

China Green Paper Packaging Corporation

Winter 2008



Paper Packaging Products



Corrugated fiberboard cartons



High grade pre-printed color corrugated fiberboard cartons

Available in Three Thicknesses



Three (3) layers, for light consumer applications such as beverage carrying cases (\$0.58 per m²)



Five (5) layers, for intermediate uses, such as computer boxes (\$0.72 per m²)



Seven (7) layers for heavy items such as auto parts

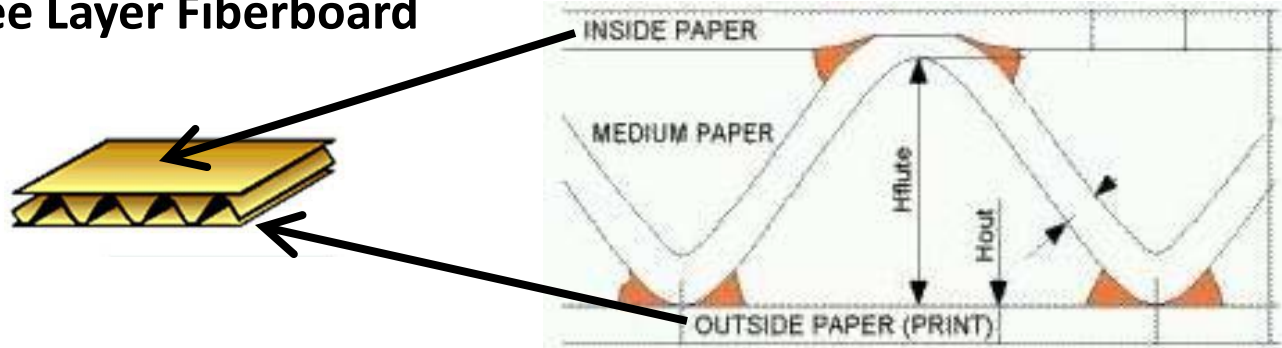
Location

- Asian Packaging Center at Qianjiang Industrial Development Zone, Hangzhou, Zhejiang Province
- Close to Shanghai and Nanjing
- One hour's drive from Yang Shan, the largest port in Asia
- Landscaped, western-style office park and planned community
- New roads, water, power, telecommunications, waste water and natural gas lines have been installed
- At the end of 2006, the development had 10 industrial projects
- Total investment of US\$493 million from the Chinese government and the foreign capital invested of US\$53 million



CGC Pre-Printing Process

Three Layer Fiberboard



- Traditional process prints on the outside edge of the fiberboard after the fiberboard has been constructed
- The pressure and moisture from the printing reduces the strength of the fiberboard
- The paper has to be thick enough to withstand this post-printing process
- CGC prints on the outside paper layer before it is glued onto the middle corrugated paper sheet
- CGC can use lighter paper and therefore less raw materials to deliver the required strength

CGC Differentiators



Environmentally Friendly

- We use 30% less raw materials
- We use scrap paper as raw material
- We have modern wastewater treatment



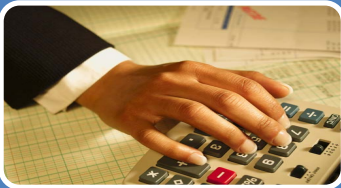
Full Color High Quality Printing

- Six-color printing technology including gold and silver ink
- 2m width
- Pre-printing eliminates banding



Strong relationships with the Chinese government

- No income tax and sales tax for the first two years, and after the first two years, pays only 50% of the income tax



Lower Cost Structures

- We need less raw materials
- We have powerful tax incentives

Sales and Marketing

- To jump-start sales, we are leveraging our partner ZYCP's customer base
- This includes major companies such as
 - Wa Ha Corp[®], a producer of milk, water and soda beverages
 - Spring Water Corp[®]
 - West Lake Beer Corp[®]
 - Double-Deer Beverages Corp[®]
 - Zhejiang Salt Corp[®]
 - China Walking Shoes Corp[®]
 - Shanghai World Expo[®]
- The Shanghai World Expo has 15,000 exhibiting companies and a database of 70 million businesses that will be referred to CGC
- The Company expects to be participating in a very large procurement with the Chinese government for corrugated paper supplies to support the recovery from the recent earthquake in China



Market Growth

- **US Corrugated and Fiberboard Box Market**
 - Demand for corrugated and fiberboard boxes is expected to rise 2.5% annually through 2012 to nearly US\$41 billion. ¹
- ***The Overall Chinese Packaging Market***
 - Chinese packaging industry grew from US\$46 billion in 2004 to US\$57 billion in 2007.
 - In 2010, the total output value of Chinese packaging industry is expected to reach US\$65 billion, an annual growth rate of 7%.
 - From 2011 to 2015, the Chinese packaging industry is forecast to reach US\$87 billion, a growth rate of 6% every year.
- ***The Chinese Paper Packaging Market***
 - The market for paper packaging products grew from US\$8.99 billion and 13.2 million tons in 2000, to US\$14.5 billion and 20 million tons in 2005. The report forecasts that paper packaging products in China will grow from 27 million tons in 2010 to 36 million tons in 2015.²
 - 74% of the paper packaging products made in China are cartons.

