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 2011

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 period ended 30 June 2011 together with comparative figures for the six months period ended 30 June 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months period ended 30 June 2011

		Six months ended 30 June	
		2011	2010
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Turnover	*4*	**63,529**	58,108
Costs of sales		**(51,852)**	(48,333)
Gross profit		**11,677**	9,775
Other income		**2,074**	33
Restructuring costs and expenses		**(2,745)**	(3,112)
Selling expenses		**(2,983)**	(2,638)
Miscellaneous expenses		**(58)**	–
Administrative expenses		**(704)**	(401)
Profit from operations		**7,261**	3,657
Finance costs	*8*	**(3,326)**	(407)
Profit before tax	*5*	**3,935**	3,250
Income tax expense	*6*	**(2,035)**	(1,717)
Profit and total comprehensive income for the period attributable to equity holders of the Company		**1,900**	1,533
Dividend recognised as distribution during the period	*7*	**–**	–
Earnings per share – Basic	*9*	**RMB0.0029**	RMB0.0023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2011

	Notes	**30 June 2011 RMB'000 (Unaudited)**	31 December 2010 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*10*	**59,726**	64,247
Current assets			
Inventories		**5,651**	3,173
Trade and other receivables	*11*	**55,474**	48,825
Deposit paid for acquisition of plant and machinery		**2,600**	–
Escrow money	*12*	**2,514**	888
Bank balances and cash		**1,557**	2,649
		67,796	55,535
Current liabilities			
Trade and other payables	*13*	**(13,355)**	(13,490)
Tax payable		**(4,446)**	(4,303)
Bank borrowings		**(62,298)**	(61,146)
Other borrowings		**(49,308)**	(48,626)
Provision for bank loans guarantee for a deconsolidated subsidiary		**(29,000)**	(29,000)
Amount due to an investor		**(389)**	(265)
Loan from an investor		**(9,514)**	(5,078)
Other financial liabilities		**(67,013)**	(67,575)
		(235,323)	(229,483)
Net current liabilities		**(167,527)**	(173,948)
Non-current liabilities			
Deferred tax liabilities		**(1,213)**	(1,213)
Net liabilities		**(109,014)**	(110,914)
Capital and reserves			
Share capital		**67,399**	67,399
Reserves		**(176,413)**	(178,313)
Deficit attributable to equity holders of the Company		**(109,014)**	(110,914)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Share capital *RMB'000*	Share premium *RMB'000* *(Note 19(b))*	Share option reserve *RMB'000*	Surplus reserve fund *RMB'000* *(Note 19(a))*	Retained profits (Accumulated losses) *RMB'000*	Total *RMB'000*
At 1 January 2011	67,399	215,765	938	9,222	(404,238)	(110,914)
Total comprehensive income for the period	–	–	–	–	1,900	1,900
At 30 June 2011 (unaudited)	67,399	215,765	938	9,222	(402,338)	(109,014)
At 1 January 2010	67,399	215,765	13,699	9,222	(426,246)	(120,161)
Total comprehensive income for the period	–	–	–	–	1,533	1,533
Lapse of share options	–	–	(800)	–	800	–
At 30 June 2010 (unaudited)	67,399	215,765	12,899	9,222	(423,913)	(118,628)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2011

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 its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is 22/F, The Center, 99 Queen's Road Central, 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 Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are principally engaged in the manufacture and sale of tinplate cans for the packaging of beverage in Shanxi, the People's Republic of China (the "**PRC**").

The consolidated financial statements are presented in RMB, unless otherwise stated.

2. BASIS OF PRESENTATION

This unaudited condensed consolidated interim 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 requirements of Appendix 16 to 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 2010 (the "**2010 Annual Report**"). These condensed consolidated interim financial statements do not included all the information and disclosure required for an annual financial statement and should be read in conjunction with the 2010 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 2011, the Group had unaudited net current liabilities of approximately RMB167,527,000 (31 December 2010: RMB173,948,000) and unaudited net liabilities of RMB109,014,000 (31 December 2010: RMB110,914,000). 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 8 July 2009, Deutsche Bank Aktiengesellschaft presented a winding up petition against the Company on the grounds that the Company was insolvent and unable to pay its debts as they fell due. On 2 October 2009, pursuant to the application of one of the Company's major creditors, DBS Bank (Hong Kong) Limited, Mr. Roderick John Sutton and Mr. Fok Hei Yu were appointed Provisional Liquidators to 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 announcement and the condensed consolidated interim financial statements for the six months ended 30 June 2011 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 interim financial statements for the six months ended 30 June 2011 based on the book and records made available to the Provisional Liquidators.

