

Interim Report 2012

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 0468



Greatview Aseptic Packaging Company Limited



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. BI Hua, Jeff (*CEO*)

Mr. HONG Gang (*Chairman*)

Non-Executive Directors

Mr. HILDEBRANDT James Henry

Mr. ZHU Jia

Mr. LEE Lap, Danny

Mr. LEW Kiang Hua

Ms. SHANG Xiaojun

Independent Non-Executive Directors

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

JOINT COMPANY SECRETARIES

Mr. CHANG Fuquan

Ms. MA Sau Kuen Gloria

AUTHORISED REPRESENTATIVES

Mr. ZHU Jia

Ms. MA Sau Kuen Gloria

AUDIT COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

REMUNERATION COMMITTEE

Mr. CHEN Weishu (*Chairman*)

(Appointed as Chairman on 28 March 2012)

Mr. ZHU Jia (Resigned as Chairman on 28 March 2012)

Mr. BI Hua, Jeff

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

NOMINATION COMMITTEE

Mr. HONG Gang (*Chairman*) (Appointed on 28 March 2012)

Mr. BI Hua, Jeff

(Resigned as Chairman and member on 28 March 2012)

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8th Floor, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

HEADQUARTERS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

14 Jiuxianqiao Road

Chaoyang District

Beijing 100015

The PRC

AUDITORS

PricewaterhouseCoopers, *Certified Public Accountants*

COMPLIANCE ADVISER

TC Capital Asia Limited

LEGAL ADVISERS

Norton Rose Hong Kong

Tian Yuan Law Firm

PRINCIPAL BANKERS

China Construction Bank

China Merchants Bank

Industrial and Commercial Bank of China

DBS Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Investor Services Limited

26th Floor, Tesbury Centre

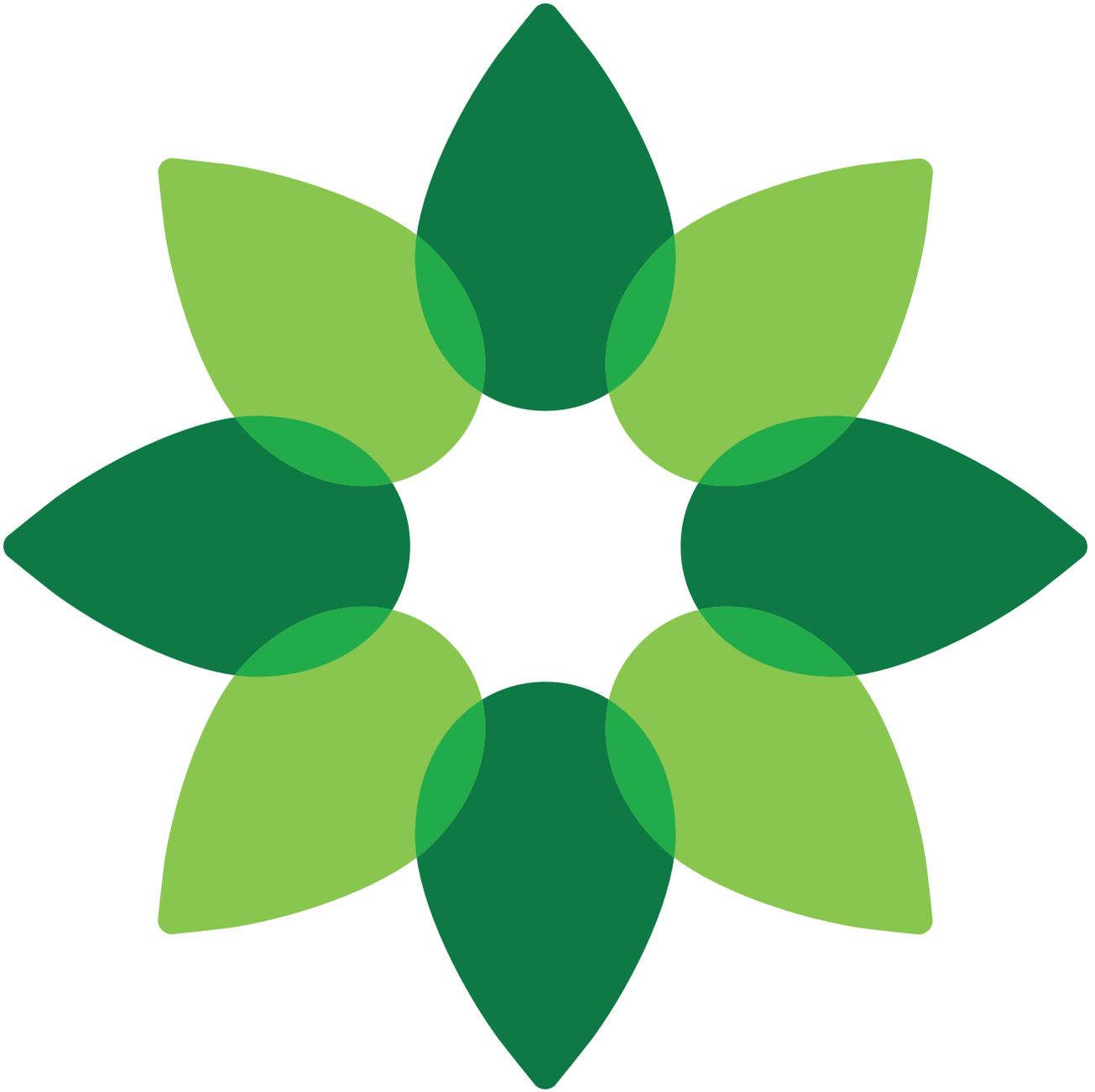
28 Queen's Road East

Wanchai

Hong Kong

COMPANY WEBSITE

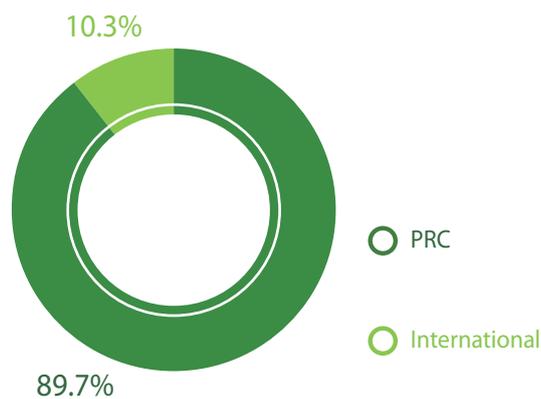
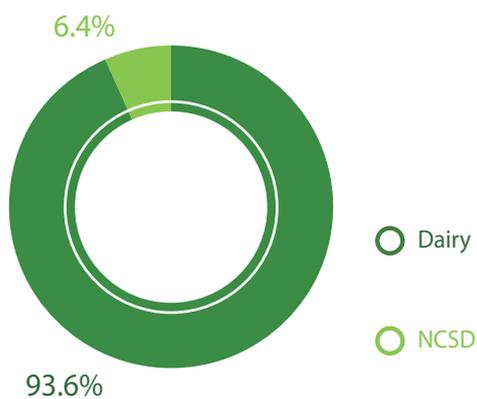
www.greatviewpack.com



