Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

The joint and several provisional liquidators (the "**Provisional Liquidators**") of China Packaging Group Company Limited (Provisional Liquidators Appointed) (the "**Company**") announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2010 together with comparative figures for the previous year as follows:

FINANCIAL SUMMARY

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	Notes	**2010** **RMB'000**	2009 *RMB'000*
Revenue	*4*	**124,812**	74,066
Cost of sales		**(101,917)**	(79,631)
Gross profit (loss)		**22,895**	(5,565)
Other revenue	*5*	**7,620**	2,972
Selling and distribution expenses		**(5,605)**	(4,104)
Administrative expenses		**(2,966)**	(18,924)
Restructuring costs and expenses		**(3,507)**	–
Operating profit (loss)		**18,437**	(25,621)
Gain on termination of derivative financial instruments		**–**	23,340
Waived of other financial liabilities		**1,671**	–
Waived of interest payable		**1,353**	–

	Notes	**2010** *RMB'000*	2009 *RMB'000*
Loss on deconsolidation of subsidiaries, impairment on investment costs and amounts due from deconsolidated subsidiaries, amounts recovered from deconsolidated subsidiaries	*6*	**–**	(3,451)
Finance costs	*7*	**(6,813)**	(2,876)
Profit (loss) before tax	*8*	**14,648**	(8,608)
Income tax expense	*9*	**(5,401)**	–
Profit (loss) for the year attributable to owners of the Company		**9,247**	(8,608)
Other comprehensive income		**–**	–
Total comprehensive profit (loss) for the year attributable to owners of the Company		**9,247**	(8,608)
Earnings (loss) per share attributable to the equity holders of the Company during the year			
– Basic	*11*	**RMB0.0141**	(RMB0.0133)
– Diluted	*11*	**RMB0.0141**	(RMB0.0133)

Consolidated Statement of Financial Position
At 31 December 2010

	Notes	2010 RMB'000	2009 RMB'000
Non-current assets			
Property, plant and equipment	12	**64,247**	65,529
		64,247	65,529
Current assets			
Inventories		**3,173**	3,557
Trade and other receivables	13	**48,825**	28,646
Escrow money	14	**888**	4,400
Bank balances and cash		**2,649**	411
		55,535	37,014
Current liabilities			
Trade and other payables	15	**13,490**	7,898
Tax payable		**4,303**	1,971
Bank borrowings	16	**61,146**	59,727
Other borrowings		**48,626**	48,255
Provision for bank loans guarantee for a deconsolidated subsidiary		**29,000**	29,000
Loan from an investor		**5,078**	4,400
Amount due to an investor		**265**	–
Other financial liabilities		**67,575**	71,453
		229,483	222,704
Net current liabilities		**(173,948)**	(185,690)
Non-current liabilities			
Deferred tax liabilities		**1,213**	–
Net liabilities		**(110,914)**	(120,161)
Capital and reserves			
Share capital	17	**67,399**	67,399
Reserves		**(178,313)**	(187,560)
Deficit attributable to owners of the Company		**(110,914)**	(120,161)

Consolidated Statement of Changes in Equity
For the year ended 31 December 2010

	Share capital *RMB'000*	Share premium *RMB'000*	Share option reserve *RMB'000*	Surplus reserve fund *RMB'000*	Retained profits (accumulated losses) *RMB'000*	Total *RMB'000*
At 1 January 2009	64,260	198,618	18,381	6,251	(415,332)	(127,822)
Total comprehensive loss for the year	–	–	–	–	(8,608)	(8,608)
Transfer	–	–	–	2,971	(2,971)	–
Recognition of equity – settled share-based payments	–	–	137	–	–	137
Exercise of share options	3,139	17,147	(4,154)	–	–	16,132
Lapse of share options	–	–	(665)	–	665	–
	3,139	17,147	(4,682)	2,971	(10,914)	7,661
At 31 December 2009 and 1 January 2010	67,399	215,765	13,699	9,222	(426,246)	(120,161)
Total comprehensive profit for the year	–	–	–	–	9,247	9,247
Lapse of share options	–	–	(12,761)	–	12,761	–
	–	–	(12,761)	–	22,008	9,247
At 31 December 2010	67,399	215,765	938	9,222	(404,238)	(110,914)

* *These reserve accounts are all booked under the consolidated reserves of approximately RMB178,313,000 (2009: RMB187,560,000) in the consolidated statement of financial position.*

NOTES

1. GENERAL

China Packaging Group Company Limited (Provisional Liquidators Appointed) (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is 14/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and have been suspended from trading since 28 April 2009.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") is principally engaged in the manufacture and sale of tinplate cans for the packaging of beverage in Shanxi, the People's Republic of China (the "**PRC**").

