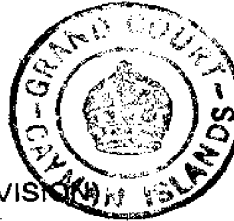
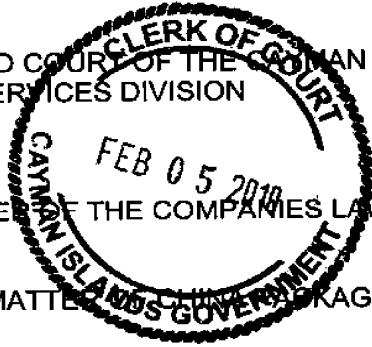


IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



FSD NO: 0046 .  
FSD NO: OF 2010

IN THE MATTER OF THE COMPANIES LAW (2009 REVISION)  
AND IN THE MATTER OF CHINA PACKAGING GROUP COMPANY LIMITED



**WINDING UP PETITION**

To: The Grand Court of the Cayman Islands

**The humble petition** of China Packaging Group Company Limited (the "**Company**"), a company incorporated in the Cayman Islands whose registered office is at P.O. Box 2681 GT, Cricket Square, Hutchins Drive, Grand Cayman KY1-1111, Cayman Islands, acting by Mr Fok Hei Yu and Mr Roderick John Sutton, each of Ferrier Hodgson Limited, 14th Floor The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong pursuant to an order (the "**Hong Kong Court Order**") of the High Court of the Hong Kong Special Administrative Region (the "**Hong Kong Court**") dated 2 October 2009 (the "**Hong Kong Provisional Liquidators**"), shows that:

1. The Company is an exempted company limited by shares, incorporated on 21 October 2002 in accordance with the Cayman Islands Companies Law (2009 Revision) (as amended) (the "**Companies Law**"), with registration number 120628.
2. The Company's registered office is located at P.O. Box 2681 GT, Cricket Square, Hutchins Drive, Grand Cayman KY1-1111, Cayman Islands.
3. The authorised share capital of the Company is HKD200,000,000 divided into 2,000,000,000 shares of HKD0.1 each. The amount of the capital paid up, or credited as paid up, is HKD65,712,108.10.
4. The objects for which the Company was established are as set out in the Company's Memorandum of Association. The Company was formed for the purposes of carrying on the business of a holding company of its three wholly-owned subsidiaries, Fujian Fuwang Metal Products Co., Ltd. ("**Fuwang**"), Shanxi Zhanpher Metal Products Co., Ltd ("**Zhanpher**"), and Sichuan Zhanwang Metal Products Co., Ltd ("**Shuan**") each being companies incorporated in The People's Republic of China (the "**PRC**"). The Company,

Fuwang, Zhanpher and Shuan (together, the "**Group**") are involved in the business of providing food and beverage packaging services throughout the PRC.

5. The Company's principal place of business is in Hong Kong, situated at Unit 2603, 26th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.
6. The Company has been listed on the Hong Kong Stock Exchange ("**HKSE**") since 2003 (Stock Code: 572). Trading in the Company's shares on the HKSE was suspended, at the Company's request, at 9:30 am on 28 April 2009.
7. The Company's principal assets are the Company's listed status, its shares in Fuwang and Zhanpher (Schuan is a dormant company), and its bank accounts maintained with (i) Standard Chartered Bank (Hong Kong) Limited, (ii) DBS Bank - Guangzhou Branch, (iii) DBS Bank - Hong Kong Branch, (iv) Allied Banking Corporation (Hong Kong) Limited, (v) Deutsche Bank Hong Kong Branch, and (vi) ChinaMerchants Bank – Fuzhou Branch.
8. Hong Kong is also the jurisdiction in which the majority of the Company's creditors operate and conduct their businesses. The Company does not have any creditors with operations in the Cayman Islands.
9. The Company is an "unregistered company" within the meaning of section 326 of the Hong Kong Companies Ordinance (Cap. 32) (the "**Hong Kong Companies Ordinance**"), and this petition is presented by the Hong Kong Provisional Liquidators in accordance with the provisions of the Hong Kong Companies Ordinance.
10. The Hong Kong Court Order, which is final and conclusive and is not subject to any appeal, provides the Hong Kong Provisional Liquidators with the express power (inter alia) to bring, prosecute or defend any action or other proceedings in the name and on behalf of the Company, including winding up proceedings whether in Hong Kong or in any other jurisdictions as the Hong Kong Provisional Liquidators consider necessary for the protection of the Company's assets. On 19 January 2010, the Hong Kong Court granted an order authorising the commencement of winding up proceedings by the Hong Kong Provisional Liquidators in the Cayman Islands (the Company's place of incorporation). This order is final and conclusive and is not subject to any appeal.
11. The Company is indebted to (inter alios) Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**") in an amount of USD10,319,033.10 (plus interest) pursuant to two English law

governed interest rate swap agreements entered into by the Company and Deutsche Bank in February and April 2007 (the "**Deutsche Bank Debt**").

