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 Report 2011

CONTENTS

CORPORATE INFORMATION

Joint and Several Provisional Liquidators

Mr. FOK Hei Yu
(Appointed by the High Court on 2 October 2009)
Mr. Roderick John SUTTON
(Appointed by the High Court on 2 October 2009)

Executive Directors

Mr. LIU Zhi Qiang

Independent Non-Executive Directors

Mr. CHONG Hoi Fung

Audit Committee

Mr. CHONG Hoi Fung

Remuneration Committee

Mr. CHONG Hoi Fung

Share Registrar

Computershare Hong Kong Investor Services Limited
Rooms 1806-7
18th Floor Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Principal Office

c/o FTI Consulting (Hong Kong) Limited
Level 22 The Center
99 Queen's Road Central
Central
Hong Kong

Principal Bankers (prior to the appointment of the Provisional Liquidators)

Standard Chartered Bank
Bank of China Fuqing Branch
China Construction Bank (Asia) Corporation Limited
DBS Bank (Hong Kong) Limited
DBS Bank (China) Company Limited
PT. Bank Mandiri (Persero) TBK, Hong Kong Branch

Company Website

http://www.cpackaging.com.hk

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Auditors

ZHONGLEI (HK) CPA Company Limited
Unit 216-218, 2/F, Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

PROVISIONAL LIQUIDATORS' REPORT

Trading in the shares of China Packaging Group Company Limited (Provisional Liquidators Appointed) (the "Company") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has been suspended since 28 April 2009.

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 have been granted the authority to sign, approve, publish and do all such acts in connection with this report pursuant to an order of the High Court.

The Provisional Liquidators herein present their report together with the condensed consolidated interim financial statements of the Company and its subsidiaries namely Bloxworth Enterprises Limited and Shanxi Zhanpen Metal Products Co., Ltd.（山西展鵬金屬製品有限公司）(collectively the "Group") for the six months ended 30 June 2011. The Provisional Liquidators are responsible for the accuracy of the contents of this report and the financial statements for the six months ended 30 June 2011 in relation to the affairs of the Group after the appointment of the Provisional Liquidators.

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.

FINANCIAL RESULTS

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).

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Bank balances and cash including unused balance of the escrow money advanced by Business Giant Limited as at 30 June 2011 was approximately RMB4.07 million (31 December 2010: RMB3.54 million). 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 had shareholders' deficits as at 30 June 2011 and 31 December 2010.

CAPITAL STRUCTURE

Details of the capital structure of the Company are set out in note 19 to the condensed consolidated interim financial statements.

FOREIGN CURRENCY EXPOSURE

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi.

The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities as the Company under provisional liquidation cannot incur liabilities resultant from hedging.

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 report, 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 Rules Governing the Listing of Securities on the Stock Exchange (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.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and laws of the Cayman Islands.

SIGNIFICANT INVESTMENT

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

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in note 22 to the condensed consolidated interim financial statements.

RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTIONS AND CONTINUING CONNECTED 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 (as defined below) and the Listing Rules for the period ended 30 June 2011.

MANAGEMENT CONTRACTS

To the best of their knowledge and information, the Provisional Liquidators are unaware of any contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the six months period ended 30 June 2011.

PLEDGE OF ASSETS

To the best knowledge and information of the Provisional Liquidators, there is no any pledge of asset carried out during the six months period ended 30 June 2011.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2011, the Group had 93 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. During the six months ended 30 June 2011, the total staff costs amounted to approximately RMB646,000 and there are no payment to directors as remuneration.

During the six months ended 30 June 2011, no share option has been granted to the eligible participants.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Provisional Liquidators as at the latest practicable date prior to the issue of this report, the Company has complied with the sufficiency of public float requirement under the Listing Rules.

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 report, 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.

SHARE CAPITAL

Movements in share capital of the Company are set out in note 19 to the condensed consolidated interim financial statements.

SHARE OPTION SCHEME

Pursuant to the written resolutions passed by all of the shareholders of the Company on 2 June 2003, the Company adopted a share option scheme (the "Scheme"). The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the Scheme, the directors of the Company may, at their absolute discretion, invite any employee (whether full-time or part time, including any executive director), any non-executive director (including independent non-executive director), any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder, any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or its investee companies to take up options to subscribe for shares in the Company representing up to a maximum 10% of the shares in issue as at the date of commencement of listing of shares of the Company on the Stock Exchange and subject to renewal with shareholders' approval. The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in any one year exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HK$5,000,000 must be approved by the Company's shareholders.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK$1 per each grant of options. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company and will be not less than the higher of the closing price of the Company's shares on the date of grant, the average closing prices of the shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

To the best knowledge and information of the Provisional Liquidators, no share options were lapsed and no share option has been granted during the six months period ended 30 June 2011.