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

The Company is in the first stage of the delisting procedures in accordance with Practice Note 17 to 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:

(i) 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;

(ii) publish all outstanding financial results and address any concerns that may be raised by the auditors;

(iii) 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;

(iv) 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; and

(v) 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 by 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 ("**BGL**") (which was subsequently joined by Integrated Asset Management (Asia) Limited) ("**IAM**") 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 (Hong Kong) Limited (the "**Escrow Agent**") and BGL (the "**Escrow Agreement**"). Pursuant to the Escrow Agreement, the Provisional Liquidators granted BGL an exclusive right up to 27 December 2010 (the "**Exclusivity Period**") 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 BGL entered into a supplemental agreement to extend the Exclusivity Period to 24-month 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. By a letter dated 26 May 2011, the Stock Exchange informed the Company that the Stock Exchange allows trading resumption if the Company fulfils the following conditions by 31 December 2011:

(1) completion of the bonus issue, subscription 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.

On 17 June 2011, the Company, the Provisional Liquidators, BGL and IAM (collectively "**the Investors**") and the Escrow Agent entered into an agreement (the "**Restructuring Agreement**") which provides for, inter alia, the proposed capital reorganisation, the proposed subscription of new shares, preference shares and convertible notes, the proposed grant of creditors' options, the proposed bonus issue, the proposed implementation of the schemes of arrangement in Hong Kong and the Cayman Islands (collectively referred to 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.

The unaudited condensed consolidated interim 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 interim 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. The effect of these adjustments has not been reflected in the unaudited condensed consolidated interim financial statements.

2.2 Deconsolidation of subsidiaries

On 5 October 2009, the Company's then wholly-owned subsidiary, Bloxworth Enterprises (HK) Limited ("**Bloxworth HK**"), which wholly owns Fujian Fuwang Metal Products Company Limited (福建福旺金屬製品有限公司) ("**Fuwang**"), was placed into creditors' voluntary liquidation pursuant to section 228A of 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 (Hong Kong) Limited, were appointed as joint and several liquidators of Bloxworth HK.

On 23 March 2010, the Provisional Liquidators on behalf of the Company and Sino Gather Limited ("**Sino Gather**") (a special purpose vehicle controlled by Mr. Fok Hei Yu, one of the Provisional Liquidators) entered into a sale and purchase agreement where Sino Gather agreed to acquire and the Provisional Liquidators (on behalf of the Company) agreed to sell the entire share capital of Chinawinner Enterprises Limited ("**Chinawinner BVI**"), Chinawinner Enterprises (HK) Limited ("**Chinawinner HK**") and Rich Victory Development Limited ("**Rich Victory**"), at a nominal consideration of HK$3 in aggregate. Chinawinner BVI is the holding company of Sichuan Zhanwang Metal Products Company Limited (四川省展旺金屬製品有限公司) ("**Zhanwang**"). The disposal of Chinawinner BVI, Chinawinner HK, Rich Victory and Zhanwang (collectively referred to as the "**Disposed Group**") is primarily in furtherance of the Group's restructuring. Upon the signing of the sale and purchase agreement on 23 March 2010, the disposal has been taken effect simultaneously on the same day.

The Provisional Liquidators are of the view that since the control over Bloxworth HK, Fuwang and the Disposed Group had been lost, the corresponding results and assets and liabilities should not be consolidated to the consolidated financial statements of the Group since 1 January 2008. The condensed consolidated interim financial statements as at and for the six months ended 30 June 2011 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 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 2011 and the relevant disclosures.

3. APPLICATION OF NEW AND REVISED HKFRSs

Principal Accounting Policies

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at their fair values.

The accounting policies used in these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2010.