The functional currency of the Company is Hong Kong Dollars ("**HK$**"). The functional currency of all of the subsidiaries is Renminbi ("**RMB**"). The consolidated financial statements are presented in RMB, unless otherwise stated.

2. BASIS OF PRESENTATION

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

As at 31 December 2010, the Group had net current liabilities of approximately RMB173,948,000 (2009: RMB185,690,000) and net liabilities of approximately RMB110,914,000 (2009: RMB120,161,000). These conditions indicate the existence of a fundamental uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 2 October 2009, pursuant to an order of the High Court of the Hong Kong Special Administrative Region, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of FTI Consulting (Hong Kong) Limited ("**FTI Consulting**") (formerly Ferrier Hodgson Limited), were appointed as the provisional liquidators to the Company (the "**Provisional Liquidators**") as a result of the winding up petition made by DBS Bank (Hong Kong) Limited, one of the major creditors, against the Company. Upon the appointment of the Provisional Liquidators, the powers of the directors were suspended with regard to the affairs and business of the Company.

The Provisional Liquidators are responsible for the accuracy and completeness of the contents of the annual report and the audited consolidated financial statements for the year ended 31 December 2010 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited consolidated financial statements for the year ended 31 December 2010 based on the books 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 consolidated financial statements.

The Company is in the first stage of the delisting procedures in accordance with Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as at the date of these consolidated 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.

(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 (the "**Investor**") on 13 December 2009 has been accepted by the Provisional Liquidators on behalf of the Company. On 28 December 2009, an exclusivity and escrow agreement was entered into amongst the Provisional Liquidators on behalf of the Company, FTI Consulting (the "**Escrow Agent**") and the Investor (the "**Escrow Agreement**"). Pursuant to the Escrow Agreement, the Provisional Liquidators granted the Investor an exclusive right up to 27 December 2010 (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 the Investor 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 which is being processed by the Stock Exchange.

The consolidated financial statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2.2 Deconsolidation of subsidiaries

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, 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 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.

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 consolidated financial statements as at and for the years ended 31 December 2008, 2009 and 2010 prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole in light of the aforesaid situations. The non-consolidation of Bloxworth HK, Fuwang and the Disposed Group is not in compliance with the requirements of Hong Kong Accounting Standards 27 "Consolidated and Separate Financial Statements".

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised Hong Kong Accounting Standards ("**HKASs**"), Hong Kong Financial Reporting Standards ("**HKFRS**"), amendments and interpretations ("**INTs**") (hereinafter collectively referred to as "**news and revised HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") which are effective for accounting period beginning on or after 1 January 2010.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27(Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 (Amendments)	Additional Exemptions from First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK-Interpretation ("**Int**") 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC)-Int 17	Distributions of Non-Cash Assets to Owners

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS3 (Revised in 2008), HKFRS7, HKAS1 and HKAS 28[1]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
HKFRS 7 (Amendments)	Disclosures-Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[7]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[6]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendments)	Classification of Rights Issues[2]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 February 2010.
3 Effective for annual periods beginning on or after 1 July 2010.
4 Effective for annual periods beginning on or after 1 January 2011.
5 Effective for annual periods beginning on or after 1 July 2011.
6 Effective for annual periods beginning on or after 1 January 2012.
7 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

HKAS 24 Related Party Disclosure

HKAS 24 Related Party Disclosures (as revised in 2009) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's consolidated financial statements.

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 year.

