

**CHINA PACKAGING GROUP COMPANY LTD:  
THIS IS THIS YEAR'S HORROR STORY**

**How Much Worse Can Be This Company's Situation?**

Although China Packaging Group Company Ltd () (Code: 572, Main Board, The Stock Exchange of Hongkong Ltd) has almost been denuded of most of its cash resources, Management is far from giving up the ghost and is plugging away in trying to pull together what is left of the company, following many months of uncertainty.

The latest horror story about this Company is contained in its March 31, 2014, announcement in respect of the Final Results of the 2013 Financial Year, ended December 31.

In that report, it is indicated that the Company was, as the idiom goes, on the balls of its proverbial arse.

The following table tells the tale of this Company with regard to the past two Financial Years:

	In Respect Of The Financial Year, Ended December 31		Percentage Increase/(Decrease)
	2012	2013	
	All Figures Are Denominated In Renminbi '000 (except where otherwise specified)		
Revenue	74,085	148	(99.80)
Net Loss Attributable To Shareholders	(85,690)	(49,955)	41.70
Property, Plant And Equipment	10,089	596	(94.09)
Net Current Assets/(Liabilities)	45,592	(2,718)	(105.96)
Net Assets/(Liabilities)	47,173	(2,122)	(104.50)

Whereas, as at December 31, 2012, the Company had Current Assets, amounting to 52,913,000 renminbi, as at December 31, 2013, Current Assets stood at 14,504,000 renminbi – with just 85,000 renminbi in cash and bank balances.

On March 14, 2014, Management announced that it is attempting to raise money by a Placement of 169 million shares and had '*entered into a conditional Placing Agreement with the Placing Agent, under which the Placing Agent will use its best endeavors to place up to 169,000,000 Placing Shares to not fewer than six Placees who are Independent Third Parties*'.

Three days later, Management announced that the Placing Price Per Share had been amended to 10.50 cents and that it was hoped to net about \$HK17.70 million from this prospective, cash-raising exercise.

The Share Placement was supposed to have been completed, initially, by March 28, but that date came and went – and, still, there has not been a sufficiency of takers for the Placing Shares.

On March 28, Management announced that the original date for completion of the Share Placement had been put forward to April 11, 2014.

Translation: There are grave problems in finding cash to keep the creditors away from the Company's doors.

But that is just one of the major problems that China Packaging Group is facing, today.

### **High Court Action, Number 512 of 2014**

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