	HK\$134,287,891.9 divided into 1,342,878,919 Shares	HK\$134,287,891.9 divided into 1,342,878,919 Shares	HK\$134,287,891.9 divided into 1,342,878,919 Shares	HK\$134,287,891.9 divided into 134,287,891,900 Shares	HK\$134,287,891.9 divided into 134,287,891,900 Shares
Authorised share capital	HK\$200,000,000 divided into 2,000,000,000 Shares	HK\$200,000,000 divided into 2,000,000,000 Shares	HK\$200,000,000 divided into 2,000,000,000 Shares	HK\$134,370,032.04 divided into 134,370,032,035 New Shares	HK\$250,000,000 divided into 250,000,000,000 New Shares

2. The Subscription

Subject to the fulfilment of the Conditions Precedent, the Investors shall subscribe for and the Company shall on Completion allot and/or issue:

- (a) 230,000,000 Subscription Shares at a subscription price of HK\$0.12 per Subscription Share to the Investors in the Relevant Ratio which Subscription Shares shall rank pari passu in all respects with the New Shares in issue as at the Completion Date and free from any encumbrance or third party's rights and with all rights and benefits attached thereto as at the Completion Date;
- (b) 520,000,000 Preference Shares at a subscription price of HK\$0.12 per Preference Share to the Investors in the Relevant Ratio free from any encumbrance or third party's rights and with all rights and benefits attached thereto as at the Completion Date; and
- (c) the Convertible Notes in the aggregate principal amount of HK\$18 million at a conversion price of HK\$0.12 per Conversion Share to the Investors in the Relevant Ratio free from any encumbrance or third party's rights and with all rights and benefits attached thereto as at the Completion Date.

The Company will receive gross proceeds from the subscription of Subscription Shares, the Preference Shares and the Convertible Notes of HK\$27.6 million, HK\$62.4 million and HK\$18.0 million respectively, totalling HK\$108 million, payable from the Investors in the Relevant Ratio. It is expected that (i) HK\$62 million of the gross proceeds will be made available for distribution to the Scheme Creditors; (ii) approximately HK\$17 million will be used to set off against the Fee Advancement to the Company advanced by the Investors under the Exclusivity and Escrow Agreement; and (iii) the remaining balance of approximately HK\$29 million, after netting off any additional amounts advanced by the Investors to the Group as working capital under the Facility, will be applied towards the working capital requirements of the Group.

Proposed issue of New Shares

The Subscription Shares

Pursuant to the Restructuring Agreement, at Completion, the Investors shall subscribe for, and the Company shall issue and allot 230,000,000 Subscription Shares at the subscription price of HK\$0.12 per Subscription Share in the Relevant Ratio subject to the fulfillment of all the Conditions Precedent (to the extent not waived by the Investors). The Subscription Shares will rank pari passu in all respects with the New Shares in issue as at the date of allotment and issue of the Subscription Shares. As at the date of this announcement, there are 657,121,081 Shares in issue and the 230,000,000 Subscription Shares represent:

- (i) approximately 35.00% of the issued capital of the Company as at the date of this announcement;
- (ii) approximately 73.43% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the Subscription Shares and Bonus Issue (assuming no conversion of the Preference Shares and Convertible Notes, no exercise of the Options); and
- (iii) approximately 22.16% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the Subscription Shares, the Bonus Issue, the New Shares upon full conversion of Preference Shares and Convertible Notes and the New Shares upon full exercise of the Options.

Proposed issue of Preference Shares

Pursuant to the Restructuring Agreement, at Completion, the Investors shall subscribe for, and the Company shall issue 520,000,000 Preference Shares at the subscription price of HK\$0.12 per Preference Share in the Relevant Ratio subject to the fulfillment of all the Conditions Precedent (to the extent not waived by the Investors). The holder of Preference Shares is entitled to convert into New Share(s) at the rate equal to the subscription price per Preference Share divided by the initial conversion price of HK\$0.12 (i.e. at the initial rate of one New Share for one Preference Share upon conversion). As at the date of this announcement, there are 657,121,081 Shares in issue, and the 520,000,000 New Shares upon full conversion of Preference Shares represent:

- (i) approximately 79.13% of the issued capital of the Company as at the date of this announcement;
- (ii) approximately 166.02% of the enlarged issued share capital of the Company upon completion of Capital Reorganisation and as enlarged by the Subscription Shares and the Bonus Issue (assuming no conversion of the Preference Shares, Convertible Notes and no exercise of the Options); and
- (iii) approximately 50.09% of the enlarged issued share capital of the Company upon completion of Capital Reorganisation and as enlarged by the Subscription Shares, the Bonus Issue, the New Shares upon full conversion of Preference Shares, the New Shares upon full conversion of Convertible Notes and the New Shares upon full exercise of Options.

The principal terms of the Preference Shares are summarised below:

Issuer	:	the Company
Subscriber	:	the Investors
Number of Preference Shares	:	520,000,000 Preference Shares
Subscription price	:	HK\$0.12 per Preference Share
Conversion period	:	from the date of issue, each holder of Preference Shares shall have the right at any time and from time to time to convert all or part or such other number as may for the time being be a board lot of New Shares on the Stock Exchange
Basis	:	The number of ordinary Shares to be issued and allotted to any holder of Preference Shares on the exercise of his conversion rights will be calculated as follows:

$$X = Y \times \frac{A}{B}$$

where:

- X = the number of ordinary Shares that may be allotted and issued upon conversion of the relevant Preference Shares
- Y = the number of the Preference Shares to be converted
- A = the issue price of the Preference Shares, i.e. HK\$0.12 per Preference Shares
- B = the initial conversion price of the Preference Shares of HK\$0.12 per ordinary Share (subject to adjustment)

The New Shares resulting from conversion shall carry the right to receive all dividends and other distributions declared made or paid on the share capital of the Company by reference to a record date on or after the relevant conversion date and shall rank pari passu in all other respects and form one class with the share capital of the Company then in issue and fully paid