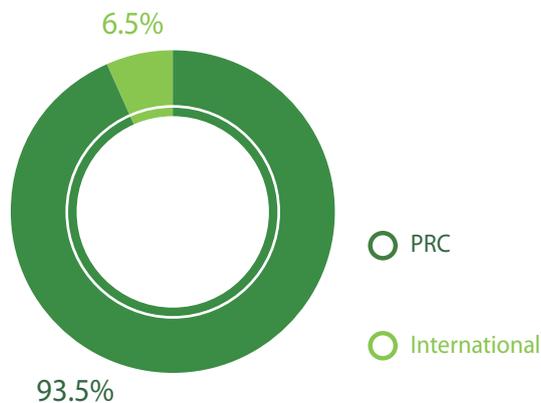
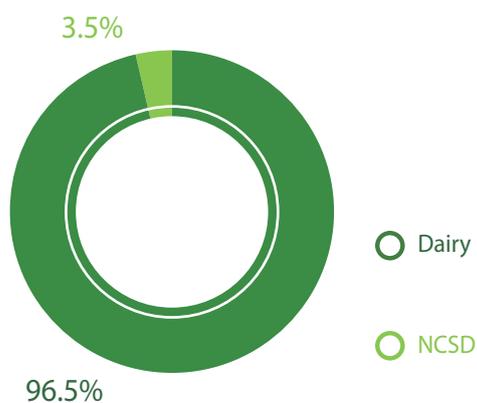
FINANCIAL SUMMARY

	For the six months ended		
	30 June		
	2012	2011	Percentage
	RMB million	RMB million	%
	(Unaudited)	(Unaudited)	
Revenue	863.0	721.7	+19.6
Gross profit	277.5	226.5	+22.5
Net profit	158.2	117.2	+35.0
Profit attributable to shareholders	158.2	117.2	+35.0
Earnings per share — basic and diluted (RMB)	0.12	0.09	
Proposed dividend per share (HKD)	0.10	Nil	

REVENUE ANALYSIS



PROFIT ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Greatview Aseptic Packaging Company Limited (our "Company") and together with its subsidiaries (collectively, our "Group") are the second largest roll-fed supplier of aseptic packaging globally and the leading alternative supplier in the PRC, producing and selling a broad variety of aseptic packs. These aseptic packs include GA Brick, our carton form packaging and GA Pilo, our soft pouch form packaging. Our commitment to provide customised, high-quality and competitively priced aseptic packs, which are fully compatible with standard roll-fed filling machines, enabled us to secure some of the leading dairy and non-carbonated soft drink ("NCSD") producers in the PRC as well as a number of international producers as our clients.

During the six months ended 30 June 2012, our European production facility in Halle, Germany (our "European Plant") has started trial production. This new factory marks an important milestone in our Group's international growth strategy by penetrating one of the largest aseptic packaging markets in the world. The Company is expected to extend its geographical coverage to reach across the European region as well as other international markets upon the completion of ramp-up production of our European Plant.

Our second production line of the Helingeer factory in Inner Mongolia has commenced production in the first half of 2012. With the implementation of this new production line, the Helingeer

factory is expected to contribute increasing significant portion of the Group's production capacity.

We have started construction of the third production line in Gaotang, the PRC during the six months ended 30 June 2012. The construction is scheduled to complete in the middle of 2013. This new production line, estimated at a total investment of around RMB300 million, is expected to contribute a significant increase in the Group's production capacity.

In order to streamline and improve efficiencies of the Group, centralisation of the Group's management function was put in place since 2011. Operations of some of the departments have been successfully centralised from individual factories to our head office in Beijing. The Group has been continued to strengthen the centralised supportive functions during the six months ended 30 June 2012. We, in the long term, hope to benefit from these cost saving measure and enhance operational efficiency.

Products

We sold a total of 4.3 billion packs during the six months ended 30 June 2012, with GA Brick aseptic 250ml Base remained as the top selling product, followed by GA Brick aseptic 1000ml Base as the second most popular selling product of our Group.

Driven by the increasing consumers' concern with health, fitness and well-being, the demand for dairy and NCSD products remained as the key driver of our sales volume growth. Sales volume grew about 20% during the six months

ended 30 June 2012 over the corresponding period in 2011. The growth rate was lower than the corresponding period in 2011, because the Group focused more on maintaining its sales margin level and its average selling price of products. The slowdown of the economic growth in the PRC has also impacted the sales volume. Although the economy was slack in the first half of 2012, we were pleased to retain an impressive growth of our sales under such circumstances.

We believe the commencement of the second production line of the Helingeer factory, the implementation of our European development plan together with the expansion project, which introduced the third production line in Gaotang, will help us meet the growing market demand, strengthen our position in key markets, and capture additional market opportunities around the world.

Meanwhile, we have made an effort to ensure the products from our European Plant are of high quality in order to strengthen our brand name and reputation in the international market. Consequently, we have started internal quality examination procedures for our products in our European Plant during the first half of 2012. Externally, we have engaged independent laboratories that are well recognised by the industry players in Europe to carry out quality certification. We believe that our emphasis on quality will help us earn customer confidence and provide a strong selling point for our products.

Production Capacity and Utilisation

Management Discussion and Analysis

The annual production capacity of our Group was 13.4 billion packs at the end of 2011. The trial production of our European Plant has started during the period under review, and is expected to commence production in the second half of 2012. This will facilitate the growth of our Group's annual production capacity by 4 billion packs by the end of 2012. Furthermore, the third production line in Gaotang is expected to bring an additional annual production capacity of 4 billion packs to the Group in 2013.

Our Group produced approximately 4.33 billion packs during the six months ended 30 June 2012. The utilisation rate in the first half of 2012 was lower than the corresponding period in 2011, which was mainly due to the adjustment of customer mix of the Group in order to maintain the sales margin level and average selling price of our products. The slowdown of the worldwide economic growth and in particular, the domestic market has also contributed to the decline in the utilisation rate.

Suppliers and Raw Materials

With the inflationary pressure on the price of raw materials, our cost of raw materials went up slightly in the first half of 2012 compared to the same period in 2011. This increase was mainly influenced by the prices of Liquid Paper Board ("LPB").

As a significant portion of our raw materials are customised, their prices are generally less volatile than their commodity counterparts. As a result, we managed to contain the increase in these raw materials prices within a reasonable range. Furthermore, we are continuously expanding our supplier base to manage and control the raw materials prices more efficiently.

Sales and Marketing

We sell our aseptic packs and services to leading dairy and NCS D producers across the world, with a primary focus on the PRC and European markets. For the six months ended 30 June 2012, we have put more resources to intensify our brand, continuously expanded our customer base in the PRC and continued to grow volume with our key dairy customers.

Our sales and marketing teams have also penetrated some international markets such as North Africa and gulf areas including Bahrain, Kuwait and Algeria. We have also expanded our technical support capability for customers, and continued to build a dedicated team of international sales and marketing professionals to provide greater emphasis and better services to our customers in the international markets.