In the current interim period, the Group has applied the following new and revised standards, amendments and interpretations ("**new and revised HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK (IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

4. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the net amounts received and receivable for goods sold during the period.

The management has been identified as the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the management that are used to make strategic decisions.

The management assesses the performance of the Group's manufacture and sale of tinplate cans packaging business from both geographic and product perspectives. Geographically, management considers the Group's business is primarily operated in the PRC and the Group's revenue from external customers is derived solely from the manufacture and sale of tinplate cans packaging in the PRC. All of the Group's business activities are included in a single reportable segment in accordance with HKFRS 8 "Operating segments". As such, no segment information is presented.

Revenue from customers for the six months period ended 30 June 2011 contributing over 10% of the total revenue of the Group as follows:

Customers	**Revenue generated from**	**30 June 2011** *RMB'000*
A	Sale of tinplate cans	9,078
B	Sale of tinplate cans	8,917
C	Sale of tinplate cans	7,413
D	Sale of tinplate cans	7,098
E	Sale of tinplate cans	6,971

5. PROFIT BEFORE TAX

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories recognized as an expense	**51,852**	48,333
Depreciation of property, plant and equipment	**3,697**	3,121
Minimum lease payments in respect of:		
– 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

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
Current taxation		
– PRC Enterprise Income Tax ("**EIT**")	**2,035**	1,717
Deferred taxation		
– Mainland China withholding Tax	**–**	–
	2,035	1,717

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profit in Hong Kong.

PRC EIT is calculated at the rates prevailing in relevant districts of the PRC.

10% withholding tax levied to dividends declared to foreign investors have not been provided in the condensed consolidated interim financial statements.

7. DIVIDEND

The Company did not declare final dividend for the year ended 31 December 2010 and interim dividend for the period ended 30 June 2011 to its shareholders.

8. FINANCE COSTS

	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interests on:		
Bank loans wholly repayable within five years	**1,821**	–
Other borrowings wholly repayable within five years	**1,215**	407
Other financial liabilities	**290**	–
	3,326	407

The Investors and the Provisional Liquidators anticipate all existing liabilities owed to the creditors of the Company, including the finance costs, will be compromised and discharged through the Schemes upon completion of the Restructuring Agreement.

9. EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period for the purposes of basic earnings per share	**1,900**	1,533

	Six months ended 30 June	
	2011	2010
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**657,121,081**	657,121,081

(b) Diluted

Trading in the shares of the Company was suspended since 28 April 2009 and no information of the average market price per share for the period is available. As the exercise price of the options is higher than the market price for shares immediately before the suspension of trading in the Company's shares, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options.

10. PROPERTY, PLANT AND EQUIPMENT

During the current period the Group did not acquire any property, plant and equipment (six months ended 30 June 2010: Nil).

11. TRADE AND OTHER RECEIVABLES

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**54,388**	46,857
Other receivables, deposits and prepayments	**1,086**	1,968
	55,474	48,825

The Group generally allows an average credit period of 120 days to its customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 30 days	**14,251**	10,869
31 – 60 days	**13,467**	13,185
61 – 90 days	**12,302**	12,655
91 – 120 days	**8,638**	10,148
More than 120 days	**5,730**	–
	54,388	46,857

Aged analysis of trade receivables which are not impaired is as follows:

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Neither past due nor impaired	**48,658**	46,857
Past due but not impaired	**5,730**	–
	54,388	46,857

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. No impairment is required for the past due balances based on the historical payment records and continuing subsequent settlement.

12. ESCROW MONEY

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Professional fees	**2,514**	888

On 28 December 2009, the Provisional Liquidators, on behalf of the Company, and the Escrow Agent entered into an exclusivity and escrow agreement with BGL (which was subsequently joined by IAM). The said agreement granted BGL 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 BGL entered into a supplemental agreement to extend the Exclusivity Period to 24-month up to 27 December 2011.

Up to the date of this announcement, in addition to the working capital to the Group as advanced by the Investors, the Investors have advanced a total sum of HK$11.3 million to the Company to meet the costs and expenses in relation to the implementation of the restructuring of the Company.

The balances of escrow money and loan from an investor are denominated in HK$.