- Adjustments : the number of New Shares into which the Preference Shares may be converted will be subject to adjustments for, among other things, subdivisions or consolidations of Conversion Shares, capitalisation of profits or reserves, capital distributions, rights issues, issue of Shares below the prevailing conversion price of the Preference Shares and other events which may have a diluting effect on the holders of the Preference Shares, provided that in any event such adjustment shall not result in the conversion price be below the nominal value of the Shares.
- Dividend : the holders of Preference Shares shall not be entitled to any dividend or distribution
- Redemption : the Preference Shares are non-redeemable
- Capital : subject to the rights and restrictions relating to the Preference Shares, on a return of capital on liquidation, the assets of the Company available for distribution among the members shall be applied in repaying to the holders of the Preference Shares the nominal amount paid up on the Preference Shares. The paid-up Preference Shares shall rank for return of capital on liquidation in priority to all other shares in the capital of the Company for the time being in issue while the non-paid-up Preference Shares shall rank pari passu with the New Shares for the time being in issue.
- Participation : the Preference Shares shall not carry any right to participate in profits or assets of the Company beyond such rights as are expressly set out in the terms of the Preference Shares.
- Voting : the Preference Shares shall not confer on the holders thereof the right to receive notices of general meetings and shall not entitle the holders:—
- (i) to attend and to vote upon any resolution (other than a resolution for winding up the Company or a resolution varying or abrogating any of the special rights attached to such shares) at a general meeting of the Company; or
 - (ii) for, varying or, abrogating the rights or privileges of the holders of the Preference Shares.

Subject as aforesaid on a show of hands every holder of Preference Shares who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder of Preference Shares who is present in person or (being a corporation) by a representative or (in either such case) by proxy shall have one vote for each Preference Share held.

- Dealings by connected person : The Company will notify the Stock Exchange in relation to any dealings by such connected persons of the Company in the Preference Shares from time to time immediately upon the Company becoming aware of it.
- Listing : the Preference Shares will not be listed on any stock exchange.
- Transferability : the Preference Shares are freely transferable by the holders thereof after the date of issue of the Preference Shares, subject to the requirements of the Listing Rules.

Proposed issue of Convertible Notes

The Company agreed to issue and the Investors agreed to subscribe for the Convertible Notes in the aggregate principal amount of HK\$18 million in the Relevant Ratio. The principal terms of Convertible Notes are summarised below:

- Issuer : the Company
- Subscriber : the Investors
- Principal amount : HK\$18,000,000
- Coupon rate : 2%
- Maturity date : the fifth anniversary of the issue date of the Convertible Notes
- Conversion price : the holders of the Convertible Notes will have the right to convert the Convertible Notes into Conversion Shares at the conversion price of HK\$0.12 (subject to adjustment as described below).
- Adjustment to conversion price : the conversion price will be subject to adjustments for, among other things, subdivisions or consolidations of Conversion Shares, capitalisation of profits or reserves, capital distributions, rights issues, issue of New Shares below the prevailing conversion price and other events which may have a diluting effect on the holders of the Convertible Notes, provided that in any event such adjustment shall not result in the conversion price be below the nominal value of the Shares.

- Conversion period : the holders of the Convertible Notes will have the right to convert the whole or any part of the outstanding principal amount of the Convertible Notes into Conversion Shares at any time during the period from the date of issue of the Convertible Notes up to seven business days before the maturity date at the conversion price (subject to adjustment).
- The relevant Conversion Shares shall be allotted and issued by the Company to the converting holders of the Convertible Notes or as it may direct with effect from the relevant date of Conversion. Share certificate(s) for such Conversion Shares shall be issued in board lots (if applicable) and delivered to the converting holders of the Convertible Notes together with an endorsement on the Certificate by a director of the Company for any outstanding balance of its Convertible Notes not converted (if appropriate) or redeemed or cancelled (as the case may be) within ten (10) Business Days after the date of Conversion.
- Redemption : The total outstanding principal amount of the Convertible Notes will be redeemed on the maturity date.
- Early Redemption : the Convertible Notes is not redeemable by the Company until (i) maturity or (ii) upon receipt of a form of redemption notice from the holder(s) of the Convertible Notes by the Company in any event of default.
- Ranking of Convertible Notes : the Convertible Notes constitutes a direct, general, unconditional and unsecured obligation of the Company and ranks *pari passu* and rateably without preference (with the exception of obligations in respect of taxes and certain other mandatory provisions of applicable law exceptions) equally with all other present and/or future unsecured and unsubordinated obligations of the Company.
- Ranking of Conversion Shares : the Conversion Shares shall rank *pari passu* in all respects amongst themselves and with all other shares in the issued share capital of the Company outstanding at the date of conversion and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of conversion.
- Listing : no application will be made for the listing of the Convertible Notes on any stock or securities exchange.

Transferability	:	The Convertible Notes are freely transferable by the holders thereof after the date of issue, subject to the requirements of the Listing Rules. Title to the Convertible Note passes only upon the cancellation of the existing certificate issued in respect of the Convertible Notes and the issue of a new certificate.
Denomination	:	HK\$600,000 and integral multiples thereof
Voting	:	the holders of the Convertible Notes will not be entitled to attend or vote at any meetings of the Company by reason only of it being the holders of the Convertible Notes.

The subscription price of the New Shares and the Preference Shares and the conversion price of the Convertible Notes

The subscription price of the New Shares and the Preference Shares and the conversion price of the Convertible Notes of HK\$0.12 per share represent (i) a discount of approximately 94.83% to the theoretical closing price of HK\$2.32 per New Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 94.87% to the average theoretical closing price of HK\$2.34 per New Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.293 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day; (iii) a discount of approximately 94.76% to the average theoretical closing price of HK\$2.29 per New Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.286 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day.