Our Group has devoted efforts to actively promote tailor-made marketing activities for our customers, and also geared towards supporting the activities of our sales team in the first half of 2012. This will ensure our sales team to keep abreast of the industry trends, strengthen interaction with existing customers, cultivate new relationships and build brand awareness.

During the period under review, we participated in the Anuga FoodTec exhibition in Germany, an international trade fair for food and beverage technology, where we took the opportunity to launch some of our products. Our participation has not only highlighted our corporate image, but also created favourable sales impact in the marketing aspects. Attending the



Management Discussion and Analysis

Anuga FoodTec exhibition was a good opportunity for us to present ourselves on the global stage as a first rate supplier of food and beverages packaging material and an alternative aseptic packaging choice.

FINANCIAL REVIEW

Overview

During the six months ended 30 June 2012, we achieved a record revenue of RMB863.0 million and net profit of RMB158.2 million. Our management is pleased with the financial results, and will strive towards a higher target for the financial year ending 31 December 2012.

Revenue

We primarily derive revenue from domestic and international sales of aseptic packaging materials and related services to dairy and NCS D producers. Revenue of our Group increased by 19.6% from RMB721.7 million for the six months ended 30 June 2011 to RMB863.0 million for the period under review. The increase was primarily due to the increase of sales orders from existing dairy customers.

With respect to the domestic segment, our revenue increased by RMB123.1 million, or 18.9%, to RMB774.0 million for the six months ended 30 June 2012 from RMB650.9 million over the corresponding period in 2011. It was contributed by the increase of sales orders from existing dairy customers.

With respect to the international segment, our revenue increased by RMB18.2 million, or 25.8%, to RMB89.0 million for the six months ended 30 June 2012 from RMB70.8 million over the corresponding period in 2011. It was mainly contributed by the increased of sales orders from existing dairy customers.

Our revenue from dairy customers increased by RMB217.4 million, or 36.8%, to RMB808.2 million for the six months ended 30 June 2012 from RMB590.8 million over the corresponding period in 2011, while our revenue from NCS D customers decreased by RMB76.0 million, or 58.1%, to RMB54.8 million for the six months ended 30 June 2012 from RMB130.8 million over the corresponding period in 2011, primarily as a result of the Group focusing on maintaining the sales margin level and the average selling price of products.

Cost of Sales

Our cost of sales increased by RMB90.3 million, or 18.2%, to RMB585.5 million for the six months ended 30 June 2012 from RMB495.2 million over the corresponding period in 2011. The growth in cost of sales was slightly lower than the growth in total revenue as a result of the increase in production volume as well as the improvement of operating efficiency.

Raw material costs, which make up the largest portion of our cost of production, increased by RMB98.4 million, or 22.9%, to RMB528.2 million for the six months ended 30 June 2012 from RMB429.8 million over the corresponding period in 2011. The growth in raw material costs was related to the increase in production volume and the prices of raw material.

With respect to the domestic segment, our cost of sales increased by RMB67.0 million, or 15.0%, to RMB514.6 million for the six months ended 30 June 2012 from RMB447.7 million over the corresponding period in 2011. The growth in cost of sales in the domestic segment was slower than the growth in revenue from the domestic segment as a result of the reduction of wastage and the improvement of operating efficiency.

With respect to the international segment, our cost of sales increased by RMB23.4 million, or 49.2%, to RMB70.9 million for the six months ended 30 June 2012 from RMB47.5 million over the corresponding period in 2011. It was mainly due to the increase of sales volume.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit increased by RMB51.0 million, or 22.5% to RMB277.5 million for the six months ended 30 June 2012 from RMB226.5 million over the corresponding period in 2011. Our gross margin increased by 0.8 percentage points to 32.2% for the six months ended 30 June 2012 from 31.4% over the corresponding



Management Discussion and Analysis

period in 2011, mainly contributed by the adjustment of customer mix of the Group for the purpose of maintaining the sales margin level and cost saving on waste and overhead during the period.

Distribution Costs

Our distribution costs increased by RMB2.0 million, or 4.7%, to RMB44.2 million for the six months ended 30 June 2012 from RMB42.3 million over the corresponding period in 2011. The increase was primarily due to the increase in travelling expense. The growth of distribution cost has been largely shrunk as a result of the significant reduction of freight expenses which were properly managed.

Administrative Expenses

Our administrative expenses during the six months ended 30 June 2012 were similar to the corresponding period in 2011, which was about RMB45.2 million.

Taxation

Our tax expenses increased by RMB10.4 million to RMB38.7 million for the six months ended 30 June 2012 from RMB28.3 million over the corresponding period in 2011. Effective tax rate increased by 0.1 percentage points to 19.6% for the six months ended 30 June 2012 from 19.5% for the previous financial year. Both increases were primarily due to the increase in sales and tax rate in Shandong factory in the PRC.



Profit for the Period and Net Profit Margin

Driven by the factors described above, our net profit increased by RMB41.0 million, or 35.0%, to RMB158.2 million for the six months ended 30 June 2012 from RMB117.2 million over the corresponding period in 2011. Our net profit margin increased by 2.1 percentage points to 18.3% for the six months ended 30 June 2012 from 16.2% over the corresponding period in 2011 primarily due to the operating effectiveness and cost and expenses savings.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2012, we had RMB394.3 million (31 December 2011: RMB273.6 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of finished packaging products. Inventory turnover days (inventories/cost of sales) was 107.9 days as at 30 June 2012 as compared to 92.7 days as at 31 December 2011. Turnover days for trade receivables (trade receivables/revenue) increased from 69.4 days as at 31 December 2011 to 76.4 days as at 30 June 2012. Turnover days for trade payables (trade payables/

cost of sales) increased from 27.3 days as at 31 December 2011 to 30.4 days as at 30 June 2012.

Borrowings and Finance Cost

Total borrowings of our Group as at 30 June 2012 was RMB236.9 million (31 December 2011: RMB204.4 million) and denominated in RMB. For the period under review, net finance costs of our Group were approximately RMB1.4 million (30 June 2011: RMB1.4 million).

Gearing Ratio

As at 30 June 2012, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group has increased to 0.133 (31 December 2011: 0.125). It was mainly due to the increase of short-term borrowing.

Working Capital

Our working capital (calculated by the difference between the current assets and current liabilities) as of 30 June 2012 was RMB809.4 million (31 December 2011: RMB701.2 million).

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB. During the period under review, our Group recorded exchange loss of RMB4.1 million (30 June 2011: RMB4.6 million).

Capital Expenditure

As at 30 June 2012, our Group's total capital expenditure amounted to approximately RMB124.6 million (31 December 2011: RMB460.0 million), which was used in the construction of our European Plant and the acquisition of machinery and fittings for the said factory.

Charge on Assets

As at 30 June 2012, our Group had pledged certain property, plant and equipment of a subsidiary with an

aggregate net book value of RMB78 million (31 December 2011: RMB86 million) and an aggregate net book value of approximately RMB1.33 million (31 December 2011: RMB1.34 million) of land use right for the purpose of securing a loan with carrying value of RMB30 million.