12. Pursuant to English law, the Company is liable to pay the Deutsche Bank Debt to Deutsche Bank. Despite the issuance of a statutory demand on 27 May 2009, and further demand letters, the Deutsche Bank Debt amount remains outstanding.
13. On 8 July 2009 Deutsche Bank filed a winding up petition (the "**Hong Kong Winding Up Petition**") against the Company in the Hong Kong Court on the basis that the Company was unable to pay its debts, and that it was just and equitable that a winding up order be made.
14. The former CEO of the Company, Mr Yang, initially raised some opposition to the Deutsche Bank Debt and the Hong Kong Winding Up Petition, notwithstanding that there were no valid grounds on which any such opposition could be based. Mr Yang and (with the exception of one executive and one non-executive director) entire board of directors of the Company all resigned their positions with the Company between March and September 2009. Such opposition to the Deutsche Bank Debt and the Hong Kong Winding Up Petition was not sustained by Mr Yang, and no further opposition has been raised by either of the remaining two directors of the Company since Mr Yang's resignation.
15. The Company is also indebted to DBS Bank (Hong Kong) Limited in an amount of HKD29,262,300.00 (plus interest) (the "**DBS Debt**"), pursuant to the terms and conditions of, inter alia, a general commercial agreement dated 16 May 2008 (the "**General Commercial Agreement**") and a facility letter dated 15 May 2008 ("**Facility Letter**"), each being governed by the laws of the Hong Kong Special Administrative Region, and under which DBS granted banking facilities to the Company.
16. On 7 May 2009, DBS commenced legal proceedings in the High Court of Hong Kong (HCA 1145/2009) ("**Hong Kong High Court Action**") against the Company for recovery of the DBS Debt. Pursuant to an order dated 7 September 2009 made by Master Ko in the Hong Kong High Court Action ("**DBS Hong Kong Order**"), it was adjudged, inter alia, that the Company do pay DBS the sum of HK\$29,495,803.84, together with interest accruing on the sum of HK\$29,262,300.00 at the rate of 4.347140% per annum from 5 May 2009 until 7 September 2009, and thereafter at judgment rate until payment in full.

17. The Company is liable to pay the DBS Debt to DBS. Despite the DBS Hong Kong Order and the issuance of further demand letters, the Company has failed, refused and/or neglected to pay the DBS Debt, or any part thereof.
18. The former CEO of the Company, Mr Yang, initially filed an appeal against the DBS Hong Kong Order, but this appeal has not been sustained, and the appeal hearing originally set for 6 January 2010 was vacated by the Hong Kong Court on 23 November 2009, it having been convinced that there were no longer any prospects of the appeal being continued following the resignation of Mr Yang. As with the opposition to the Deutsche Bank Debt, the Appeal was not sustained by Mr Yang or by any of the other directors of the Company, and no further appeal has ever been submitted by any of the directors of the Company, nor has there been any other indication made that any such appeal was being contemplated. Furthermore, I am informed that as a matter of Hong Kong law the deadline for submitting any appeal against the DBS Hong Kong Order has long since passed.

#### **BASIS FOR CAYMAN ISLANDS WINDING UP ORDER**

19. The Company is liable to pay (inter alia) the Deutsche Bank Debt and the DBS Debt (together, the "**Due Debts**"), and to date has refused or neglected to pay such debts (or any part thereof) to Deutsche Bank, or DBS (as appropriate). The Due Debts remain unpaid.
20. Neither Deutsche Bank nor DBS holds security for payment of the Due Debts. No substantial dispute exists in respect of the Due Debts, and the Company is not appealing against the DBS Hong Kong Order.
21. As evidenced by its failure to pay the Due Debts, the Company is unable to pay its debts, and is consequently insolvent as a matter of Cayman Islands law. The latest management accounts of the Company, which have been made available to the Hong Kong Provisional Liquidators since their appointment, clearly supports the conclusion that the Company is unable to pay its debts as they fall due.
22. In the circumstances it is just and equitable that the Company should be wound up.

#### **AND YOUR PETITIONER HUMBLY PRAYS THAT:**

1. The Company be wound up in accordance with the Companies Law.

2. Mr G. James Cleaver of Zolfo Cooper, of P.O. Box 1102 GT, 4th floor, Building 3, Cayman Financial Centre, Grand Cayman, Cayman Islands, together with Fok Hei Yu and Roderick John Sutton of Ferrier Hodgson Limited of 14th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, be appointed as joint official liquidators of the Company.
3. The costs of and incidental to this petition be paid forthwith from the assets of the Company.
4. Such other order may be made as the Court deems fit.

AND your Petitioner will ever pray etc

Dated: this 5th day of February 2010



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**WALKERS**  
Attorneys-at-law for the Company

**Note:** this petition is intended to be served on the Company at its registered office.

#### **NOTICE OF HEARING**

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on  
at 10.00 am.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, Telephone 345 949 4296

This Petition was presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Petitioner whose address for service is care of its said Attorneys at Law.