3. Debt Restructuring

The Scheme

Pursuant to the terms of the Restructuring Agreement, the Company shall apply to the HK Court and the Cayman Court for orders convening the Scheme Meetings to consider the Schemes pursuant to which:

- (a) all claims against the Company shall be compromised, discharged and/or settled;

- (b) the Scheme Creditors shall receive pro rata distribution of the Cash Consideration;
- (c) the Company shall grant the Options to Scheme Administrators to hold for the benefit of the Scheme Creditors pursuant to which, the Scheme Creditors shall be entitled to subscribe for the Option Shares at the Exercise Price;
- (d) the Investors shall grant the Put Option to Scheme Administrators to hold for the benefit of the Scheme Creditors pursuant to which the Scheme Creditors shall be entitled to put the Options to the Investors in the Relevant Ratio at the Put Option Price within two months from the date of granting the Options; and
- (e) The Scheme Creditors will be entitled to receive ratably all rights, title and interest in the Non-Core Subsidiaries transferred to Sino Gather by the Company on or about 23 March 2010 pursuant to the deed entered into between the Company and Sino Gather dated 23 March 2010 for disposal of the entire issued share capital of the Non-Core Subsidiaries, and any assets transferred by the Company to Sino Gather under the Schemes with effect from the Completion Date which will be dealt with by the Scheme Administrators. Details of the Non-Core Subsidiaries are referred to in the announcement of the Company dated 23 March 2010.

Pursuant to its 2010 Annual Report, the amount of total liabilities of the Group as at 31 December 2010 was approximately RMB230.7 million.

Grant of Options

Pursuant to the Restructuring Agreement, at Completion, 56,000,000 Options will be granted by the Company to the Scheme Administrators for the benefit of the Scheme Creditors. Terms of the Options are set out below:

Issuer	:	the Company
Holder of the Options	:	Scheme Administrators
Number of Option Shares	:	56,000,000 Option Shares to be issued upon exercise of the Options
Option Period	:	the period of one year commencing from the date of the Option Deed and expiring on the first anniversary of such commencement date provided that if the last day of such period falls on a non-business day, such period will expire on the business day immediately preceding such last day
Exercise Price	:	HK\$0.15 per Option, representing (i) a discount of approximately 93.53% to the theoretical closing price of HK\$2.32 per New Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 93.59% to the average theoretical closing price of

HK\$2.34 per New Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.293 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 93.45% to the average theoretical closing price of HK\$2.29 per New Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.286 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day.

- Ranking of New Shares : all New Shares allotted and issued on exercise of the Options shall rank pari passu in all respects with the fully paid New Shares in issue on the relevant Exercise Date and shall accordingly entitle the holders to participate in full in all dividends or other distributions paid or made on the Shares on or after the relevant Exercise Date other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the record date therefore shall be before the relevant Exercise Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Exercise Date.
- Alteration in capital structure : in the event of any alteration in the capital structure of the Company whilst any Option is able to be vested or remains exercisable, whether by way of capitalization of profits or reserves, consolidation or sub-division of the share capital of the Company in accordance with the legal requirements and requirements of the Stock Exchange, such corresponding alterations (if any) shall be made to the Exercise Price.

The Issue of Put Options

Pursuant to the Restructuring Agreement, the Investors irrevocably agree to grant to the Scheme Administrators to hold for the benefit of the holders of Put Options an option to sell the Option back to the Investors at a Put Option Price of HK\$0.02 per Option in the Relevant Ratio. Terms of the Put Options are set out below:

- Grantor : the Investors
- Grantee : Scheme Administrators

Exercise of Put Option	:	the Investors shall purchase the Options and the Scheme Administrators shall on behalf of the holders of Put Options sell the Options free from any encumbrance, equities, claims and adverse interests whatsoever, and together with all rights now and hereafter attaching or accruing to them on or after the date of the Put Option Exercise Notice.
Put Option Exercise Period	:	any day within the period commencing on the date of the issue of the Options up to the date falling two months thereafter (both days inclusive).
Put Option Price	:	HK\$0.02 per Option

Conditions precedent

Completion shall be conditional upon the following conditions precedent being fulfilled or waived (as the case may be):

- (1) the signing of all Restructuring documents by all the parties thereunder as may be required to be entered into before Completion;
- (2) passing of the Capital Reorganisation Resolution at the EGM by way of poll by the Shareholders;
- (3) passing of the Subscription Resolution at the EGM by way of poll by the Shareholders;
- (4) passing of the Option Resolution at the EGM by way of poll by the Shareholders;
- (5) passing of the Bonus Issue Resolution at the EGM by way of poll by the Shareholders;
- (6) passing of the Amend Articles Resolution at the EGM by way of poll by the Shareholders;
- (7) passing of the Whitewash Waiver Resolution at the EGM by way of poll by the Shareholders;
- (8) the Listing Committee of the Stock Exchange granting approval (either unconditionally or subject to conditions to which neither the Company nor the Investors shall reasonably object) for the listing of, and permission to deal in, all the New Shares, the Subscription Shares, the Conversion Shares, the New Shares to be issued upon the conversion of the Preference Shares, the Option Shares and the Bonus Shares;
- (9) Whitewash Waiver having been granted by the Executive to the Investors and parties acting in concert with it;

- (10) a copy of an order of the Cayman Court sanctioning the Cayman Scheme pursuant to the Cayman Companies Law having been delivered to the Registrar of Companies in the Cayman Islands for registration and a copy of an order of the HK Court sanctioning the Hong Kong Scheme pursuant to the Companies Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration;
- (11) sanction of the Capital Reduction by the Cayman Court;
- (12) conditional approval by the Stock Exchange for the resumption of trading of the New Shares;
- (13) listing of the Shares on the Stock Exchange not being revoked or withdrawn at any time prior to the Completion and there being no indication received by the Company from the Stock Exchange or the SFC prior to the Completion that listing of the Shares will be revoked at any time after completion of the obligations of the parties under the Restructuring Agreement;
- (14) the orders of the Cayman Court and the HK Court sanctioning withdrawal of the Petitions and discharge of provisional liquidators in Hong Kong and Cayman Islands conditional only on Completion; and
- (15) all necessary governmental, regulatory and corporate authorisations and approvals for the entering into of the Agreement and the performance of obligations hereunder having been obtained and effective.

If the Conditions Precedent are not fulfilled by the Long Stop Date, the Restructuring Agreement will lapse and the parties will be released from all their respective obligations hereunder, save for certain clauses under the Restructuring Agreement and the liabilities for any antecedent breaches hereof.

