

**CHINA PACKAGING GROUP COMPANY LTD:
THIS COMPANY LOOKS HEADED FOR THE KNACKER'S YARD**

It appears only too obvious that China Packaging Group Company Ltd () (Code: 572, Main Board, The Stock Exchange of Hongkong Ltd) and its Controlling Shareholder, who is, also, the Executive Chairman, are in very deep trouble.

The chances are about Nine-to-One that the Company is headed for insolvency.

On December 8, 2013, the Company informed its shareholders that it was in receipt of allegations that, clearly, were very worrying to many members of the Executive Board of Directors, excluding the Executive Chairman.

The announcement stated, inter alia:

'There are two separate incidents involving the Company and its controlling shareholder respectively, details of which are as follows:

'THE ALLEGED GUARANTEE INVOLVING THE COMPANY

'Recently, the board of directors (the "Board") of China Packaging Group Company Limited (the "Company", together with its subsidiaries, the "Group") received demand from alleged creditors of certain companies, requesting the Company, being the alleged guarantor of debts in the total sum of around RMB842 million owed by certain companies unknown to the Company (the "Alleged Guarantee"), to settle the alleged debts on or before 11 December 2013, and forewarning that, failing which, the alleged creditors would take legal action against the Company. The Company hereby states that it did not approve and did not authorize any person to enter into the Alleged Guarantee on behalf of the Company and was not aware of the existence of the same beforehand. The Company is currently seeking legal advice on these matters.

'HONG KONG HIGH COURT CIVIL PROCEEDING INVOLVING ABLE SUCCESS ASIA LIMITED

'The Company was notified by alleged creditors of Able Success Asia Limited, ("Able Success"), the controlling shareholder of the Company and a company wholly-owned by Mr. He Jianhong ("Mr. He"), the chairman, an executive director, and the controlling shareholder of the Company that Able Success was involved in a Hong Kong High Court civil proceeding. The Company is not involved in such proceeding. The Company will seek clarification from Mr. He when he comes back to Hong Kong and closely monitor such matter.

'Able Success is our largest creditor (based on the Group's interim report dated 29 August 2013, as at 30 June 2013, the Company is indebted to Able Success in the sum of approximately RMB9.3 million, which constitutes approximately 46% of our total liabilities). As such, Mr. He's financial support is important to the Company. As at the date of this announcement, the Board is yet to assess the impact on the business, operations and financial position of the Group as a

result of the above matters.

'The Company is making necessary enquiries for the purpose of verifying the above information. The Company will make further announcement if there is any further information and clarification regarding the abovementioned...

*By order of the Board
China Packaging Group Company Limited
Zhang Zhantao
Executive Director'*

Last Tuesday-week (January 14, 2014), a Writ of Summons, Statement of Claim attached, was filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

High Court Action, Number 81 of 2014, is ... [CLICK TO ORDER FULL ARTICLE](#)

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