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 of the corresponding year contributing over 10% of the total revenue of the Group as follows:

Customers	**Revenue generated from**	**2010** ***RMB'000***
A	Sale of tinplate cans	14,323
B	Sale of tinplate cans	13,663
C	Sale of tinplate cans	12,928

5. OTHER REVENUE

	2010 ***RMB'000***	2009 *RMB'000*
Exchange gain	**7,415**	–
Interest income on bank deposits	**–**	5
Sales of scraped materials	**–**	1,704
Sundry income	**194**	1,263
Gain on disposal of property, plant and equipment	**11**	–
	7,620	2,972

6. LOSS ON DECONSOLIDATION OF SUBSIDIARIES, IMPAIRMENT ON INVESTMENT COSTS AND AMOUNTS DUE FROM DECONSOLIDATED SUBSIDIARIES, AMOUNTS RECOVERED FROM DECONSOLIDATED SUBSIDIARIES

	2010 ***RMB'000***	2009 *RMB'000*
Impairment on amounts due from the deconsolidated subsidiaries	**–**	7,832
Amounts recovered from the deconsolidated subsidiaries	**–**	(4,381)
	–	3,451

As disclosed in Note 2.2 to the consolidated financial statements, the Provisional Liquidators considered that the control over certain subsidiaries had been lost since 1 January 2008. The results, assets and liabilities of these subsidiaries were therefore deconsolidated from the consolidated financial statements of the Group since the financial year ended 31 December 2008.

7. FINANCE COSTS

	2010	2009
	RMB'000	*RMB'000*
Interest on:		
Bank loans wholly repayable within five years	**3,675**	1,448
Other borrowings wholly repayable within five years	**2,396**	797
Other financial liabilities	**740**	623
	6,811	2,868
Bank charges	**2**	8
	6,813	2,876

8. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging:

	2010	2009
	RMB'000	*RMB'000*
Directors' remuneration	**–**	607
Other staff costs	**1,602**	2,119
Retirement benefit cost, other than directors	**372**	439
Share-based payments	**–**	137
Total staff costs	**1,974**	3,302
Auditor's remuneration	**428**	396
Cost of inventories recognised as an expense	**101,917**	79,631
Depreciation of property, plant and equipment	**6,200**	5,917
Bad debts written off *(Note 13)*	**–**	10,168
Loss on written off of other receivable *(Note 13)*	**413**	–
Net foreign exchange loss	**–**	231
Minimum lease payments in respect of:		
– land and buildings	**–**	349
– machinery and equipment	**2,000**	2,000

9. INCOME TAX EXPENSE

	2010	2009
	RMB'000	*RMB'000*
The charge comprises:		
Current taxation		
– Income tax calculated at the rates prevailing in the PRC	**4,188**	–
Deferred taxation		
– Withholding tax for the dividend will be declared *(Note (d))*	**1,213**	–
	5,401	–

Other than the deferred tax provided for as above, the Group did not have any significant unprovided deferred taxation arising during the year or at 31 December 2010.

Notes:

(a) No Hong Kong profits tax has been provided for as the Group did not generate any taxable profits in Hong Kong for both year.

(b) At 31 December 2010, the Group has unused tax losses of approximately HK$4,165,000 (2009: nil) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profits stream. The tax losses may be carried forward indefinitely.

*(c) PRC corporate income tax is calculated at the applicable tax rates in accordance with the relevant law and regulations in the PRC. A PRC subsidiary, Shanxi Zhanpen Metal Products Company Limited (Note (e))（山西展鵬金屬製品有限公司）(“**Zhanpen**”), was approved by the relevant PRC tax authorities as enterprise with foreign investment and therefore, it is exempted from PRC enterprise income tax (“**EIT**”) for two years starting from the first year of profit-making after offsetting prior year tax losses, followed by a 50% reduction for the next three consecutive years thereafter. 2009 is the fifth year after first profitable year. Pursuant to the letter issued by Fenyang State Tax Bureau on 24 February 2006, Zhanpen was approved as an enterprise with foreign investment and thus the PRC local EIT of 3% is also exempted. Accordingly, the applicable tax rate of Zhanpen is 15% for the year ended 31 December 2009.*

*Under the Law of the PRC on Corporate Income Tax (the “**CIT Law**”) and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards. Therefore, Zhanpen is subject to standard EIT rate of 25% for the year ended 31 December 2010.*

(d) Pursuant to the PRC CIT Law which became effective on 1 January 2008, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and the jurisdiction of the foreign investors. On 22 February 2008, Caishui (2008) No. 1 was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from the retained profits as at 31 December 2007 are exempted from withholding tax.

(e) The English name is for identification purpose only.

10. DIVIDEND

No dividend was proposed or paid during the year ended 31 December 2010 nor any dividend has been proposed since the end of the reporting period (2009: nil).

11. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the consolidated profit for the year attributable to the owners of the Company of approximately RMB9,247,000 (2009: loss of approximately RMB8,608,000) and the weighted average number of ordinary shares of the Company in issue during the year of 657,121,081 (2009: 646,373,376).

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 year 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.

12. PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment amounting to approximately RMB5,385,000 (2009: RMB 16,020,000).

13. TRADE AND OTHER RECEIVABLES

	2010	2009
	RMB'000	*RMB'000*
Trade receivables	**46,857**	33,950
Less: Bad debts written off *(Note 8)*	**–**	(10,168)
	46,857	23,782
Other receivables, deposits and prepayments	**2,381**	4,864
Less: Written off of other receivable *(Note 8)*	**(413)**	–
	1,968	4,864
	48,825	28,646

Impairment loss on trade receivables is recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

At the end of each reporting period, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific provision for impairment was recognised. The Group does not hold any collateral over these balances.

The Group considers that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

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

	2010
	RMB'000
0 – 30 days	**10,869**
31 – 60 days	**13,185**
61 – 90 days	**12,655**
91 – 120 days	**10,148**
	46,857

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

	2010
	RMB'000
Neither past due nor impaired	**46,857**
Past due but not impaired	**–**
	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.

14. ESCROW MONEY

	2010	2009
	RMB'000	*RMB'000*
Professional fees	**888**	4,400

On 28 December 2009, the Provisional Liquidators, on behalf of the Company, and the Escrow Agent entered into an Escrow Agreement with the Investor. The Escrow Agreement granted the Investor a 12-month exclusivity to negotiate the restructuring of the Company, certain subsidiaries and associated companies, if any, in the Group. On 24 December 2010, the Provisional Liquidators, on behalf of the Company, the Escrow Agent and the Investor entered into a supplemental agreement to extend the Exclusivity Period to 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 Investor, the Investor has advanced a total sum of HK$7 million to the Company to meet the costs and expenses in relation to the implementation of the restructuring and daily operation of the Company.

15. TRADE AND OTHER PAYABLES

	2010	2009
	RMB'000	*RMB'000*
Trade payables	**8,052**	1,656
Interest payable	**–**	1,353
Receipt in advance, other payables and accrued charges	**5,438**	4,889
	13,490	7,898

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

	2010
	RMB'000
0 – 30 days	**8,052**
31 – 60 days	**–**
61 – 90 days	**–**
Over 90 days	**–**
	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.

16. BANK BORROWINGS

	2010	2009
	RMB'000	*RMB'000*
Bank loans, unsecured	**54,751**	56,858
Accrued interest	**6,395**	2,869
	61,146	59,727

	2010	2009
	RMB'000	*RMB'000*
The maturity of the unsecured bank borrowings, is as follows:		
Within one year or on demand shown under current liabilities	**61,146**	59,727

Bank borrowings of RMB61,146,000 (2009: RMB59,727,000) are denominated in Hong Kong dollars and arranged at floating rates from 2% to 3.5% over HIBOR (2009: 2% to 3.5% over HIBOR) per annum.

As at 31 December 2010, bank borrowings from DBS Bank (China) Company Limited of approximately RMB19,747,000 and DBS Bank (Hong Kong) Limited of approximately RMB24,765,000 had not been repaid in accordance with the relevant terms. Bank borrowings from PT. Bank Mandiri (Persero) TBK, Hong Kong Branch of RMB10,239,000 has been called on demand according to the respective loan agreements. Due to the default in repayment and consequential litigations following the default arisen against the bank borrowings, the Provisional Liquidators reclassified all the bank borrowings as current liabilities accordingly.

17. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2009, 31 December 2009 and 31 December 2010	2,000,000,000	200,000
Issued and fully paid:		
At 1 January 2009	621,521,081	62,152
Exercise of share options	35,600,000	3,560
At 31 December 2009, at 1 January 2010 and 31 December 2010	657,121,081	65,712
		RMB'000
Shown in the consolidated financial statements		
At 31 December 2010		67,399
At 31 December 2009		67,399

All the shares which were issued by the Company at year ended 31 December 2009 rank pari passu with each other in all respects.

18. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	2010	2009
	RMB'000	*RMB'000*
Within one year	**1,166**	834
In the second to the fifth year inclusive	**–**	1,166
	1,166	2,000

The lease payments represent the rental payable by the Group for certain of the machinery and equipment. The lease payments are fixed for an average of 2 years and no arrangements have been entered into for contingent rental payments.