The Investors, the Company and the Provisional Liquidators agree that the Conditions Precedent as set out in conditions (1) to (4), (6), (8) and (10) to (15) shall not be waivable. Pursuant to the Takeovers Code, the Whitewash Waiver shall be subject to the approval of the Independent Shareholders by way of poll at the EGM. The Investors will not waive conditions (5), (7) and (9) above.

As at the date of this announcement, none of the above conditions was fulfilled or waived.

Alternative structures

In the event that any of the structures or transactions proposed in the Restructuring Agreement are found to be legally or practically unworkable or not approved by the Stock Exchange, SFC or any other regulatory authority, each Party agrees to work together with the other Parties in good faith to find alternative means or structures to effect the Restructuring Proposal so that the Parties may obtain the benefits described in the Restructuring Agreement.

Bonus Issue

After Completion, the Company shall as soon as possible effect the Bonus Issue to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date. The terms of the Bonus Issue shall be made by way of bonus on the basis of 13 Bonus Shares for every 1,000 New Shares held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par. Fractional entitlements will not be distributed but will be aggregated, rounded down to the nearest whole number and sold for the benefit of the Company. The proceeds of sale will be retained for the benefit of the Company. For the avoidance of doubt, holders of the Subscription Shares, Preference Shares and the Conversion Shares will not be entitled to the Bonus Issue.

The 1,067,822 Bonus Shares to be issued to Qualifying Shareholders upon Completion represent:

- (i) approximately 0.34% of the enlarged issued share capital of the Company upon completion of Capital Reorganisation and as enlarged by the Subscription Shares and the Bonus Issue (assuming no conversion of the Preference Shares, Convertible Notes and no exercise of the Options has occurred); and
- (ii) approximately 0.10% of the enlarged issued share capital of the Company upon completion of Capital Reorganisation and as enlarged by the Subscription Shares, the Bonus Issue, the New Shares upon full conversion of Preference Shares, the New Shares upon full conversion of Convertible Notes and the New Shares upon full exercise of Options.

Investors' undertakings

Unless otherwise waived by the Investors, the Investors shall make an application to the Executive for the Whitewash Waiver as soon as possible prior to the EGM and shall forthwith provide all necessary documents as may be required by the Executive for consideration of such application. The Investors confirm and undertake that the Concert Group has not dealt in the securities of the Company during the period beginning 6 months prior to the date of the Restructuring Agreement and that they and the Concert Group shall not deal in such securities of the Company prior to Completion.

If requested by the Stock Exchange, the Investors shall undertake to the Stock Exchange that they shall, as soon as practicable after Completion, take appropriate steps to ensure that an adequate number of the New Shares will be sold, placed or otherwise disposed of to Independent Third Parties so that the 25% minimum public float can be maintained.

Notwithstanding that the obligations of the Investors in relation to the Subscription, the Put Option and the costs and expenses of implementing the Restructuring Proposal as referred to in the Restructuring Agreement are in Relevant Ratio, the Investors irrevocably agree that in the event of default by any of the Investors in relation to the Subscription, the Put Option and the costs and expenses of implementing the Restructuring Proposal, the non-defaulting Investors shall be obliged to honour those Subscription obligations and obligations

in advancing and reimbursing the Company's costs and expenses in connection with the Restructuring Proposal of such defaulting Investors under the Restructuring Agreement. In this connection, the obligations of the Investors under the Restructuring Agreement in relation to the Subscription, the Put Option and the costs and expenses of implementing the Restructuring Proposal shall be joint and several.

The Investors undertake to the Company that they shall not exercise the conversion rights under the Convertible Notes if the 25% minimum public float cannot be maintained after such conversion.

Listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the New Shares, the Subscription Shares, the Conversion Shares, the New Shares to be issued upon the conversion of the Preference Shares, the Option Shares and the Bonus Shares.

Termination

The Provisional Liquidators or the Investors may terminate the Restructuring Agreement upon service of written notice to the Investors or the Provisional Liquidator (as the case may be) if the Investors or the Company/Provisional Liquidators (as the case may be) materially breach or default in any of their obligations under the Restructuring Agreement or fail to comply fully with such obligations (i) where such breach, default or non-compliance is, in the opinion of the non-defaulting party, capable of being remedied but the defaulting party fail to rectify such breach, default or non-compliance within 10 Business Days of the non-defaulting party notifying the defaulting party in writing of such breach, default or non-compliance or (ii) where such breach, default or non-compliance is, in the opinion of the non-defaulting party, not capable of being remedied, the time when such breach, default or non-compliance occurs or takes place.

In the event that the Restructuring Agreement is terminated by the Provisional Liquidators following a material breach by the Investors of their obligations under the Restructuring Agreement as mentioned above, (i) all claims from Creditors against the Company together with interest shall continue to remain due and payable by the Company; and (ii) the Provisional Liquidators will be entitled to retain all amounts standing to the credit of the Cost Account.

In the event that the Restructuring Agreement is terminated by the Investors following a material breach by the Company or the Provisional Liquidators of their obligations under the Restructuring Agreement as mentioned above, (i) all claims from Creditors against the Company together with interest shall continue to remain due and payable by the Company; and (ii) the Provisional Liquidators shall transfer to the Investors all amounts standing to the credit of the Working Capital Account and any unused amount of the Fee Advancement in the Cost Account, less any Costs.

The Restructuring Agreement shall be terminated automatically if:

- (1) the listing of the Shares has been cancelled by the Stock Exchange before the Completion Date and the Company has failed in an appeal to the Listing Appeals Committee of the Stock Exchange to reverse the decision;
- (2) an order has been made by the HK Court or the Cayman Court to wind-up the Company;
or
- (3) the Provisional Liquidators and the Investors agree in writing that the Restructuring Agreement shall be terminated;

In the event that the Restructuring Agreement is terminated automatically, (i) all claims from Creditors against the Company together with interest shall continue to remain due and payable by the Company; and (ii) the Provisional Liquidators will transfer to the Investors all amounts standing to the credit of the Working Capital Account and any unused amount of the Fee Advancement in the Cost Account, less any Costs.