Contingent Liabilities

As disclosed in the prospectus of the Company dated 26 November 2010, a claim was brought by Tetra Laval Holdings & Finance S.A., Pully Switzerland ("Tetra Pak") in July 2010 in the Düsseldorf district court in Germany (the "Court"), alleging patent infringement of a claim of a European patent related to aseptic packaging material ("Tetra Pak's Claim") against two group companies.

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "Judgement"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. The Company was advised by its legal adviser on German law that the Group has a strong case to defend against Tetra Pak's appeal. As at 30 June 2012, the appeal was still under process at the Court in Germany.

HUMAN RESOURCES

As at 30 June 2012, our Group employed approximately 1,056 employees (31 December 2011: 940 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to its employees. In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. Share option schemes have also been adopted for employees of our Group. In order to ensure that our Group's employees remain competitive in the industry, the Company has adopted

training schemes for its employees managed by its human resource department.

PROSPECTS

The Company has already established its footprint as a leading alternative supplier in the PRC, the world's largest single national and fast growing market for aseptic packaging. Following its international growth strategy in Europe, the world's largest regional market for the aseptic packaging industry, and the expansion of factories to support this growth, the Group is expected to continue to:

- grow its market share with our key customers while broadening customer mix in the PRC market;
- further expand and penetrate international markets;
- strengthen the centralisation of the Group's management functions in order to achieve a more efficient "plug & play" system for future capacity expansion projects in the markets outside the PRC;
- broaden our products mix; and
- continue to optimise products and production processes and accelerate research and development in roll-fed filling machine business.

As our products are essential part of fast moving consumer goods, we do not expect significant impact on the demand for our products from economic turmoil around the globe.

OTHER INFORMATION

INTEREST AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2012, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) held by the directors of the Company (the “Directors”) and chief executives of the Company which have been notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) are as follows:

Interests and short position in the shares of the Company (the “Shares”) and underlying Shares

Name of Director/ Chief Executive	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 5)
Hong Gang	159,489,234	1	Founder of a discretionary trust	Long position	11.96
	86,961,966	2	Interest of controlled corporation	Long position	6.52
	13,838,000	3	Interest of controlled corporation	Long position	1.04
	11,831,560	4	Founder of a discretionary trust	Long position	0.89
Total long position	272,120,760				20.41
	9,022,000	3	Interest of controlled corporation	Short position	0.68
	14,820,000	1	Founder of a discretionary trust	Short position	1.11
Total short position	23,842,000				1.79

Notes:

- Wiseland Holdings Ltd. (“Wiseland”) has a direct interest in 129,489,234 Shares and an earn out arrangement with Bain Capital TP Holdings, L.P. (“Bain Capital”) for an additional 30,000,000 Shares (the “Bain Capital Earn Out Arrangement”). Therefore, Wiseland is interested in an aggregate of 159,489,234 Shares. Wiseland in return agreed to transfer 14,820,000 Shares to Phanron Holdings Limited (“Phanron”), Hillma Global Limited, Goldmap Investment Limited, Parview Development Limited (“Parview”), J. Schwartz Ltd and Wallson Investment Limited if it obtains the Shares from the Bain Capital Earn Out Arrangement (the “Wiseland Earn Out Arrangement”). Therefore, Wiseland has a short position in 14,820,000 Shares. Fosing Limited (“Fosing”), is interested in the same 159,489,234 Shares and short position in 14,820,000 Shares by virtue of its 41.90% interest in Wiseland. Fosing is wholly-owned by one of the two discretionary trusts, which are discretionary trusts established for the benefit of senior management of our Group and their respective issue (the “SM Trusts”). Hong Gang is a settler of the SM Trusts and therefore is deemed to be interested in the same 159,489,234 Shares and short position in 14,820,000 Shares.
- Phanron is wholly-owned by Hong Gang and he is therefore deemed to be interested in the 86,961,966 Shares held by Phanron.

Other Information

- (3) Liwei Holdings (PTC) Limited ("Liwei") is 50% owned by each of Hong Gang and Gao Wei. Therefore, Hong Gang and Gao Wei are deemed to be interested in all of the underlying Shares to be issued pursuant to the options granted to Liwei under the pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme").

On 22 January 2010, 22,000,000 options were granted to Liwei under the Pre-IPO Share Option Scheme. On 17 March 2011, 284 employees were granted (by way of transfer) by Liwei the rights to subscribe for up to 20,010,000 Shares under the Pre-IPO Share Option Scheme upon vesting of their option. On 1 September 2011 and 1 June 2012, 3,546,000 options and 4,616,000 options were vested respectively. As at 30 June 2012, 498,000 options were lapsed after vesting, while 1,278,000 share options were lapsed before the vesting period which were taken back by Liwei, and none of the options has been exercised under the Pre-IPO Share Option Scheme.

Liwei is therefore deemed to be interested in 13,838,000 Shares in a long position and have a short position in respect of the potential obligation to deliver 9,022,000 Shares.

- (4) Parview has a direct interest in 10,631,560 Shares and an additional 1,200,000 Shares from the Wiseland Earn Out Arrangement. Therefore, Parview is interested in an aggregate of 11,831,560 Shares. Parview is wholly-owned by one of the SM Trusts, whereby Hong Gang is a settler of the SM Trusts and therefore is deemed to be interested in the same 11,831,560 Shares.
- (5) There were 1,333,600,000 Shares in issue as at 30 June 2012.

Save as disclosed above, as at 30 June 2012, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2012, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests and short position in the Shares and underlying Shares:

Name of Substantial Shareholder	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 10)
Bain Capital Investors, LLC	338,377,300	1	Interest of controlled corporation	Long position	25.37
	30,000,000	1	Interest of controlled corporation	Short position	2.25
CDH China Growth Capital Fund II, L.P.	256,023,700	2	Interest of controlled corporation	Long position	19.20
CDH China Growth Capital Holdings Company Limited	256,023,700	2	Interest of controlled corporation	Long position	19.20

Other Information

Name of Substantial Shareholder	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 10)
CDH Packaging Limited	256,023,700	2	Beneficial owner	Long position	19.20
China Diamond Holdings Company Limited	256,023,700	2	Interest of controlled corporation	Long position	19.20
China Diamond Holdings II, L.P.	256,023,700	2	Interest of controlled corporation	Long position	19.20
Madam Xu Zhen	272,120,760	3	Interest of spouse	Long position	20.41
	23,842,000			Short position	1.79
Gao Wei	159,489,234	4	Founder of a discretionary trust	Long position	11.96
	221,000	5	Beneficial owner	Long position	0.02
	13,838,000	6	Interest of controlled corporation	Long position	1.04
	11,831,560	7	Founder of a discretionary trust	Long position	0.89
Total long position	185,379,794				13.90
Total short position	9,022,000	6	Interest of controlled corporation	Short position	0.68
	14,820,000	4	Founder of a discretionary trust	Short position	1.11
	23,842,000				1.79
Madam Wang Wei	185,379,794	8	Interest of spouse	Long position	13.90
	23,842,000			Short position	1.79
Fosing Limited	159,489,234	4	Interest of controlled corporation	Long position	11.96
	14,820,000	4		Short position	1.11
Foxing Development Limited	159,489,234	4	Interest of controlled corporation	Long position	11.96
	14,820,000	4		Short position	1.11
Wiseland Holdings Ltd	159,489,234	4	Beneficial owner	Long position	11.96
	14,820,000	4	Beneficial owner	Short position	1.11
Phanron Holdings Limited	86,961,966	9	Beneficial owner	Long position	6.52