13. TRADE AND OTHER PAYABLES

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**7,965**	8,052
Receipt in advance, other payables and accrued charges	**5,390**	5,438
	13,355	13,490

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

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	30 June 2011 *RMB'000* **(Unaudited)**	31 December 2010 *RMB'000* (Audited)
0 – 30 days	**7,965**	8,052

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all trade payables would be settled within the credit timeframe.

14. RELATED PARTY TRANSACTIONS

The Provisional Liquidators make no representation as to the completeness and accuracy of the related party transactions, connected transactions and continuing connected transactions entered into by the Group as defined under HKAS 24 and the Listing Rules for the period ended 30 June 2011.

15. CONTINGENT LIABILITIES

The Provisional Liquidators make no representation as to the completeness and accuracy of the contingent liabilities for the six months ended 30 June 2011.

BUSINESS REVIEW

To the best knowledge and information of the Provisional Liquidators 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 2011, there was a continuous recovery of the Group's business and its turnover was approximately RMB63.53 million (six months ended 30 June 2010: RMB58.11 million), representing an increase of approximately 9.33% as compared to the corresponding period of last year. The consolidated profit attributable to equity holders of the Company amounted to approximately RMB1.90 million for the six months ended 30 June 2011 (six months ended 30 June 2010: profit of RMB1.53 million). Basic earnings per share was approximately RMB0.0029 for the six months ended 30 June 2011 (six months ended 30 June 2010: earnings per share RMB0.0023), representing an increase of approximately 26.09% as compared to the corresponding period of last year. No dividend is declared by the Company for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

RESTRUCTURING OF THE GROUP

On 28 December 2009, the Provisional Liquidators, on behalf of the Company, and the Escrow Agent entered into an exclusivity and escrow agreement with BGL (which was subsequently joined by IAM). The said agreement granted BGL 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 BGL entered into a supplemental agreement to extend the Exclusivity Period to 24-month up to 27 December 2011.

Up to the date of this announcement, in addition to the working capital to the Group as advanced by the Investors, the Investors have advanced a total sum of HK$11.3 million to the Company to meet the costs and expenses in relation to the implementation of the restructuring of the Company.

On 26 May 2011. the Company was informed by the Stock Exchange that trading resumption is allowed if the Company fulfils the following conditions by 31 December 2011:

(1) completion of the bonus issue, subscription 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.

On 17 June 2011, the Company, the Provisional Liquidators, the Investors and the Escrow Agent entered into the Restructuring Agreement which provides for, inter alia, the proposed capital reorganisation, the proposed subscription of new shares, preference shares and convertible notes, the proposed grant of creditors' 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.

The Company, the Provisional Liquidators and the Investors are now taking appropriate steps to implement the transactions contemplated under the resumption proposal and Restructuring Agreement and fulfill the above resumption conditions as set by the Stock Exchange.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon (i) the successful implementation of the Restructuring Agreement (ii) resumption of trading in the shares of the Company on the Stock Exchange. The Investors 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 the Schemes 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 山西展鵬金屬製品有限公司 (Shanxi Zhanpen Metel Products Co., Ltd.), an indirect wholly owned subsidiary of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

As at 30 June 2011, the directors of the Company have not yet adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct governing securities transactions for directors (the "**Model Code**"). However, the Company will, as soon as practicable, adopt such code of conduct on terms not less stringent than those in the required standard set out in the Model Code to be complied by all directors of the Company.

For the six months ended 30 June 2011, the Company was not aware of any non-compliance of the standards on securities transactions by directors of the Company as set out in the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

To the best knowledge and information of the Provisional Liquidators, neither 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 2011.

INTERIM DIVIDEND

There will not be a payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

AUDIT COMMITTEE

Following the resignations of the majority of the Company's independent non-executive directors in March, July and October 2009, up to date of this announcement, there has been no replacement of members at the audit committee. No functional audit committee is therefore maintained as required by Rule 3.21 of the Listing Rules. As a result, the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2011 have not been reviewed by the audit committee.

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 2011.

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.

SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended since 28 April 2009 and will remain suspended until further notice.

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, 30 August 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.