Exclusivity and Escrow Agreement

The Parties hereby agree that the Exclusivity and Escrow Agreement will continue in full force and effect except to the extent that any of its terms are inconsistent with the terms of the Restructuring Agreement in which case the Restructuring Agreement will prevail, until the earlier of (i) the Completion Date; or (ii) termination of the Restructuring Agreement.

INFORMATION ON THE INVESTORS

The Investors are special purpose companies incorporated in the British Virgin Islands with limited liability, namely Integrated Asset Management (Asia) Limited and Business Giant Limited, for the purpose of implementing the Restructuring Proposal. Integrated Asset Management (Asia) Limited, is wholly and beneficially owned by Mr. Yam Tak Cheung whereas Business Giant Limited is wholly and beneficially owned by Mr. Leung Heung Ying, Alvin.

Mr. Yam Tak Cheung, aged 50, has over 17 years of experience in the management and operation of a private textile and knitting company of which he is a controlling shareholder. Mr. Yam is a professional Investors and, as at the date of this announcement, has investments in a number of companies including but not limited to Guojin Resources Holding Limited (stock code: 630) and Sustainable Forest Holdings Limited (stock code: 723), whose shares are listed on the Stock Exchange. He is not a director of any of the listed companies in which he has substantial investments. Mr. Yam was the chairman of Yan Oi Tong, one of the six largest charitable organizations in Hong Kong, in year 2007 and was awarded a Medal of Honour from the Hong Kong Government subsequently. Mr. Yam obtained a bachelor degree of Science from the University of Toronto majoring in computer in 1983.

Mr. Leung Heung Ying, Alvin aged 48, is the managing director and shareholder of Proton Capital Limited. He was the managing director of Artfield Group Limited (now known as International Resources Enterprise Limited) (Stock Code: 1229), formerly an industrial group with principal operations and manufacturing plants in the PRC, which principal activity was manufacturing, marketing and trading of clocks and timepieces, gift, premium and other office related products, lighting products and trading of metals with extensive sales network in the United Kingdom, Germany and the USA. He also acted as executive director, vice-chairman and deputy chief executive officer of Espco Technology Holdings Limited (now known as Grand T G Gold Holdings Limited) (Stock Code: 8299), which principal business was manufacturing, processing, sale and distribution of desktop personal computer components in the PRC, Hong Kong, Macau and Singapore and mining and exploration of gold in the PRC, and a non-executive director of Mexan Limited (Stock Code: 22).

Mr. Leung is a member of the Listing Committee of the Stock Exchange, a Fellow Member of the Institute of Chartered Accountants in England and Wales, and the Hong Kong Institute of Certified Public Accountant, a Standing Committee member of the Political Consultative Committee of Wu Hua County of Guangdong Province and an arbitrator of the Panel of Arbitrators of China International Economic and Trade Arbitration Commission. Mr. Leung is also a member of the Energy Advisory Committee and the Public Affairs Forum of the Hong Kong Government. Mr. Leung graduated from the University of Bradford, United Kingdom with a Bachelor Degree. He received a Master Degree from London School of Economics and Political Science of University of London, United Kingdom and a Bachelor Degree in Chinese Laws from the Peking University, the PRC.

INTENTION OF THE INVESTORS

The Investors intend to maintain the existing manufacturing and selling tinsplate cans business for the Group for a period of at least one year after resumption of trading of the Company's shares. The Investors do not have any intention to (i) inject any new assets or businesses into the Group or (ii) dispose of any of the material assets of the Group other than in the ordinary course of business. Following completion of the Restructuring Agreement, the Investors will conduct a further review on the business operations and financial position of the Group for the purpose of formulating appropriate business plans and strategies in order to enhance the long-term growth potential of the Group.

INVESTORS' DEALING AND INTEREST IN THE COMPANY'S SECURITIES

Save for entering into the Restructuring Agreement, none of the Investors, their respective ultimate beneficial owners and parties acting in concert with any of them has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into the Shares during the period commencing on the date falling six months prior to the date of the Restructuring Agreement and up to the date of this announcement. As at the date of this announcement, the Investors, their ultimate beneficial owners and parties acting in concert with any of them do not hold any Shares, warrants, options or convertible securities of the Company or any derivatives in respect of the securities of the Company.

There is no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Investors or the Company and which might be material to the transactions under the Restructuring Agreement which is subject to the Whitewash Waiver and neither the Investors, their ultimate beneficial owners and parties acting in concert with any of them has borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

There is no agreement or arrangement pursuant to which any of the Concert Group is a party which relates to circumstances which it may or may not invoke or seek to invoke a precondition or a condition to the Restructuring Agreement.

THE GROUP AND ITS SHAREHOLDING STRUCTURE

It is expected that upon completion of the Restructuring, the Group will consist of the Company, and its remaining wholly owned subsidiaries namely Bloxworth Enterprises Limited and 山西展鵬金屬製品有限公司 (Shanxi Zhanpen Metal Products Co., Ltd.*) which is principally engaging in the manufacturing and sale of tinsplate can in the PRC.

Assuming the Capital Reorganisation having been effective, the shareholding structures of the Company immediately before and after Completion are set out below:

	As at the date of this announcement		Upon completion of the Capital Reorganisation		After Capital Reorganisation, Bonus Issue and immediately following completion of the subscription of the Subscription Shares		(For illustrative purpose only) After Capital Reorganisation, Bonus Issue, immediately following completion of the subscription of the Subscription Shares, conversion of the Preference Shares and the Convertible Notes in full and exercise of the Options in full	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
The Investors								
New Shares issued pursuant to the subscription of Subscription Shares	-	-	-	-	230,000,000	73.43	230,000,000	22.16
New Shares issued upon conversion of Preference Shares in full	-	-	-	-	-	-	520,000,000	50.09
New Shares issued upon conversion of Convertible Notes in full	-	-	-	-	-	-	150,000,000	14.45
<i>Subtotal</i>	-	-	-	-	230,000,000	73.43	900,000,000	86.60
Existing Shareholders								
Fu Teng Global Limited (Note 1)	236,610,000	36.01	29,576,250	36.01	29,960,741	9.57	29,960,741	2.89
Existing public Shareholders	420,511,081	63.99	52,563,885	63.99	53,247,216	17.00	53,247,216	5.12
New Shareholders								
New Shares issued upon exercise of the Options in full	-	-	-	-	-	-	56,000,000	5.39
Total	657,121,081	100.00	82,140,135	100.00	313,207,957	100.00	1,039,207,957	100.00

* for identification purposes only

Notes:

1. Fu Teng Global Limited is a company wholly owned by Mr. Yang Zhongwang, the former Chairman and chief executive officer of the Company. The shareholding percentage of Fu Teng Global Limited in the Company will be diluted to less than 10% and Fu Teng Global Limited will become a public Shareholder immediately following the completion of the subscription of New Shares.
2. 56,000,000 Options will be granted to the Scheme Administrators for the benefit of Scheme Creditors for partial settlement of the indebtedness under the Schemes.