QUALIFIED INDEPENDENT AUDITOR'S REPORT

The Provisional Liquidators would like to draw your attention that the independent auditor's report on the consolidated financial statements for the year ended 31 December 2010 has been qualified. An extract of the independent auditor's report that dealt with the qualifications is as follows:

"**BASIS FOR DISCLAIMER OF OPINION**

1. Going concern and basis of preparation

As disclosed in Note 2.1 to the consolidated financial statements, the Provisional Liquidators are in the process of restructuring the Group's indebtedness and revitalising the Group's business and that the consolidated financial statements have been prepared on a going concern basis. The ability of the Group as a going concern assumes that the restructuring proposal by Business Giant Limited (the "**Investor**") will be successfully implemented and that, following the restructuring, the Group will continue to meet in full its obligations as they fall due in the foreseeable future. We are unable to obtain information that is necessary to satisfy ourselves that the restructuring proposal will be successfully implemented and the Group will be able to operate as a going concern after the restructuring. We are therefore unable to form an opinion as to whether the assumptions used to prepare the Group's consolidated financial statements on a going concern basis are appropriate and the Group will be able to continue as a going concern. Should the liquidation basis of accounting have to be used, adjustments would have to be made to restate the value of the Group's assets to their recoverable amounts and the liabilities to their estimated settlement amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities of the Group as current assets and liabilities respectively.

2. Lack of Provisional Liquidators, director and management representation

We are unable to obtain representation from the Provisional Liquidators, directors and management whether these consolidated financial statements present a true and fair view of the state of affairs of the Group as at 31 December 2010 and the results of the Group for the year then ended.

As explained in Note 2.1 to the consolidated financial statements, the Provisional Liquidators prepared the consolidated financial statements for the year ended 31 December 2010 based on books and records made available to them. The Provisional Liquidators make no representation as to the completeness and accuracy of the books and records make available to us. Therefore, we cannot perform any audit procedure to assure (i) the completeness and accuracy of the information contained in these consolidated financial statements; (ii) the completeness of the disclosure of commitments, contingent liabilities and related party transactions and balances in the consolidated financial statements as at 31 December 2010; and (iii) the completeness of the disclosure of event after the reporting period from the end of the reporting period up to the date of this announcement. As a consequence, the Provisional Liquidators are not making any representation that these consolidated financial statements of the Group present a true and fair view of the state of affairs of the Group as at 31 December 2010 and the results of the Group for the year then ended.

The lack of representation from the Provisional Liquidators, directors and management on the completeness and accuracy of the information contained in these consolidated financial statements constitutes a limitation of the scope of our audit.

3. Limitation of scope affecting opening balances, comparative figures and related disclosures

The preceding auditor of the Company issued an auditor's report dated 28 October 2010 with a "disclaimer opinion" on the consolidated financial statements of the Group for the year ended 31 December 2009 (the "**2009 Auditor's Report**") with scope limitations based on reasons summarized in the basis for disclaimer of opinion paragraphs therein.

We were not able to obtain sufficient reliable evidence to enable us to assess the scope limitations for the year ended 31 December 2009. Any adjustments found to be necessary to the opening balances as at 1 January 2010 may affect the results and related disclosures in the notes to the consolidated financial statements of the Group for the year ended 31 December 2010. The comparative figures for the year ended 31 December 2009 shown in these consolidated financial statements may not be comparable with the figures for the current year. Moreover, a number of disclosures as required by the Hong Kong Financial Reporting Standards have not been made in the 2009 Auditor's Report as the Provisional Liquidators did not have sufficient data and information as a result of unavailability of complete books and records of some of the subsidiaries of the Group. Accordingly, certain comparative information has not been disclosed in these consolidated financial statements which is not in full compliance with the relevant Hong Kong Financial Reporting Standards.

4. Gain on disposal of deconsolidation of subsidiaries

The Group has a gain on disposal of deconsolidated subsidiaries of HK$3 from the disposal of its entire equity interests in certain deconsolidated subsidiaries during the year ended 31 December 2010. Due to scope limitation as described in the 2009 Auditor's Report in respect of loss on deconsolidation of subsidiaries, impairment on investment costs and amount due from deconsolidated subsidiaries, amounts recovered from deconsolidated subsidiaries, we were unable to satisfy ourselves as to the accuracy of the carrying value of the deconsolidated subsidiaries as at the date of the disposal included in the calculation of the gain on disposal of deconsolidated subsidiaries during the year ended 31 December 2010 and as to whether the amount of gain on disposal of deconsolidated subsidiaries has been accurately recorded in the consolidated statement of comprehensive income. Any adjustments to the figure would have a consequential effect on the gain of the Group for the year ended 31 December 2010.