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.

INTERIM RESULTS AND DIVIDENDS

The profit of the Group for the six months ended 30 June 2011 and the state of affairs of the Group as at that date are set out on pages 11 to 13.

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).

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

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	*14*	**(62,298)**	(61,146)
Other borrowings	*15*	**(49,308)**	(48,626)
Provision for bank loans guarantee for a deconsolidated subsidiary	*16*	**(29,000)**	(29,000)
Amount due to an investor		**(389)**	(265)
Loan from an investor		**(9,514)**	(5,078)
Other financial liabilities	*18*	**(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	*19*	**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	**Share premium**	**Share option reserve**	**Surplus reserve fund**	**Accumulated losses**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 20(b))		*(Note 20(a))*		
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)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	2011 RMB'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	**(5,652)**
NET CASH FROM FINANCING ACTIVITIES	**4,560**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,092)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**2,649**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**1,557**
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	
CASH AND BANK BALANCES	**1,557**

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. BASIS OF PRESENTATION (Continued)

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 report 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;

2. BASIS OF PRESENTATION (Continued)

2.1 Winding-up petitions, appointment of provisional liquidators, going concern and group restructuring (Continued)

(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. BASIS OF PRESENTATION (Continued)

2.1 Winding-up petitions, appointment of provisional liquidators, going concern and group restructuring (Continued)

(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. BASIS OF PRESENTATION (Continued)

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 RMB'000 (Unaudited)	31 December 2010 RMB'000 (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 RMB'000 (Unaudited)	31 December 2010 RMB'000 (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 RMB'000 (Unaudited)	31 December 2010 RMB'000 (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 RMB'000 (Unaudited)	31 December 2010 RMB'000 (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 report, 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 RMB'000 (Unaudited)	31 December 2010 RMB'000 (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.

13. TRADE AND OTHER PAYABLES (Continued)

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. BANK BORROWINGS

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Bank loans, unsecured	**54,151**	54,751
Accrued interest	**8,147**	6,395
	62,298	61,146
The maturity of the unsecured bank borrowings, is as follows:		
Within one year or on demand shown under current liabilities	**62,298**	61,146

14. BANK BORROWINGS (Continued)

Bank borrowings of RMB62,298,000 (31 December 2010: RMB61,146,000) are denominated in Hong Kong dollars and arranged at floating rates from 2% to 3.5% over HIBOR (31 December 2010: 2% to 3.5% over HIBOR) per annum.

Bank borrowings from DBS Bank (China) Company Limited of approximately RMB19,531,000 (2010: 19,747,000) and DBS Bank (Hong Kong) Limited of RMB24,493,000 (2010: 24,765,000) had not been repaid in accordance with the relevant terms. Bank borrowings from PT. Bank Mandiri (Persero) TBK, Hong Kong Branch of RMB10,127,000 (2010: 10,239,000) 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 loans, the Provisional Liquidators reclassified all the bank loans as current liabilities accordingly.

15. OTHER BORROWINGS

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Debts assigned	**48,626**	45,433
Accrued interest	**682**	3,193
As at 30 June/31 December	**49,308**	48,626

Note:

Pursuant to a debt assignment agreement dated 21 September 2009 entered into between Fu Teng Global Limited ("Fu Teng"), the major shareholder of the Group, and Banyan Capital Management Inc ("Banyan Capital"), the amounts due from the Company to Fu Teng of HK$50,220,000 (equivalent to approximately RMB44,150,000) was assigned to Banyan Capital at consideration of HK$2,700,000.

Pursuant to another debt assignment agreement dated 21 September 2009 entered into between Mr. Yang Zongwang, the beneficial owner of Fu Teng, and Banyan Capital, the amounts due from the Company to Mr. Yang of HK$3,763,100 (equivalent to approximately RMB3,308,000) were assigned to Banyan Capital at consideration of HK$300,000.

Other borrowings are unsecured, interest bearing at Hong Kong Prime Rate per annum and have no fixed repayment terms.