TAKEOVERS CODE IMPLICATIONS AND PROPOSED APPLICATION FOR WHITEWASH WAIVER

As at the date of the Restructuring Agreement, the Investors, their ultimate beneficial owners and parties acting in concert with any of them do not own any Shares.

Pursuant to the terms of the Restructuring Agreement, the Investors shall subscribe for the Subscription Shares, the Preference Shares and the Convertible Notes. The beneficial shareholding interest of the Investors (and parties acting in concert with them) in the Company will increase from nil to (a) 230,000,000 Subscription Shares, in case of completion of subscription of the Subscription Shares and the Bonus Shares, representing approximately 73.43% of the enlarged issued share capital of the Company; and (b) 900,000,000 New Shares in case of completion of subscription of the Subscription Shares, the Bonus Issue, the full conversion of the Preference Shares and the Convertible Notes and the full exercise of the Options, representing approximately 86.60% of the enlarged issued share capital of the Company.

As such, no matter under which circumstances described above, in the absence of the Whitewash Waiver, the Investors, their ultimate beneficial owners and parties acting in concert with any of them would be obliged to extend a mandatory general offer to all Shareholders under Rule 26 of the Takeovers Code. In this respect, the Investors, their ultimate beneficial owners and parties acting in concert with any of them will make an application to the Executive for the Whitewash Waiver, the grant of which by the Executive is a condition precedent to the Completion. The Whitewash Waiver, if granted, will be subject to, amongst other things, the approval by the Independent Shareholders in the EGM, who are not interested or involved in the Restructuring Agreement and the Whitewash Waiver. As there is no Shareholder who is interested or involved in the Restructuring Agreement and the Whitewash Waiver, no Shareholder will be abstained from voting in relation to the Whitewash Waiver.

GENERAL

The Company will convene the EGM for the purposes of considering, and if thought fit, approving, among other things, the Authorised Share Capital Increase, the Capital Reorganisation, the Subscription, the grant of Options, the Bonus Issue, the Whitewash Waiver and any other matters as required by law, the Listing Rules, the Takeovers Code, the Stock Exchange and/or the SFC, which are necessary to give effect to the Restructuring and any transactions contemplated under the Restructuring Agreement.

Fu Teng Global Limited is wholly owned by Mr. Yang Zhongwang, the former Chairman and chief executive officer of the Company. Neither of them has been involved in the discussion of the transactions contemplated under the Restructuring Agreement (including the Whitewash Waiver) and the Authorised Share Capital Increase. To the best of the knowledge, information available to and belief of the Provisional Liquidators as at the date of this announcement, none of the Shareholders, including Fu Teng Global Limited and Mr. Yang Zhongwang, has direct or indirect material interest (other than solely as a Shareholder) nor any involvement in the Authorised Share Capital Increase, the Capital Reorganisation, the Subscription, the grant of Options, the Bonus Issue and the Whitewash Waiver and accordingly no Shareholder is required to abstain from voting in respect of the resolutions to approve the Authorised Share Capital Increase, the Capital Reorganisation, the Subscription, the grant of Options, the Bonus Issue and the Whitewash Waiver at the EGM.

None of the Investors, their ultimate beneficial owners and parties acting in concert with any of them has received any irrevocable commitment to vote for or against the Resolutions as at the date of this announcement.

With the appointment of the Provisional Liquidators on 2 October 2009, the power of the existing Directors have ceased since then. As such, no independent board committee will be established to advise the Independent Shareholders on the Restructuring Agreement and the Whitewash Waiver. An independent financial adviser will be appointed to advise the Independent Shareholders on the Restructuring Agreement and the Whitewash Waiver, and the Company will issue a further announcement regarding such appointment in due course.

A circular containing, amongst other things, details of the Restructuring Agreement, the pro forma financial information of the Group upon Completion, a letter of advice from the independent financial advisor to the Independent Shareholders in relation to the Restructuring Agreement and the Whitewash Waiver and a notice convening the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the Takeovers Code and the Listing Rules.

The Investors will submit an application to the Executive for the Whitewash Waiver which if granted, would be subject to the approval of the Independent Shareholders on a vote by poll at the EGM.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

The transactions contemplated under the Restructuring Agreement are subject to the fulfillment of Conditions Precedent, and therefore may or may not materialize.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 28 April 2009. Until satisfaction of all the Resumption Conditions set by the Stock Exchange, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the Restructuring Agreement will be successfully implemented and completed or that the resumption of trading in the Shares or the Resumption Proposal has been or will be approved by the Stock Exchange.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings as set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Amend Articles Resolution”	the resolution to be considered by the Shareholders in the EGM to approve the amendments to the memorandum and articles of association of the Company (as amended from time to time) to facilitate the issuance of the Preference Shares
“Associate”	has the meaning ascribed to it in the Listing Rules
“Authorised Share Capital Increase”	the proposal to increase the authorised share capital of the Company from HK\$200,000,000 to HK\$250,000,000 conditional on the Capital Consolidation and Capital Reduction becoming effective
“Board”	the current board of Directors
“Bonus Issue”	the bonus issue of New Shares on the basis of 13 Bonus Shares for every 1,000 New Shares to those Qualifying Shareholders whose names appeared in the Register of Members of the Company on the Record Date
“Bonus Issue Resolution”	the resolution to be considered by the Shareholders to approve the Bonus Issue
“Bonus Shares”	those New Shares to be issued by the Company to the Qualifying Shareholders under the Bonus Issue
“Business Day”	a day (excluding a Saturday or a Sunday and a day on which a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which banks in Hong Kong are generally open for business
“Capital Consolidation”	proposed consolidation of every eight issued Shares into one Consolidated Share
“Capital Reduction”	proposed reduction of the nominal value of each Consolidated Share from HK\$0.80 to HK\$0.001 resulting in the existing paid up capital of the Company being reduced from approximately HK\$65,712,108 to HK\$82,140

