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**中國包裝集團有限公司**  
**China Packaging Group Company Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**

**SUBSCRIPTION OF NEW SHARES**  
**UNDER GENERAL MANDATE**

On 9 April 2013 after the trading hours of the Stock Exchange, the Company entered into the Subscription Agreement with the Subscriber, whereby the Company conditionally agreed to allot and issue and the Subscriber conditionally agreed to subscribe for 60,000,000 new Shares, at the Subscription Price of HK\$0.55 per new Share. The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate. The Subscription Shares representing approximately 15.13% of the existing issued share capital of the Company and approximately 13.14% of the issued share capital of the Company as enlarged by the Subscription Shares only.

**THE SUBSCRIPTION AGREEMENT**

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**Subscriber**

The Subscriber is an entrepreneur. The Subscriber is a third party independent of the Company and its connected persons.

**Subscription Price**

The Subscription Price is HK\$0.55 per Subscription Share which was arrived at after arm's length negotiations and on commercial terms between the Company and the Subscriber with reference to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.5739 for the past 50 trading days up to and including 9 April 2013 (the "50-day Average Closing Price"). The Subscription Price of HK\$0.55 per Subscription Share represents a discount of approximately 4.16% to the 50-day Average Closing Price.

The net issue price of each Subscription Share is approximately HK\$0.5478.

The Subscription Price represents (i) a discount of approximately 14.06% to the closing price of HK\$0.6400 per Share as quoted on the Stock Exchange on 9 April 2013, being the date of the Subscription Agreement; (ii) a discount of approximately 18.40% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.6740 for the past 5 trading days up to and including on 9 April 2013; and (iii) a discount of approximately 23.61% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.7200 for the past 10 trading days up to and including on 9 April 2013.

### **The Subscription Shares**

Pursuant to the Subscription Agreement, the Company conditionally agreed to allot 60,000,000 new Shares, representing approximately 15.13% of the existing issued share capital of the Company and approximately 13.14% of the issued share capital of the Company as enlarged by the Subscription Shares only.

The Subscription Shares, when issued, will rank pari passu in all respects with all existing Shares on Completion.

### **Condition of the Subscription Agreement**

Completion is conditional upon the Stock Exchange granting the listing of and permission to deal in, the Subscription Shares on or before the Long Stop Date or such other date as the Company and the Subscriber shall mutually agree in writing. Otherwise, the Subscription Agreement will in fact cease and determine and none of the Company and the Subscriber shall have any claim against the others for costs, damages, compensation or otherwise, save for any claim from antecedent breach of the terms under the Subscription Agreement.

### **Completion**

Completion shall take place on any date within five (5) Business Days after the fulfilment of the aforesaid condition, or at such other time and date as the Company and the Subscriber may agree upon.

### **Lock-up period**

The Subscriber has undertaken to the Company that it will not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Subscription Shares prior to the date falling six (6) months from the Completion Date.

### **CHANGES IN SHARE CAPITAL AND SHAREHOLDING STRUCTURE**

On 9 April 2013, the Company has received a notification from Able Success for the conversion of 364,000,000 Preference Shares to 364,000,000 Shares (the “**Conversion Shares**”). Such Conversion Shares will be allotted before Completion.

The share capital and shareholding structure of the Company as at the date of this announcement, completion of the allotment of the Conversion Shares and immediately after Completion are as follows:

Shareholders	As at the date of this announcement		After allotment of the Conversion Shares		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
Able Success ( <i>note 1</i> )	201,131,644	50.71%	565,131,644	74.29%	565,131,644	68.86%
The Subscriber	-	-	-	-	60,000,000	7.31%
Leung Heung Ying and his associates ( <i>note 2</i> )	59,320,000	14.95%	59,320,000	7.80%	59,320,000	7.23%
Other Shareholders	136,211,022	34.34%	136,211,022	17.91%	136,211,022	16.60%
Total	<u>396,662,666</u>	<u>100.00%</u>	<u>760,662,666</u>	<u>100.00%</u>	<u>820,662,666</u>	<u>100.00%</u>

*Notes:*

- (1) The entire issued share capital of Able Success is beneficially owned by Mr. He Jianhong, executive Director and chairman of the Company. Mr. He Jianhong is therefore deemed to be interested in the Shares held by Able Success under the Securities and Futures Ordinance.
- (2) Such Shares are owned by Mr. Leung Heung Ying personally and his wholly owned companies, Business Giant Limited and Market Giant Investments Limited.

## **REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS**

The Directors consider that the Subscription represents an opportunity to raise additional capital for the Group and to strengthen the financial position of the Company. The gross and net proceeds of the Subscription will be approximately HK\$33.00 million and approximately HK\$32.87 million respectively. The Company intends to apply the net proceeds as general working capital.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the Subscription Shares.

## **ISSUE OF THE SUBSCRIPTION SHARES PURSUANT TO GENERAL MANDATE**

The Subscription Shares represents approximately 18.43% of the total issued share capital of the Company as at the date of the Company's annual general meeting of 26 June 2012, in which a general mandate for the issue of additional new Shares had been granted to the Directors (the "**General Mandate**"). The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate.

## **FUND RAISING ACTIVITIES FOR THE PAST 12 MONTHS**

The Company has not conducted any fund raising activities for the past 12 months immediately before the date of this announcement:

### **GENERAL**

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

### **DEFINITIONS**

“Able Success”	Able Success Asia Limited, the existing controlling shareholder of the Company which is a company wholly owned by Mr. He Jianhong, executive Director and Chairman of the Company;
“associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	means a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general business;
“Completion”	completion of the Subscription pursuant to the Subscription Agreement;
“Company”	China Packaging Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange;
“connected persons”	has the same meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	30 August 2013, being the long stop date of the Subscription Agreement;

“PRC”	The People’s Republic of China;
“Share(s)”	ordinary share(s) of HK\$0.001 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Shim Hing Choi;
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement at the Subscription Price;
“Subscription Agreement”	the conditional Subscription Agreement dated 9 April 2013 entered into between the Company and the Subscriber in relation to the Subscription subject to the terms and conditions contained therein;
“Subscription Price”	HK\$0.55 per Subscription Share;
“Subscription Share(s)”	60,000,000 new Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement upon Completion;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“%”	per cent.

For and on behalf of  
**China Packaging Group Company Limited**  
**He Jianhong**  
*Chairman*

Hong Kong, 9 April 2013

*As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. He Jianhong (Chairman) and Mr. Zhang Zhantao; and (ii) three independent non-executive Directors, namely Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Chan Yee Por Simon.*