5. **Limitation of scope affecting provision for bank borrowings guarantee for a deconsolidated subsidiary**

   As disclosed in the consolidated financial statements, as at 31 December 2010, the Group had made full provision for bank borrowings guarantee for a deconsolidated subsidiary of approximately RMB29,000,000. Since no direct confirmation from third parties and other sufficient evidence have been received by us up to the date of this announcement, we were unable to assess the accuracy and completeness of this liability. There are no other satisfactory alternative procedures that we could perform to satisfy ourselves that the balance and related disclosures have been properly recorded and reflected in the consolidated financial statements as at 31 December 2010.

   Any adjustments to the figures above might have a significant consequential effect on the Group's results for two years ended 31 December 2009 and 2010, the financial positions of the Group as at 31 December 2009 and 2010, and the related disclosures thereof in the consolidated financial statements.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2.1 to the consolidated financial statements which explain the circumstances giving rise to the fundamental uncertainty. The appropriateness of preparing the Group's consolidated financial statements on the going concern basis depends on the successful outcome of the conclusion of the resumption proposal and the scheme of arrangement.

We consider that appropriate disclosures have been made. However, we consider that this material uncertainty is so fundamental that we disclaim our opinion in respect of the appropriateness of the going concern basis. The consolidated financial statements of the Group do not include any adjustments that would be necessary if the Group failed to operate as a going concern. Had the going concern basis not been used, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. Such adjustments may have a significant consequential effect on the net liabilities of the Group as at 31 December 2010 and the Group's profit attributable to the owners of the Company for the year then ended.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2010 and of the Group's gain and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether they have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance."

FINANCIAL RESULTS

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.

2010 was a challenging year for the Company to consolidate its core tinpate cans business. For the year ended 31 December 2010, the Group's revenue was approximately RMB124,812,000 (2009: RMB74,066,000), representing an increase of approximately 68.5% as compared to last year which was due to an increase in sales volume and average unit selling price of tinplate cans. The Group was turned around from a gross loss position for the year ended 31 December 2009 to a gross profit margin of 18.34% for the year ended 31 December 2010. The Group continued to be cautious in controlling its cost of production and overheads. Respective state of affairs of the Group is set out in the consolidated financial statements on pages 1 to 15 of this announcement. The consolidated profit attributable to shareholders of the Company amounted to approximately RMB9,247,000 for the year ended 31 December 2010 (2009: loss of RMB8,608,000). Basic earnings per share was approximately RMB0.0141 for the year ended 31 December 2010 (2009: loss per share RMB0.0133). There will be no payment of dividend for the year ended 31 December 2010 (2009: nil).

On 2 October 2009, Mr. Fok Hei Yu and Mr. Roderick John Sutton were appointed as joint and several provisional liquidators of the Company. On 28 December 2009, the Provisional Liquidators, on behalf of the Company, FTI Consulting (Hong Kong) Limited ("**Escrow Agent**") entered into an exclusivity and escrow agreement with Business Giant Limited (the "**Investor**"). The said agreement granted the Investor a 12-month exclusivity to negotiate the restructuring of the Company, certain subsidiaries and associated companies in the Group, and in turn, the Investor agreed to advance funds to the Company to meet the costs and expenses in relation to the implementation of the restructuring of the Company. Furthermore, the Investor acknowledges that the Company and its business in the PRC may require working capital for its normal operations during this period and agrees to make available a working capital facility to the Group, if necessary. On 24 December 2010, the Provisional Liquidators, on behalf of the Company, the Escrow Agent and the Investor entered into a supplemental agreement to extend the exclusivity period to 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 Investor for the Group's daily operation, the Investor has also advanced a total sum of HK$7 million to the Company to meet the costs and expenses in relation to the implementation of the restructuring of the Company.