Notes:

- (1) Bain Capital Investors, LLC is deemed to be interested in 338,377,300 Shares as at 30 June 2012 by virtue of its wholly-owned subsidiary's, Bain Capital, interest in 338,377,300 Shares. The short position in 30,000,000 Shares are subject to the Bain Capital Earn Out Arrangement, whereby such Shares will be transferred to Wiseland if the conditions for the Bain Capital Earn Out Arrangement are fulfilled. Bain Capital is therefore deemed to have a short position in respect of the potential obligation to deliver the 30,000,000 Shares.

Other Information

- (2) CDH Packaging Limited, is a wholly-owned subsidiary of CDH China Growth Capital Fund II, L.P.. The general partner of CDH China Growth Capital Fund II, L.P. is CDH China Growth Capital Holdings Company Limited. China Diamond Holdings II, L.P. is the holding company of CDH China Growth Capital Holdings Company Limited, and China Diamond Holdings Company Limited is the general partner of China Diamond Holdings II, L.P.. Each of CDH China Growth Capital Fund II, L.P., CDH China Growth Capital Holdings Company Limited, China Diamond Holdings II, L.P. and China Diamond Holdings Company Limited is deemed to be interested in the Shares held by CDH Packaging Limited. The interest in 256,023,700 Shares by these companies relates to the same block of Shares.
- (3) Madam Xu Zhen is interested in a long position of 272,120,760 Shares and short position in 23,842,000 Shares by virtue of her being the spouse of Hong Gang.
- (4) Wiseland has a direct interest in 129,489,234 Shares and an additional 30,000,000 Shares from the Bain Capital Earn Out Arrangement. Therefore, Wiseland is interested in an aggregate of 159,489,234 Shares. Wiseland has a short position in 14,820,000 Shares under the Wiseland Earn Out Arrangement. Foxing Development Limited ("Foxing") and Fosing are interested in the 58.10% and 41.90% of Wiseland, respectively, and therefore are interested in the same 159,489,234 Shares and a short position in 14,820,000 Shares. Gao Wei is the founder of the trust that wholly owns Foxing and also one of the settlers of the SM Trusts holding Fosing. Gao Wei therefore is deemed to be interested in the same 159,489,234 Shares and a short position in 14,820,000 Shares. The interest in 159,489,234 Shares and a short position in 14,820,000 Shares relates to the same block of Shares.
- (5) Gao Wei has acquired 221,000 Shares by cash consideration in the year of 2011.
- (6) Liwei is 50% owned by each of Hong Gang and Gao Wei. Therefore, Hong Gang and Gao Wei are deemed to be interested in all of the underlying Shares to be issued pursuant to the options granted to Liwei under the Pre-IPO Share Option Scheme.

On 22 January 2010, 22,000,000 options were granted to Liwei under the Pre-IPO Share Option Scheme. On 17 March 2011, 284 employees were granted (by way of transfer) by Liwei the rights to subscribe for up to 20,010,000 Shares under the Pre-IPO Share Option Scheme upon vesting of their option. On 1 September 2011 and 1 June 2012, 3,546,000 options and 4,616,000 options were vested respectively. As at 30 June 2012, 498,000 options were lapsed after vesting, while 1,278,000 share options were lapsed before the vesting period which were taken back by Liwei, and none of the options has been exercised under the Pre-IPO Share Option Scheme.

Liwei is therefore deemed to be interested 13,838,000 Shares in a long position and have a short position in respect of the potential obligation to deliver 9,022,000 Shares.

- (7) Parview has a direct interest in 10,631,560 Shares and an additional 1,200,000 Shares from the Wiseland Earn Out Arrangement. Therefore, Parview is interested in an aggregate of 11,831,560 Shares. Parview is wholly-owned by one of the SM Trusts, whereby Gao Wei is a settler of the SM Trusts and therefore is interested in the same 11,831,560 Shares.
- (8) Madam Wang Wei is interested in a long position of 185,379,794 Shares and a short position of 23,842,000 Shares by virtue of her being the spouse of Gao Wei.
- (9) Phanron is interested in 78,141,966 Shares and 8,820,000 Shares under the Wiseland Earn Out Arrangement if the Bain Capital Earn Out Arrangement is fulfilled.
- (10) There were 1,333,600,000 Shares in issue as at 30 June 2012.

Save as disclosed above, and as at 30 June 2012, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Other Information

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2012, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the six months ended 30 June 2012.

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

On 15 November 2010, the Pre-IPO Share Option Scheme was adopted by resolution of shareholders of the Company. The main purpose of the scheme is, among others, to provide incentives to the employees of the Group with regard to their services and employment. Pursuant to the Pre-IPO Share Option Scheme, for a consideration of HK\$1.00, Liwei was granted options ("Pre-IPO Options") to subscribe for up to 22,000,000 Shares, and Liwei will grant (by way of transfer) the Pre-IPO Options to eligible participants. Prior approval from the board of directors (the "Board") of the Company is required for Liwei to grant the Pre-IPO Options. Such approval covers key terms of the Pre-IPO Options including eligibility, performance target and share subscription price.

The exercise price per Share under the Pre-IPO Share Option Scheme is HK\$4.30, being the global offering price. No further options were granted under the Pre-IPO Share Option Scheme on or after the day of the listing of the Shares on the Stock Exchange on 9 December 2010 ("Listing Date"). All options granted under the Pre-IPO Share Option Scheme may be exercised during the option period after the Listing Date to the date falling 10 years from the Listing Date subject to conditions imposed by the Board to the respective employees. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Pre-IPO Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

Other Information

Set out below are the details of the outstanding options granted under the Pre-IPO Share Option Scheme:

Name of grantees	Notes	Date of grant/ vesting	Exercise period	Exercise price (HK\$)	Pre-IPO Options outstanding as at 1 January 2012	Pre-IPO Options vested during the period	Pre-IPO Options exercised during the period	Pre-IPO Options cancelled/ lapsed during the period	Pre-IPO Options outstanding as at 30 June 2012
Liwei	1	22/01/2010	09/12/2010 –22/11/2020	4.30	18,454,000	(4,616,000)	—	—	13,838,000
Employees in aggregate	2	01/09/2011 and 01/06/2012	01/09/2011 –01/06/2014	4.30	3,492,000	4,616,000	—	(444,000)	7,664,000
Total					21,946,000	—	—	(444,000)	21,502,000

Notes:

- The Board approved Liwei to grant (by way of transfer) the Pre-IPO Options on 17 March 2011. Pursuant to the Pre-IPO Option Scheme, 284 employees were granted the Pre-IPO Options to subscribe for up to 20,010,000 Shares. Such 20,010,000 Pre-IPO Options will only be transferred to the employees upon vesting. The Pre-IPO Options will vest in four installments on 1 September 2011, 1 June 2012, 1 June 2013, and 1 June 2014.
- During the six months ended 30 June 2012, 4,616,000 Pre-IPO Options were newly vested and 444,000 Pre-IPO Options were lapsed.

