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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)

**EXCLUSIVITY AND ESCROW AGREEMENT
IN RELATION TO THE PROPOSED RESTRUCTURING OF
CHINA PACKAGING GROUP COMPANY LIMITED
(PROVISIONAL LIQUIDATORS APPOINTED)**

The Company, acting by the Provisional Liquidators, and Ferrier Hodgson Limited as escrow agent entered into the Exclusivity and Escrow Agreement with the Investor on 28 December 2009 in relation to the Proposed Restructuring. The Investor will pay an initial deposit of HK\$5 million in cleared funds within next three business days after signing of the Exclusivity and Escrow Agreement to the Escrow Agent to cover part of the costs of the Provisional Liquidators and their professional parties for the Proposed Restructuring.

The Investor has submitted the Restructuring Proposal for the restructuring of the Group to the Provisional Liquidators.

Since the Proposed Restructuring is subject to the parties agreeing to the terms of, and the entering into, of the Restructuring Agreement and the fulfilment of the other conditions as may be incorporated therein, the transactions contemplated under the Proposed Restructuring may or may not proceed. Accordingly, there is no assurance that the Restructuring Agreement will be entered into and that all the conditions precedents as may be contained in the Restructuring Agreement can be satisfied. Further announcement will be made if and when any major development relating to the Proposed Restructuring occurs.

Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 28 April 2009 and will remain suspended until further announcement.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

EXCLUSIVITY AND ESCROW AGREEMENT DATED 28 DECEMBER 2009

Parties

- The Investor : Business Giant Limited, a company incorporated in British Virgin Islands with limited liability and an investment holding company
- The Company : Fok Hei Yu and Roderick John Sutton in their capacity as the Provisional Liquidators of China Packaging Group Company Limited, a company incorporated in the Cayman Islands with limited liability
- The Escrow Agent : Ferrier Hodgson Limited, a company incorporated in Hong Kong with limited liability

To the best of the Provisional Liquidators' knowledge, information and belief having made all reasonable enquiries, the Investor and its beneficial owners are independent third parties not connected with the Company and connected persons of the Company (as defined under the Listing Rules).

Background

On 2 October 2009, the High Court of Hong Kong granted an Order to appoint the Provisional Liquidators to act as provisional liquidators to the Company under an application made by DBS Bank (Hong Kong) Limited.

The Investor has submitted the Restructuring Proposal for the restructuring of the Group to the Provisional Liquidators.

Exclusivity

The Exclusivity and Escrow Agreement shall be effective only on and from the Effective Date. From the Effective Date until the Termination Date, the Provisional Liquidators or their agents and representatives acting on their behalf, if any, will not negotiate, enter into or continue any memorandum, letter of intent or binding commitment (whether on a conditional or unconditional basis) with any other party for the restructuring of the outstanding indebtedness and/or share capital and/or assets of any member of the Group, save for those solely in respect of the Non-Core Subsidiaries.

Fee Advancement

The Investor will pay an initial deposit of HK\$5 million in cleared funds within next three business days after signing of the Exclusivity and Escrow Agreement to the Escrow Agent to cover part of the costs of the Provisional Liquidators and their professional parties for the Proposed Restructuring.

On the Termination Date, the Provisional Liquidators will instruct the Escrow Agent to refund the unused balance of the Fee Advancement (if any) to the Investor within the next three business days thereafter.

The Investor acknowledges and agrees that any used amount of the Fee Advancement is not refundable in any circumstance.

In the event that Exclusivity and Escrow Agreement is terminated or no Restructuring Agreement is reached within the period of twelve months after the Effective Date, the Investor and the Provisional Liquidators agree that the Fee Advancement which has been used, will rank pari passu with all of the Company's existing debts and liabilities as at the date of the Exclusivity and Escrow Agreement in all respects.