16. PROVISION FOR BANK LOANS GUARANTEE FOR A DECONSOLIDATED SUBSIDIARY

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Provision for bank loans guarantee for Fuwang	**29,000**	29,000

Details of the guarantee are set out below:

Bank	**Guarantee for**	**Status of subsidiary**	**Guaranteed Amount RMB'000**
Bank of China Fuqing Branch	Fuwang	Bloxworth HK, being immediate holding company of Fuwang, was placed into creditors' voluntary liquidation pursuant to section 228A of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong on 5 October 2009. 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. Respective results, assets and liabilities were deconsolidated from the Group's account since 1 January 2008.	29,000

The Company had executed corporate guarantee to the extent of RMB29,000,000 (31 December 2010: RMB29,000,000) to a bank in the PRC to secure the loans extended to Fuwang. So far the Company does not receive any notice for demand for repayment under the guarantee. Based on a legal advice from a lawyer in the PRC obtained by the Provisional Liquidators, the obligations under the guarantee are still in force until November 2011. Since there is insufficient information for the Company to assess the liabilities which will be borne by the Company under the guarantee, the Company therefore had made full provision of RMB29,000,000 (31 December 2010: RMB29,000,000) in the condensed consolidated interim financial statements.

Since the books and records of certain subsidiaries available to the Provisional Liquidators were incomplete and the Provisional Liquidators have lost control of certain subsidiaries, the Provisional Liquidators make no representation as to the completeness and accuracy of the above mentioned corporate guarantee.

17. DERIVATIVE FINANCIAL INSTRUMENTS

Swaps derivatives

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Structure interest rate swap	**–**	–

During the year ended 31 December 2007, the Company entered into two structured five-year interest rate swaps (the "Swaps") as a part of its financial management strategy with a commercial bank (the "Bank"). On effective date of respective Swaps, the Company received total upfront payments of approximately HK$78,000,000 from the Bank. The fair value of the Swaps at the end of the reporting period is provided by the counterparty bank. Major terms of the Swaps are set out in below:

Notional amount	**Upfront payments**	**Effective date**	**Maturity date**	**Swaps**
HK$390,000,000	HK$39,000,000	28 February 2007	28 February 2012	The Company receives: 7.0% semi-annually for first 6 months; thereafter: 7.0% * n/m *(Notes i)* The Company pays: 9.0% semi-annually
US$50,000,000	US$5,000,000	23 April 2007	23 April 2012	The Company receives: 8.0% semi-annually The Company pays: 10.0% semi-annually for first 6 months; thereafter: 10.0% minus 5* (Index of YoY Return – 1.0%) *(Notes ii)* coupon capped at 13.0% and floored at 0%

17. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Swaps derivatives (Continued)

Notes:

(i) n: Number of business days in the calculation period that HK$ 10-years CMS# minus HK$ 2-years CMS^≥0%

m: Total number of business days in the calculation period

Mid-market quarterly swap rate expressed as a percentage for a HK$ interest rate swap transaction with a term equal to 10 years which appears on the Reuters Screen ISDAFIX5 Page 11:00 a.m. Hong Kong time fixing on each day in the Accrual Period.

^ Mid-market quarterly swap rate expressed as a percentage for a HK$ interest rate swap transaction with a term equal to 2 years which appears on the Reuters Screen ISDAFIX5 Page 11:00 a.m. Hong Kong time fixing on each day in the Accrual Period.

(ii) Index* of YoY Return: The closing level of the Index five business days prior to the end of the relevant coupon payment period/closing level of the Index five business days prior to the payment date which is two coupon payment periods prior to the relevant coupon payment (or effective date in cash of the second coupon payment period) – 1.

* *Index means the "Deutsche Bank Pan-Asian Forward Rate Bias Index" (the "Index") as published on Bloomberg Page DBFRASI3 <Index>*

On 13 May 2009, the Swaps were early terminated by the 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 (the "Termination Amount") of US$10,319,033 (equivalent to approximately RMB70,830,000) and a gain of RMB23,340,000 was recognized upon termination of the Swaps on the same date. The Termination Amount is remained unsettled with the Bank as at 30 June 2010 and is included under "Other financial liabilities" (see Note 18) in the consolidated statement of financial position at the same date. The Provisional Liquidators had negotiated with the Bank the basis for calculation of the Termination Amount. In August 2010, both parties agreed the revised Termination Amount of US$10,069,033 (equivalent to approximately RMB66,250,000). The difference between the Termination Amount and the Revised Termination Amount of USD250,000 (equivalent to approximately RMB1,671,000) was recognised as gain on waived of other financial liabilities for the year ended 31 December 2010.