Share Option Scheme

The Company adopted a share option scheme ("Share Option Scheme") with the purpose of providing an incentive for Qualified Participants (as defined below) to work with commitment towards enhancing the value of the Company and the Shares for the benefit of our shareholders, to compensate such employees for their contribution based on their individual performance and that of the Group and to retain and attract high calibre working partners whose contribution are or may be beneficial to the growth and development of the Group.

There is no minimum period for which an option must be held before it can be exercised under the Share Option Scheme, provide that in granting options under the Share Option Scheme, the Board can determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the Share Option Scheme can be exercised. The Board will also determine the price per Share upon the exercise of an option according to the terms of the Share Option Scheme, provided that it shall be at the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the options; and (iii) the nominal value of the Shares on the date of grant of the options.

The Board may from time to time grant options to (i) any executive Director, or employee (whether full time or part time) of our Company, any member of our Group or any entity in which any member of our Group holds an equity interest ("Invested Entity"); (ii) any non-executive Director (including independent non-executive Directors) of our Company, any member of our Group or any Invested Entity; and (iii) any such other person as the Board may consider appropriate (collectively "Qualified Participants").

Other Information

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 15 November 2010. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK\$1.00. An option may be exercised at any time during a period which shall not exceed ten years from the date of grant subject to the provisions of early termination under the Share Option Scheme.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all outstanding options to be granted under the Share Option Scheme and any other share option scheme of the Company does not exceed 10% of the Shares in issue at the Listing Date, which is 133,360,000 Shares. The Company may at any time refresh such limit, subject to compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Company does not exceed 30% of the Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

No option has been granted pursuant to the Share Option Scheme during the six months ended 30 June 2012.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2012 except for the following deviation:

Paragraph A.6.7 of the Code requires that the independent non-executive Directors and the non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. However, independent non-executive Directors Mr. Chen Weishu and Mr. Behrens Ernst Hermann; and non-executive Directors Mr. Lew Kiang Hua and Mr. Hildebrandt James Henry did not attend the annual general meeting of the Company held on 30 May 2012 as they were on business trips.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.1 per share (2011: Nil), amounting to a total of about HK\$133.4 million (2011: Nil) for the six months ended 30 June 2012 which shall be payable on or about 28 September 2012 to shareholders whose names appear on the register of members of the Company ("Register of Members") on 21 September 2012.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 19 September 2012 (Wednesday) to 21 September 2012 (Friday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 18 September 2012 (Tuesday).

Other Information

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee comprises all the three independent non-executive Directors namely, Mr. Lueth Allen Warren (chairman of the Audit Committee), Mr. Behrens Ernst Hermann and Mr. Chen Weishu.

The Audit Committee has adopted the terms of reference which are in line with the Code. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company. The Group's unaudited consolidated interim financial statements for the six months ended 30 June 2012 have been reviewed by the Audit Committee.

On behalf of the Board

Mr. HONG Gang

Chairman

Beijing, the PRC, 27 August 2012

Condensed Consolidated Income Statement

For the six months ended 30 June 2012

	Note	Six months ended 30 June	
		2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Revenue	4	863,013	721,672
Cost of sales	5	(585,480)	(495,163)
Gross profit		277,533	226,509
Other income — net		10,170	4,962
Distribution cost		(44,218)	(42,253)
Administrative expenses		(45,154)	(45,172)
Operating profit		198,331	144,046
Finance income — net	6	(1,422)	1,439
Profit before income tax		196,909	145,485
Taxation	7	(38,665)	(28,297)
Profit for the period		158,244	117,188
Profit attributable to: Equity holders of the Company		158,244	117,188
Earnings per share for profit attributable to equity holders of the Company — Basic and diluted	8	RMB0.12	RMB0.09

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Profit for the period	158,244	117,188
Other comprehensive income:		
Currency translation differences	(17,536)	89
Total comprehensive income for the period	140,708	117,277
Attributable to:		
— Equity holders of the Company	140,708	117,277
Total comprehensive income for the period	140,708	117,277

Condensed Consolidated Statement of Financial Position

As at 30 June 2012

	Note	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	940,311	791,509
Land use rights	10	2,617	2,647
Intangible assets		51,785	51,816
Deferred income tax assets		4,889	22,026
Long-term prepayment		62,706	117,313
		1,062,308	985,311
Current assets			
Inventories	11	337,851	354,634
Trade and other receivables and prepayments	12	464,460	459,913
Cash and bank balances		394,285	273,606
		1,196,596	1,088,153
Total assets		2,258,904	2,073,464
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital, share premium and capital reserve	13	934,934	930,861
Statutory reserve		85,605	85,490
Exchange reserve		(48,374)	(30,838)
Retained earnings		812,895	654,766
Total equity		1,785,060	1,640,279

Condensed Consolidated Statement of Financial Position

As at 30 June 2012

	Note	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	15	19,680	32,800
Deferred government grants		59,356	9,000
Deferred income tax liabilities		7,580	4,430
		86,616	46,230
Current liabilities			
Trade and other payables and accruals	16	151,265	195,548
Income tax liabilities		18,791	19,829
Borrowings	15	217,172	171,578
		387,228	386,955
Total liabilities		473,844	433,185
Total equity and liabilities		2,258,904	2,073,464
Net current assets		809,367	701,198
Total assets less current liabilities		1,871,675	1,686,509

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Attributable to equity owners (Unaudited)				
	Share capital, share premium and capital reserve RMB'000 (Note 13)	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000
As at 31 December 2011 (Audited)	930,861	85,490	(30,838)	654,766	1,640,279
Comprehensive income:					
Profit for the period				158,244	158,244
Other comprehensive income:					
Currency translation differences			(17,536)		(17,536)
Transactions with owners:					
Transfer to statutory reserve		115		(115)	
Employee share option scheme	4,073				4,073
As at 30 June 2012 (Unaudited)	934,934	85,605	(48,374)	812,895	1,785,060
	Attributable to equity owners (Unaudited)				
	Share capital, share premium and capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000
As at 31 December 2010 (Audited)	916,207	52,146	(1,878)	424,966	1,391,441
Comprehensive income:					
Profit for the period				117,188	117,188
Other comprehensive income:					
Currency translation differences			89		89
Transactions with owners:					
Employee share option scheme	6,645				6,645
Capitalisation as issued shares as part of the Reorganisation	(363)				(363)
As at 30 June 2011 (Unaudited)	922,489	52,146	(1,789)	542,154	1,515,000