Termination

The Exclusivity and Escrow Agreement shall terminate and be of no further effect on the occurrence of the earliest of certain events, including but not limited to the following:

- (a) if the Investor has failed to pay the Fee Advancement by instalments within the time frame set out therein and written notice to that effect has been given by the Provisional Liquidators to the Investor;

- (b) the date of signing of the Restructuring Agreement; or
- (c) the date falling the expiry of twelve months after the Effective Date;

unless extended by mutual agreement between the Investor and the Provisional Liquidators provided that certain clauses shall survive and remain valid and binding notwithstanding termination of the Exclusivity and Escrow Agreement.

REASONS FOR AND BENEFITS OF THE RESTRUCTURING

Trading in the Shares on the Stock Exchange has been suspended since 9:30 a.m. on 28 April 2009. A winding-up petition was presented against the Company on 8 July 2009 by Deutsche Bank. On 2 October 2009, the High Court of Hong Kong granted an Order to appoint the Provisional Liquidators to act as provisional liquidators to the Company under an application made by DBS Bank (Hong Kong) Limited.

The Investor proposes to participate in the Proposed Restructuring. Having regard to the nature of and the benefits resulting from the Investor's participation in the Proposed Restructuring, the Provisional Liquidators believe that the terms and conditions in the Exclusivity and Escrow Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The principal business activity of the Company is investment holding. The principal business activities of its subsidiaries include the manufacturing and sales of tinsplate cans for the packaging of foods and beverages in the PRC and the provision of tinsplate lacquering and painting services.

Since the Proposed Restructuring is subject to the parties agreeing to the terms of, and the entering into, of the Restructuring Agreement and the fulfilment of the other conditions as may be incorporated therein, the transactions contemplated under the Proposed Restructuring may or may not proceed. Accordingly, there is no assurance that the Restructuring Agreement will be entered into and that all the conditions precedents as may be contained in the Restructuring Agreement can be satisfied. Further announcement will be made if and when any major development relating to the Proposed Restructuring occurs.

Investors and shareholders of the Company are advised to exercise caution in dealing with the Shares.

Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 28 April 2009 and will remain suspended until further announcement.

DEFINITIONS

“Board”	the board of directors
“business day”	means any day (other than a Saturday or Sunday or public holidays 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 licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	China Packaging Group Company Limited (Provisional Liquidators appointed), an exempt company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Effective Date”	the date on which the Provisional Liquidators have received confirmation from the Escrow Agent of the receipt by it (in cleared funds) of the initial Fee Advancement for HK\$5,000,000
“Escrow Agent”	Ferrier Hodgson Limited, a company incorporated in Hong Kong with limited liability
“Exclusivity and Escrow Agreement”	the legally-binding exclusivity and escrow agreement dated 28 December 2009 entered into between the Company, the Escrow Agent and the Investor, relating to the Proposed Restructuring

“Fee Advancement”	an advancement toward the Provisional Liquidators’ and their advisers’ costs and expenses incurred in relation to the implementation of the Restructuring Proposal
“Group”	the Company and its subsidiaries (excluding the Non-Core Subsidiaries) and its associated companies (if any)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investor”	Business Giant Limited, a company incorporated in British Virgin Islands with limited liability and an investment holding company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Core Subsidiaries”	the Company’s subsidiaries and associated companies which do not form part of its Restructuring Proposal
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Restructuring”	the restructuring of the Group proposed by the Investor
“Provisional Liquidators”	Fok Hei Yu and Roderick John Sutton in their capacity as Joint and Several Provisional Liquidators
“Restructuring Agreement”	a legally binding agreement for the implementation of the Restructuring Proposal to be entered into by the Investor and the Company

“Restructuring Proposal”	a proposal submitted by the Investor to the Provisional Liquidators for the Proposed Restructuring
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Date”	the date on which Exclusivity and Escrow Agreement terminates in accordance with the terms set out in the section headed “Termination” in this announcement
“HK\$”	Hong Kong dollars

For and on behalf of
CHINA PACKAGING GROUP COMPANY LIMITED
 (Provisional Liquidators Appointed)
Fok Hei Yu and Roderick John Sutton
Joint and Several Provisional Liquidators
acting as agents for and on behalf of
China Packaging Group Company Limited
without personal liability

Hong Kong, 30 December 2009

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