On 22 February 2010, the Stock Exchange issued a letter to the Company, inter alia, requested the Company to submit a viable resumption proposal to address the following issues

– demonstrate that the Company has a sufficient level of operations or has assets of sufficient value as required under rule 13.24 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

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

– demonstrate that the Company has adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules,

– address certain issues raised by Deloitte Touche Tohmatsu, the former auditors of the Company, which details were set out in the announcement of the Company dated 30 April 2009, to the satisfaction of the Stock Exchange.

– withdrawal or dismissal of the winding-up petition and discharge of the Provisional Liquidators.

On 23 March 2010, the Provisional Liquidators and Sino Gather Limited ("**Sino Gather**") (a special purpose vehicle controlled by the Provisional Liquidators) entered into a sale and purchase agreement where Sino Gather agreed to acquire and the Provisional Liquidators (on behalf of the Company) agreed to sell the entire share capital of Chinawinner Enterprises Limited ("**Chinawinner BVI**"), Chinawinner Enterprises (HK) Limited and Rich Victory Development Limited, at a nominal consideration of HK$3 in aggregate. Chinawinner BVI is the holding company of Sichuan Zhanwang Metal Products Company Limited (四川展旺金屬製品有限公司). The aforesaid transaction is primarily in furtherance of the Group's restructuring.

On 13 May 2009, the two structured five-year interest rate swaps entered by the Company on 31 December 2007 (the "**Swaps**") were early terminated by Deutsche Bank as a result of the Company not paying the interest payment under the Swaps on the due dates and the Company received a statement of demand dated 15 May 2009 for an early termination amount of US$10,319,033 (equivalent to approximately RMB70,830,000) and a gain of RMB23,340,000 was recognised upon termination of the Swaps on the same date. The Provisional Liquidators had negotiated with Deutsche Bank the basis for calculation of the early termination amount. In August 2010, both parties agreed the revised early termination amount of US$10,069,033.

The Stock Exchange placed the Company in the first stage of the delisting procedures in accordance with Practice Note 17 to the Listing Rules. If the Company failed to submit a viable resumption proposal by 21 August 2010, the Stock Exchange might proceed to place the Company in the second stage of delisting procedures. A resumption proposal was submitted to the Stock Exchange on 21 August 2010.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon (i) the Investor signing a formal restructuring agreement with the Provisional Liquidators (on behalf of the Company without personal liability) to revive the Group; and (ii) completion of the proposed restructuring of the Group as contemplated under such agreement. The Investor and the Provisional Liquidators anticipate all existing liabilities owed to the creditors of the Company and creditors of its subsidiaries holding guarantees given by the Company will be compromised and discharged through a proposed scheme of arrangement and the Group will be able to turn around 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 Shanxi Zhanpen Metal Products Co Ltd (山西展鵬金屬製品有限公司), an indirect wholly owned subsidiary of the Company.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Bank balances and cash including escrow money as at 31 December 2010 was approximately RMB3,537,000 (31 December 2009: RMB4,811,000). The Group's gearing ratio measured on the basis of the Group's total bank borrowings relative to the shareholders' funds was not applicable as the Group has shareholders' deficit for the financial years ended 31 December 2009 and 2010.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

To the best knowledge and information of the Provisional Liquidators, save as disclosed in this announcement, if any, the Group did not have any significant investment, material acquisition and disposal throughout the year. The Provisional Liquidators are not aware of any significant discrepancy of the said item.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, the Group had 95 employees situated mainly in the PRC and Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the year ended 31 December 2010, the total staff costs amounted to approximately RMB1,974,000 and there were no payment to directors as remuneration.

During the year ended 31 December 2010, no share option has been granted by the Company.

Details of employees' remuneration are set out in note 8 to the consolidated financial statements.

DIVIDEND

No dividend was proposed or paid during the year ended 31 December 2010 nor any dividend has been proposed since the end of the reporting period (2009: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

To the best of the Provisional Liquidators' knowledge, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2010.

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 for the year ended 31 December 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

As at 31 December 2010, the Company has 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, 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.

AUDIT COMMITTEE

Following the resignations of the majority of the Company's independent non-executive directors in March, July and October 2009, there has been no replacement of members of the audit committee. No audit committee is therefore maintained as required by Rule 3.21 of the Listing Rules. As a result, the audited accounts of the Group for the year ended 31 December 2010 have not been reviewed by the audit committee.

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.

The annual report of the Company for year ended 31 December 2010 containing the information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders in due course.

SUSPENSION OF TRADING

Trading in the shares of the Company 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 March 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.