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash generated from/(used in) operations	207,721	(16,141)
Interest paid	(4,182)	(3,208)
Income tax paid	(38,665)	(24,643)
Net cash generated from/(used in) operating activities	164,874	(43,992)
Cash flows from investing activities		
Property, plant and equipment ("PPE")		
— Additions	(176,126)	(68,857)
— Prepayment	51,484	(218,486)
— Interest paid capitalised	(913)	—
Government grant received related to PPE	50,356	—
Purchase of intangible assets	—	488
Interest received	2,797	2,037
Net cash used in investing activities	(72,402)	(284,818)
Cash flows from financing activities		
Proceeds from issuance of shares	—	(363)
Proceeds from borrowings	45,594	46,305
Repayments of borrowings	(13,120)	(13,120)
Net cash generated from financing activities	32,474	32,822
Net increase/(decrease) in cash and cash equivalents	124,947	(295,988)
Cash and cash equivalents at beginning of the period	273,606	526,970
Exchange (loss)/gains on cash and cash equivalents	(4,268)	2,611
Cash and cash equivalents at the end of the period	394,285	233,593

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

1 GENERAL INFORMATION

Greatview Aseptic Packaging Company Limited (the "Company") was incorporated in the Cayman Islands on 29 July 2010 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and together with its subsidiaries are principally engaged in the business of manufacturing, distribution and selling of paper packaging for soft drinks and beverages, and filling machines.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") 34 Interim Financial Reporting.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2011.

2.2 Principal accounting policies

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the financial statements contained in the 2011 annual report except for the adoption of the new standards, amendments or interpretations issued by IASB which are mandatory for the annual period beginning on or after 1 January 2012. The adoption of these standards, amendments or interpretations has no material effect on the Group's financial position or results of operations.

The Group has not early adopted the new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company (the "Directors") anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

3 SEGMENT REPORT

Management has determined the operating segments based on the reports reviewed by the Board which are used for making strategic decisions.

The operating segments are based on sales generated by geographical areas. The segment information provided to the Board are as follows:

	PRC RMB'000 (Unaudited)	International RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the six months ended 30 June 2012			
Sales — Revenue from external customers	773,992	89,021	863,013
Cost	(514,619)	(70,861)	(585,480)
Segment result	259,373	18,160	277,533
Other segment items			
Depreciation and amortisation	—	—	(27,962)
Interest income	—	—	2,797
Interest expense	—	—	(4,182)
For the six months ended 30 June 2011			
Sales — Revenue from external customers	650,894	70,778	721,672
Cost	(447,662)	(47,501)	(495,163)
Segment result	203,232	23,277	226,509
Other segment items			
Depreciation and amortisation	—	—	(25,326)
Interest income	—	—	2,037
Interest expense	—	—	(3,208)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

3 SEGMENT REPORT *(continued)*

A reconciliation of total segment results to total profits for the periods is provided as follows:

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Segment result for reportable segments	277,533	226,509
Other income — net	10,170	4,962
Distribution costs	(44,218)	(42,253)
Administrative expenses	(45,154)	(45,172)
Operating profit	198,331	144,046
Finance (expense)/income — net	(1,422)	1,439
Profit before income tax	196,909	145,485
Income tax expenses	(38,665)	(28,297)
Profit for the period	158,244	117,188

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board as they do not assess performance of reportable segments using information on assets and liabilities. The non-current assets excluding financial instruments, deferred tax assets (there is no employment benefit assets and rights arising under insurance contracts) amount to RMB1,057,419,000 (31 December 2011: RMB963,285,000).

The following table presents the financial information of sales generated from packaging material for:

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Dairy	808,245	590,824
Non-carbonated soft drink ("NCSD")	54,768	130,848
	863,013	721,672

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

4 REVENUE AND OTHER INCOME — NET

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Sales of products	863,013	721,672
Other income — net:		
— Income from sales of scrap materials	5,907	3,836
— Subsidy income from government	8,001	5,562
— Foreign exchange loss	(4,074)	(4,564)
— Others	336	128
	10,170	4,962

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Raw materials and consumables used	528,204	429,800
Changes in inventories of finished goods and work in progress	(13,160)	1,331
Provision for obsolescence on inventories	355	822
Depreciation and amortisation charges :	27,962	25,326
— Depreciation of property, plant and equipment	27,312	24,850
— Amortisation of intangible assets	621	447
— Amortisation of land use right	29	29
Provision for impairment of receivables and prepayment	1,223	1,763
Employee benefit expenses	50,060	48,047
Auditor's remuneration	1,200	950
Transportation expenses	26,723	29,266
Repair and maintenance expenses	5,925	8,598
Electricity and utilities	10,416	9,640
Rental expenses	3,545	2,362
Plating expenses	4,529	4,848
Professional fees	2,224	3,697
Travelling expenses	6,260	3,297
Advertising and promotional expenses	2,889	1,555
Other expenses	16,497	11,286
Total cost of sales, distribution costs and administrative expenses	674,852	582,588

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

6 FINANCE (EXPENSE)/INCOME — NET

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Interest expense — bank borrowings	(4,182)	(3,208)
Exchange loss on cash and cash equivalents	(37)	—
Finance expense	(4,219)	(3,208)
Interest income — cash and cash equivalents	2,797	2,037
Exchange gain on cash and cash equivalents	—	2,610
Finance income	2,797	4,647
Finance (expense)/income — net	(1,422)	1,439

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Current income tax:		
Enterprise income tax ("EIT")	38,396	28,767
Deferred tax:		
Origination and reversal of temporary differences	269	(470)
Taxation	38,665	28,297

The Group's subsidiaries established in the PRC are subject to the PRC statutory EIT of 25% (2011: 25%) on the assessable income for the period. The profit arising from Hong Kong profits tax has been provided at rate of 16.5% for the period (2011: 16.5%).

The preferential tax rate of the Group's principal subsidiary Greatview Aseptic Packaging (Shandong) Co., Ltd was expired after the year ended 31 December 2011.

Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd., a subsidiary of the Company, is located in a special economic zone with the applicable tax rate of 15%. This preferential tax rate has been approved by the local tax bureau for the six months ended 30 June 2012.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

7 INCOME TAX EXPENSE (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group companies as follows:

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Profit before tax	196,909	145,486
Tax calculated at domestic tax rates applicable to profits in the respective countries	48,237	36,371
Preferential tax treatment for subsidiaries	(10,428)	(13,782)
Expenses not deductible for taxation purposes	3,475	76
Tax losses for which no deferred tax asset was recognised	2,018	3,672
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	(1,795)	(727)
Differential tax rates on income of Group companies	(2,842)	2,687
Tax charge	38,665	28,297