“Capital Reorganisation Resolution”	the resolution to be considered by the Shareholders to approve the Capital Reorganisation
“Capital Reorganisation”	collectively, the proposed Capital Consolidation, Capital Reduction and Share Split
“Cash Consideration”	the sum of HK\$62,000,000
“Cayman Companies Law”	the Companies law (2010 Revision) of the Cayman Islands as amended from time to time
“Cayman Court”	the Grand Court of the Cayman Islands
“Cayman Scheme”	the proposed scheme of arrangement to be effected under section 86 of Cayman Companies Law between the Company and the Scheme Creditors, and sanctioned by the Cayman Court
“Certificate”	the certificates to be issued in respect of the Convertible Notes
“Company”	China Packaging Group Company Limited (Provisional Liquidators Appointed), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (Stock Code: 00572)
“Companies Ordinance”	Chapter 32 of the Laws of Hong Kong
“Completion”	the completion of the transactions contemplated under the Restructuring Agreement
“Completion Date”	a date falling within five Business Days following the Conditions Precedent being fulfilled (to the extent not waived by the Investors) or in such other date as the Parties shall agree
“Concert Group”	the Investors and parties acting in concert with any of them
“Conditions Precedent”	the conditions precedent set out in the Restructuring Agreement
“Consolidated Share(s)”	ordinary share(s) of HK\$0.80 each in the share capital of the Company immediately following and arising from the Capital Consolidation
“Convertible Notes”	the convertible loan notes in the aggregate principal amount of HK\$18,000,000 with 2% coupon rate, which is convertible into 150,000,000 Conversion Shares at a conversion price of HK\$0.12 per Conversion Share

“Conversion Share(s)”	the New Shares to be issued by the Company upon exercise by the holder(s) of the Convertible Notes of the conversion rights attached to the Convertible Notes
“Costs”	the costs and expenses of Restructuring
“Cost Account”	the bank account maintained by the Escrow Agent in the name of “FTI Consulting (Hong Kong) Limited – Clients Account” to hold money paid by the Investors under the Exclusivity and Escrow Agreement for the Fee Advancement
“Courts”	the HK Court and the Cayman Court
“Creditor”	any Person with a non-preferential claim (and only to the extent of the non-preferential portion if the Claim consists of both preferential and non-preferential parts) (whether asserted or not)
“Debt Restructuring”	proposed debt restructuring to be implemented by the Company to settle the debt, liability or obligation of the Company owed to the creditors together with interest accrued thereon until such cut-off date as may be agreed between the parties in a legally binding agreement and be effected under the Schemes
“Directors”	directors of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving, the Resolutions and any other transactions contemplated under the Restructuring Agreement
“Escrow Agent” or “FTI Consulting”	FTI Consulting (Hong Kong) Limited (formerly Ferrier Hodgson Limited), being the escrow agent appointed under the Exclusivity and Escrow Agreement
“Exchange Rate”	RMB1.00 : HK1.177 as at 31 December 2010
“Exclusivity and Escrow Agreement”	the legally-binding exclusivity and escrow agreement dated 28 December 2009 entered into between the Company, the Escrow Agent and Business Giant Limited, relating to the Restructuring (as amended by three supplemental agreements dated 25 November 2010, 24 December 2010 and 21 January 2011 respectively)
“Executive”	the executive director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Exercise Date”	any business day falling during the Option Period on which the Option is duly exercised before the close of business on such day by delivery of an Exercise Notice to the Issuer, where appropriate, together with a remittance for the Exercise Moneys provided that if an Exercise Notice is served during a period when the register of holders of Shares is closed, the “Exercise Date” shall be the next business day on which the register of holders of Shares is re-open
“Exercise Price”	the exercise price of HK\$0.15 per Option
“Exercise Moneys”	the aggregate amount of the relevant Option Price multiplied by the number of Option Shares exercised by the holder of the Options and payable by the holder of the Options to the Issuer upon the exercise of the Option;
“Exercise Notice”	the notice(s) to be served by the Scheme Administrators for the exercise of the Options during the Option Period
“Facility”	the facility to be made or procured to be made available by the Investors and/or their Associates to finance the working capital of the Group prior to Completion upon such terms and conditions as may be agreed between the Investors and the Provisional Liquidators
“Fee Advancement”	the fee advancement of HK\$17 million from the Investors to the Company to meet the costs and expenses in relation to the implementation of the restructuring of the Company
“Group”	the Company and its subsidiaries, namely Bloxworth Enterprises Limited and 山西展鵬金屬製品有限公司 (Shanxi Zhanpen Metal Products Co., Ltd.)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK Court”	the High Court of Hong Kong
“Hong Kong Scheme”	the proposed scheme of arrangement under section 166 of the Companies Ordinance between the Company and its creditors, with or subject to any modification thereof or addition thereto or condition to be imposed by the HK Court

“Independent Shareholder(s)”	Shareholder(s), other than (i) Mr. Yam Tak Cheung, Mr. Leung Heung Ying, Alvin and parties acting in concert with them; (ii) the Concert Group; and (iii) those who are involved in or interested in the Restructuring Agreement and the Whitewash Waiver, or such Shareholders who are not permitted by the Stock Exchange and the Executive (or the Takeovers and Mergers Panel of the SFC) to vote in relation to a particular resolution of the Company
“Independent Third Party(ies)”	any persons or company(ies) and their ultimate beneficial owners, to the best of the Provisional Liquidators’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Investors”	Integrated Asset Management (Asia) Limited and Business Giant Limited, both of them are companies incorporated in the British Virgin Islands with limited liability
“Last Trading Date”	28 April 2009, being the last trading day prior to the suspension of the trading of the Shares.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 February 2012 or such later date as agreed between the Parties
“New Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company following completion of the Capital Reorganisation
“Non-Core Subsidiaries”	the Company’s subsidiaries and associated companies which do not form part of its Restructuring Proposal
“Options”	those options to be granted under the Option Deed for the benefit of the Scheme Creditors pursuant to which the holders thereof will be entitled to subscribe for 56,000,000 New Shares
“Option Deed”	the deed for the granting of the Options (as amended, varied, modified, novated or supplemented in writing from time to time) to be entered into among the Parties