18. OTHER FINANCIAL LIABILITIES

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Termination Amount *(Note (i))*	**65,739**	66,250
Accrued interest *(Note (ii))*	**1,274**	1,325
At 30 June/31 December	**67,013**	67,575

Notes:

(i) The balance represents the Termination Amount demanded by the bank as a result of the early termination of the Swaps as set out in Note 17 to the condensed consolidated interim financial statements.

(ii) Interest is accrued on the Termination Amount for the period from 13 May 2009 to 2 October 2009 at a rate per annum equal to the cost to the Bank if it were to fund the relevant amount plus 1% per annum in accordance with the ISDA 2002 Master Agreement dated 14 February 2007. The Provisional Liquidators used the overnight USD London Interbank Offered Rates plus 1% per annum to estimate the accrued interest.

(iii) The balance of other financial liabilities is denominated in USD.

19. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2010, 31 December 2010 and 30 June 2011	2,000,000,000	200,000
Issued and fully paid:		
At 1 January 2010, 31 December 2010 and 30 June 2011	657,121,081	65,712
		RMB'000
Shown in the condensed consolidated interim financial statements		
At 30 June 2011		67,399
At 31 December 2010		67,399

20. RESERVES

(a) Surplus reserve

Before 2010, according to the relevant enterprises regulations in the PRC, certain subsidiaries in PRC are required to transfer not less than 10% of their profit after taxation to surplus reserve, as determined under accounting principles generally accepted in the PRC. The surplus reserve fund can be used to make up for previous year's losses, expand the existing operations or convert into additions capital of those PRC subsidiaries.

(b) Share premium

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.

21. 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.

22. 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.

23. COMMITMENTS

Operating lease commitment – the Group as lease

At 30 June 2011, the Group had commitments for future minimum lease payments under noncancelable operating leases which fall due as follows:

	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Audited)
Within one year	**2,183**	1,166
After one year but within five year	**8,983**	–
	11,166	1,166

The lease payments represent the rental payable by the Group for certain of the premises and machinery and equipment. The lease payments are fixed for an average of 2 or 5 years and no arrangements have been entered into for contingent rental payments.

23. COMMITMENTS (Continued)

Capital commitment

To the best of their knowledge and information, the Provisional Liquidators, are unaware of any significant capital commitments for the six months period ended 30 June 2011.

The Provisional Liquidators make no representation as to the completeness and accuracy of the capital commitments up to 30 June 2011.

24. SHARE OPTION SCHEME

The Company has a share option scheme for eligible directors of the Company and eligible employees of the Group and other participants. Options granted must be taken up within 21 days of the date of grant, upon payment of HK$1 per each grant of options. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors but in any event not exceeding 10 years.

Details of the share options outstanding during the current period are as follows:

	Number of Share options
Outstanding at 30 June 2011 and at 31 December 2010	11,300,000

To the best knowledge and information of the Provisional Liquidators, no share options were lapsed and no share option has been granted during the six months period ended 30 June 2011.

During the current period, no expenses was recognized by the Group (six months ended 30 June 2010: nil) in relation to share options granted by the Company.

25. SIGNIFICANT SUBSEQUENT EVENT

To the best of their knowledge and information, and save for the information disclosed in this report, the Provisional Liquidators are unaware of any other significant subsequent event that should be disclosed.

ADDITIONAL INFORMATION

Directors' Interest or Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2011, the interests of the directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Beneficial interests	Position	Corporate interests	Total number of shares held	Percentage of total issued shares
Fu Teng Global Limited	Long	236,610,000	236,610,000	36.01%
Ms. Yang Yunxian	Long	236,610,000	236,610,000	36.01%
Mr. Yang Zongwang	Long	236,610,000	236,610,000	36.01%

To the best information and knowledge of the Provisional Liquidators, other than as disclosed above, none of the directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2011.

Substantial Shareholders

As at 30 June 2011, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

	Ordinary shares held	Position	Percentage of total issued shares
Fu Teng Global Limited *(Note 1)*	236,610,000	Long	36.01%
Ms. Yang Yunxian *(Note 2)*	236,610,000	Long	36.01%
Mr. Yang Zongwang	236,610,000	Long	36.01%

Note 1: Mr. Yang is the owner of the entire issued share capital of Fu Teng.

Note 2: Mr. Yang is the owner of the entire issued share capital of Fu Teng. Mr. Yang and his spouse, Ms. Yang Yunxian, are taken to be interested in these 221,510,000 shares held by Fu Teng by virtue of the SFO. In addition, 5,000,000 share options owned by Mr. Yang are also taken to be interested by Ms. Yang by virtue of the SFO.

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.

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.