

**CHINA PACKAGING GROUP COMPANY LTD:
BANKS CLOSE IN FOR THE KILL**

What Has The Chairman Hidden From Shareholders ?

In the past 3 weeks, [China Packaging Group Company Ltd \(\)](#) (Code: 572, Main Board, The Stock Exchange of Hongkong Ltd) has been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for not less than \$HK53 million.

Since the beginning of this year, in just 4 Actions, filed in the HKSAR High Court, China Packaging has received claims in the aggregate amount of not less than \$HK76 million.

The situation at this publicly listed grows more and more anomalous as the days drift by.

Last Friday, DBS Bank (China) Company Ltd, a subsidiary of publicly listed DBS Group Holdings Ltd () (of Singapore) sued China Packaging for \$HK23,415,332.95 in respect of Money Due and Owing.

About 15 days earlier, that is May 7, 2009, DBS Bank (Hongkong) Ltd [], another wholly owned subsidiary of DBS Group Holdings Ltd, sued China Packaging for an alleged debt in the amount of about \$HK29,495,803.84.

High Court Action, Number 1145, alleges, inter alia, that the Plaintiff, DBS Bank (Hongkong) Ltd, a bank that is domiciled in the HKSAR, granted a facility to the Defendant, China Packaging, dated May 15, 2008.

Paragraphs 5, 6, and 7 of the Statement of Claim, attached to Writ of Summons, Number 1145, allege:

'5. The Plaintiff issued a letter dated 11th February 2009, demanding the Defendant to settle the indebtedness then due within seven (7) days from the date thereof, failing which legal proceedings would be instituted. Despite such demand, the Defendant only made a partial payment of HK\$844,797.99 on 27 February 2009 and has failed, refused or neglected to pay the remaining balance of the amount demanded.

'6. As at 4th May 2009, the Defendant was and is still indebted to the Plaintiff in the sum of HK\$29,495,803.84 together with further interest accruing from 5th May 2009 until payment in full, the particulars of which are set out as follows:-

	HK\$	HK\$
<u>Term Loan</u>		
Principal	29,262,300.00	
Interest accrued up to 4 th May 2009	<u>233,503.84</u>	<u>29,495,803.84⁽¹⁾</u>
Total		29,495,803.84

⁽¹⁾ Interest has been accruing on the principal of the Term Loan at the rate of 4.347140% per annum from 5th May 2009 until payment in full.

‘7. Pursuant to the terms of the General Commercial Agreement and the Facility Letter, the Defendant is liable to pay the Plaintiff costs of this action on a full indemnity basis.’

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