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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)**

## **GENERAL DISCLOSURE ANNOUNCEMENT TERMINATION OF INTEREST RATE SWAP AGREEMENT**

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

The Board wishes to inform the shareholders of the Company and potential investors that, as a result of the termination of the SWAPS, DB has alleged that (i) an early termination amount of US\$10,319,033.10 plus interest accrued thereon is payable by the Company to DB, (ii) DB would be claiming under the indemnity in respect of their reasonable out-of-pocket expenses incurred by reason of the enforcement and protection of their rights under the master agreement of the SWAPS or by reason of the early termination of the transactions entered thereunder and (iii) the Statement was being issued without prejudice to any further demands, claims or deductions DB might be entitled to make against the Company whether under the master agreement or otherwise.

Save as disclosed above, the Company has no other derivative financial instrument outstanding as at the date of this announcement.

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

On 8 May 2009, DB issued Notices of Late Payment to the Company requesting the Company to pay both US\$52,585 under SWAP 1 and HK\$3,128,333.33 under SWAP 2. The Company did not pay the same.

On 12 May 2009, DB served the Notice of Early Termination on the Company, pursuant to which the SWAPS will be terminated on 13 May 2009 and the amount alleged to be payable by the Company to DB is to be determined.

On 15 May 2009, DB issued the Statement to the Company stating, as a result of the termination of the SWAPS:

1. the amount payable to DB by the Company as the "Early Termination Amount" under SWAP 1 and SWAP 2 is US\$10,319,033.10 determined on the following basis:

1.1.	close-out amount in respect of SWAP 1	US\$5,641,340.73
1.2.	termination currency equivalent of the unpaid amounts owed to DB in respect of SWAP 1	US\$52,620.81
1.3.	close-out amount in respect of SWAP 2	US\$4,220,536.24
1.4.	termination currency equivalent of the unpaid amounts owed to DB in respect of SWAP 2	US\$404,535.32
<b>Total</b>		<b>US\$10,319,033.10</b>

- DB would in due course be claiming under the indemnity in respect of their reasonable out-of-pocket expenses including legal fees, execution fees and stamp tax, incurred by reason of the enforcement and protection of their rights under the master agreement of the SWAPS or by reason of the early termination of the transactions entered thereunder, including but not limited to costs of collection.
- The Statement was being issued without prejudice to any further demands, claims or deductions DB might be entitled to make against the Company whether under the master agreement of the SWAPS or otherwise.

The Company is currently reviewing DB's entitlement.

After termination of the SWAPS, the Company does not have any derivative financial instruments outstanding as at the date of this announcement.

## DEFINITION

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Board”	the board of directors of the Company;
“Company”	China Packaging Group Company Limited
“DB”	Deutsche Bank AG;
“HK\$”	the lawful currency of Hong Kong Special Administrative Region;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Statement”	The statement issued by DB to the Company on 15 May 2009;
“SWAP 1”	the structured interest rate swap transaction of notional amount of US\$50,000,000 entered into by the Company with DB on 13 April 2007;

“SWAP 2” the structured interest rate swap transaction of notional amount of HK\$390,000,000 entered into by the Company with DB on 14 February 2007;

“SWAPS” SWAP 1 and SWAP 2; and

“US\$” US dollars, the lawful currency of the United States of America.

By order of the Board  
**China Packaging Group Company Limited**  
**Yang Zongwang**  
*Chairman*

Hong Kong, 15 May 2009

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Yang Zongwang, Mr. Xue De Fa, Mr. Xie Xi and Mr. Liu Zhi Qiang, and two independent non-executive directors, namely Mr. Tong Hing Wah and Mr. Chong Hoi Fung.*