¹Source: Reuters

²China Packaging Technology Association

Market Trends

- Warehouse club stores like boxes with high-quality printing that are also attractive billboards
- 70% of all packaging was corrugated and solid fiber boxes, in 2007
- Corrugated and solid-fiber boxes will continue to lead because they are the lowest cost shipping containers
- Corrugated and solid-fiber boxes are a sustainable product that is compatible with increased environmental awareness
- There is a trend is to substitute paper packaging for plastic packaging products
- In the United States, 89.4% of the corrugated fiberboard sold is three-layer single wall, 9.1% is five-layer double wall and 0.5% is seven-layer three wall
- In China, 96% of the fiberboard produced is five-layer double wall and three-layer single wall is not produced

Three Layer Production Line

- Maximum annual production capacity, three shifts, of about 125 ~ 145 million m²
- Potential market value of US\$72 million
- In 2009, assuming two shifts and 61.5% of maximum capacity, the Company forecasts an annual yield of 87,500,000 m²
- At an OEM sales price of \$0.51 ~ \$0.58 per m² = revenues of US\$44,708,029



Five Layer Production Line



- Maximum annual production capacity, three shifts, of about 100 to 125 million m² – Potential value of US\$87.6m
- For the third quarter of 2009, estimated production is 12 million m².
- In the fourth quarter, estimated production is 18 million m².
- At estimated OEM sales price of US\$0.72 per m² the total sales revenue for 2009 is projected to be approximately US\$21.89 m

Management

- Shen Chunlei, 45, Chairman and CEO
 - Chairman of 300 employee Boya Packaging Co., Ltd - 1995 until 2008. General Manager of 230 employee Jinyun Packaging Co., Ltd. - 1988 until 1995.
 - Masters degree from Zhejiang University
- Li Kaizhou, 44, Vice Chairman
 - Chairman of the 100 employee Hangzhou Wuchuan Trading Co. Ltd., from 2002 until 2007. Chairman of Hangzhou Haitian Jin Chen Material Co. Ltd., 80 employees, from 1997 to 2002. B.S. degree Industrial Manufacturing 1981 from Zhejiang Wenzhou College of Technology
- Mr. Henry Wang, Chief Financial Officer
 - Managing Director of the Pacific Rim Chamber of Commerce since 2004. Founded Eastco International Investment Corporation in 2004. Masters in Literature from California State University.
- Herbert Thieme, 69, Chief Engineer
 - Consultant for Immobilien GbR Stabernack - 2004 – 2008. Managing director of the corrugated board company Leipzig Verpackung - 1990 until 2003
 - Degree in Mechanical Engineering in 1970 - Chemnitz Technical University.

Income Statement & Balance Sheet

Income Statement (period ending Sep 30)

	2008	2007
NET REVENUES	\$ -	\$ -
COST OF GOODS SOLD	-	-
GROSS PROFIT	-	-
LOSS FROM OPERATIONS	(359,737)	(278,822)
OTHER (INCOME) EXPENSE:		
Total other (income) expense	(69)	(89)
NET LOSS	(359,668)	(278,733)
OTHER COMPREHENSIVE INCOME (LOSS):		
Foreign currency translation gain (loss)	<u>415,914</u>	<u>(5,811)</u>
COMPREHENSIVE INCOME (LOSS)	\$ 56,246	\$ (284,544)

Balance Sheet (period ending Sep 30)

	2008	2007
ASSETS		
CURRENT ASSETS:		
Total Assets	<u>14,224,989</u>	<u>4,395,669</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Total Current Liabilities	5,341,703	222,600
STOCKHOLDER'S EQUITY:		
Total Stockholder's Equity	<u>8,883,286</u>	<u>4,173,069</u>
Total Liabilities and Stockholder's Equity	\$ <u>14,224,989</u>	\$ <u>4,395,669</u>

Proforma Income Statement

	2009	2010	2011
NET REVENUES	\$ 44,206,204	\$ 90,802,920	\$ 110,096,715
<u>COST OF GOODS SOLD</u>	<u>27,217,409</u>	<u>57,215,285</u>	<u>67,623,944</u>
GROSS PROFIT	16,988,795	33,587,635	42,472,771
TOTAL OPERATING EXPENSES	1,050,854	1,789,511	2,082,131
INCOME FROM OPERATIONS	15,937,941	31,798,124	40,390,640
<u>TOTAL OTHER (INCOME) EXPENSE</u>	<u>437,956</u>	<u>1,197,080</u>	<u>1,401,460</u>
NET INCOME	15,499,985	30,601,044	38,989,180