“Option Period”	means the period of one year commencing from the date of issue and expiring on the first anniversary of such commencement date provided that if the last day of such period falls on a non-Business Day, such period will expire on the Business Day immediately preceding such last day
“Option Resolution”	the resolution to be considered by the Shareholders to approve the Option
“Option Shares”	56,000,000 New Shares as may be subscribed by the Scheme Creditors pursuant to the terms of the Option Deed at the Exercise Price
“Parties”	the Investors, the Company, the Provisional Liquidators and the Escrow Agent; and any of them, a “Party”
“Person”	an individual, partnership, company, body corporate, joint stock company, trust, unincorporated association or body of persons (including a partnership or consortium), joint venture or other entity, or a government or any political subdivision or agency thereof
“Petitions”	the winding-up petition served on the Company by Deutsche Bank Aktiengesellschaft on 8 July 2009 in Hong Kong and the winding-up petition of the Company dated 5 February 2010 in Cayman Islands
“PRC”	The People’s Republic of China
“Preference Shares”	520,000,000 preference shares of par value HK\$0.001 each
“Provisional Liquidators”	Mr. Fok Hei Yu and Mr. Roderick John Sutton of FTI Consulting, in their capacity as joint and several provisional liquidators of the Company, who act without personal liability
“Put Option”	the option which entitle the holders of the Options, acting through the Scheme Administrators, the rights, but not the obligation, to require the purchase of the Option by the Investors at the Put Option Price, upon and subject to the terms and conditions contained in the Put Option Deed
“Put Option Deed”	the deed for the granting of Put Options (as amended, varied, modified, novated or supplemented in writing from time to time)
“Put Option Exercise Notice”	the written notice to be given by the Scheme Administrators to the Investors to exercise the Put Option

“Put Option Price”	the purchase price of HK\$0.02 per Option to be paid by the Investors when Put Option is exercised
“Qualifying Shareholders”	holders of Shares whose names appear on the Register of Members on the Record Date
“Record Date”	date of the EGM, being the date of reference to which entitlements to the Bonus Issue are to be determined by in any event before Completion
“Register of Members”	the principal or branch register of members of the Company maintained in the Cayman Islands or Hong Kong respectively
“Relevant Ratio”	the ratio of 70% to 30% between Integrated Asset Management (Asia) Limited and Business Giant Limited
“Resolutions”	<p>the resolutions to be considered by the Shareholders (or, where applicable, the Independent Shareholders) for the purpose of giving effect to the transactions contemplated under the Restructuring Agreement and comply with the Listing Rules and the Takeovers Code and, including:</p> <ol style="list-style-type: none"> (1) the Capital Reorganisation Resolution; (2) the Subscription Resolution; (3) the Option Resolution; (4) the Bonus Issue Resolution; (5) the Amend Articles Resolution; and (6) the Whitewash Waiver Resolution; <p>but does not include any resolutions to be put before the Scheme Meeting</p>
“Restructuring”	restructuring of the business, debts and liabilities, capital structure and share capital of the Company, or its subsidiaries, associated companies or other entities in which the Company holds an interest and which shall include Capital Reorganisation, the Subscription, the Bonus Issue, the Whitewash Waiver and implementation of the Schemes
“Restructuring Agreement”	the restructuring agreement dated 17 June 2011 entered into between the Parties in relation to the Restructuring (as may be amended or supplemented from time to time)
“Restructuring Proposal”	a proposal setting out the agreements or arrangement proposed or contemplated by the Group and the Investors for the purpose of implementing the Restructuring

“Resumption Conditions”	Conditions set out in the Stock Exchange’s letter to the Company dated 26 May 2011 for the resumption of trading in the Shares
“Schemes”	proposed Hong Kong Scheme and/or the Cayman Scheme
“Scheme Administrators”	Fok Hei Yu and Roderick John Sutton acting jointly and severally or their successors appointed pursuant to the Schemes
“Scheme Creditors”	any Creditor with an admitted claims
“Scheme Documents”	the document to be sent to the Creditors with the approval of the Courts which includes, inter alia, an explanatory statement of the Schemes
“Scheme Meeting”	the meeting of the Scheme Creditors to sanction the Schemes
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation
“Share Split”	proposed subdivision of the authorised unissued share capital, pursuant to which the authorised unissued share capital in the Company of HK\$134,287,891 is comprised of 134,287,891,900 authorised unissued shares, each with a nominal value of HK\$0.001
“Sino Gather”	Sino Gather Limited, a company incorporated in Hong Kong, controlled by one of the Scheme Administrators for the furtherance of the Restructuring Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares, the Preference Shares and the Convertible Notes by the Investors pursuant to the Restructuring Agreement
“Subscription Resolution”	the resolution to be considered by the Shareholders in the EGM to approve the Subscription
“Subscription Shares”	230,000,000 New Shares to be subscribed by the Investors
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Whitewash Waiver”	a waiver by the Executive pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code from the obligation of the Investors and parties acting in concert with any of them to make a general mandatory offer for all the New Shares not already owned or agreed to be acquired by them upon completion of the Restructuring
“Whitewash Waiver Resolution”	the resolution to be considered by the Independent Shareholders in the EGM to approve the Whitewash Waiver
“Working Capital Account”	the bank account maintained by the Escrow Agent to hold money paid by the Investors under the Exclusivity and Escrow Agreement for the working capital of the Group, if any
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

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, 4 July 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.

The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of the Investors, namely Mr. Yam Tak Cheung and Mr. Leung Heung Ying, Alvin, accept full responsibility for the accuracy of the information contained in this announcement other than that relating to the Company and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.