8 EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

9 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Vehicles and office equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost					
As at 31 December 2010 (Audited)	100,889	534,431	19,023	5,200	659,543
Additions	9,666	717	1,122	368,731	380,236
Transfer upon completion	1,077	4,871	2,986	(8,934)	—
Disposals	—	(76)	(542)	—	(618)
As at 31 December 2011 (Audited)	111,632	539,943	22,589	364,997	1,039,161
Additions	—	713	4,250	226,197	231,160
Transfer upon completion	2,203	95,345	110	(152,694)	(55,036)
Disposals	—	(10)	(10)	—	(20)
As at 30 June 2012 (Unaudited)	113,835	635,991	26,939	438,500	1,215,265
Accumulated depreciation					
As at 31 December 2010 (Audited)	(6,081)	(186,680)	(5,180)	—	(197,941)
Current year depreciation	(3,571)	(43,661)	(2,799)	—	(50,031)
Current year disposals	—	28	292	—	320
As at 31 December 2011 (Audited)	(9,652)	(230,313)	(7,687)	—	(247,652)
Current period depreciation	(1,817)	(23,668)	(1,827)	—	(27,312)
Current period disposals	—	4	6	—	10
As at 30 June 2012 (Unaudited)	(11,469)	(253,977)	(9,508)	—	(274,954)
Net book value					
As at 31 December 2011 (Audited)	101,980	309,630	14,902	364,997	791,509
As at 30 June 2012 (Unaudited)	102,366	382,014	17,431	438,500	940,311

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For the six months ended 30 June 2012

10 LAND USE RIGHT

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Cost		
At the beginning of the period/year	2,920	2,920
At the end of the period/year	2,920	2,920
Accumulated amortisation		
At the beginning of the period/year	(273)	(215)
Current period/year amortisation	(30)	(58)
At the end of the period/year	(303)	(273)
Net book value	2,617	2,647

All of the Group's land use rights are located in the PRC with the leasehold period between 10 to 50 years. Amortisation of the Group's leasehold land has been charged to administrative expenses in the income statements. Bank borrowings are secured by land use right with an aggregate net book value of approximately RMB1.33 million (31 December 2011: RMB1.34 million) (Note 15).

11 INVENTORIES

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Raw materials	238,093	265,159
Work in progress	29,100	16,310
Finished goods	78,697	81,992
	345,890	363,461
Less: Inventory write-down to net realisable value	(8,039)	(8,827)
	337,851	354,634

The cost of inventories recognised as expense and included in cost of sales amounted to approximately RMB585,000,000 (30 June 2011: RMB495,000,000).

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12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Trade receivables	368,913	353,852
Less: Provision for impairment	(4,541)	(4,619)
Trade receivables — net	364,372	349,233
Notes receivable	76,229	65,225
Value added tax deductible	—	20,352
Prepayments	19,993	25,341
Less: Provision for impairment	(7,002)	(7,002)
Prepayments — net	12,991	18,339
Other receivables	10,868	6,764
	464,460	459,913

The credit terms granted to customers by the Group were usually 15 to 90 days during the period (31 December 2011: 15 to 90 days).

The ageing analysis of the Group's trade receivables at each balance sheet date are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
0–30 days	274,014	172,818
31–90 days	27,594	147,151
91–365 days	56,921	24,792
Over 1 year	10,384	9,091
	368,913	353,852

As at each balance sheet date, the Group's trade receivables that are neither past due nor impaired are from customers with good credit history and low default rate.

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For the six months ended 30 June 2012

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Share capital	11,423	11,423
Share premium	786,857	786,857
Capital reserve	136,654	132,581
	934,934	930,861

(a) Share capital and share premium

Share Capital

On 29 July 2010, the Company was incorporated in the Cayman Islands as a limited liability company with an authorized share capital of HK\$390,000 divided into 39,000,000 ordinary shares of HK\$0.01 each. On 15 November 2010, the shareholders resolved that the authorised share capital of the Company be increased from HK\$390,000 to HK\$30,000,000 by the creation of an additional 2,961,000,000 shares of HK\$0.01 each.

As at 30 June 2012, the total authorised number of ordinary shares is 3,000,000,000 shares (31 December 2011: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2011: HK\$0.01 per share). The number of ordinary shares issued is 1,333,600,000 (31 December 2011: 1,333,600,000) with nominal value of HK\$0.01 per share (31 December 2011: HK\$0.01 per share). All issued shares were fully paid.

Share premium

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
As at 1 January	786,857	786,857
As at the end of the period/year	786,857	786,857

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE (continued)

(b) Capital reserve

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
As at 1 January	132,581	117,927
Issued employee share options	4,073	14,654
	136,654	132,581

14 SHARE-BASED PAYMENTS

On 15 November 2010, a Pre-IPO Share Option Scheme was adopted by resolution of shareholders of the Company. The main purpose of the scheme is, among others, to provide incentives to employees of the Group with regard to their services and employment. Pursuant to the Pre-IPO Share Option Scheme, for a consideration of HK\$1.00, Liwei Holdings (PTC) Limited ("Liwei") was granted (by way of transfer) options to subscribe for up to 22,000,000 shares in the Company, and Liwei will grant the options to eligible participants. Prior approval from the Board is required for Liwei to grant the options. Such approval covers key terms of the options including eligibility, performance target and share subscription price. The Board approved Liwei to grant the Pre-IPO Options on 17 March 2011. Pursuant to the Pre-IPO Option Scheme, 284 employees were granted the Pre-IPO Options to subscribe for up to 20,010,000 shares of the Company. The Pre-IPO Options will vest in four installments on 1 September 2011, 1 June 2012, 1 June 2013, and 1 June 2014 with the exercise price of HK\$4.30.

The options are exercisable subject to the grantees still being employees of the Group and without any inappropriate behavior that are forbidden by the Group on the vesting date. The options are exercisable starting from the vesting date with a contractual option term of two years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of the share options are as follows.

	As at 30 June 2012 Options (in thousand)	As at 31 December 2011 Options (in thousand)
Granted to employees	20,010	20,010
Forfeit	(2,826)	(1,548)
Lapsed	(498)	(54)
Outstanding options granted to employees	16,686	18,408

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For the six months ended 30 June 2012

14 SHARE-BASED PAYMENTS (continued)

Out of the 16,686,000 outstanding options, 3,153,000 options were exercisable as at 30 June 2012. Share options outstanding at the end of the period have the following expiry date:

Expiry Date	Vested Date	Options (in thousand)
1 September 2013	1 September 2011	3,153
1 June 2014	1 June 2012	4,511
2 June 2015	2 June 2013	4,511
3 June 2016	3 June 2014	4,511
		16,686

The fair value of the options granted during the period was determined using the binomial valuation model. The significant inputs into the model were spot price of HK\$4.98 at the grant date, vesting period based on the terms stipulated in the Pre-IPO Option Scheme, dividend yield of 3.95%, volatility of 49.88% to 48.07%, post forfeiture rate of the management is 0% per annum, whilst 15.6% for employees and risk free rate of 0.735% to 1.678%.

15 BORROWINGS

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Non-current		
Secured bank borrowing	19,680	32,800
Current		
Secured bank borrowing	26,240	26,240
Unsecured bank borrowing	190,932	145,338
Total current borrowing	217,172	171,578
Total borrowing	236,852	204,378

The secured borrowing will be fully repayable by 2014 and bears a floating interest rate which is based on People's Bank of China's rate. The effective interest rate as at 30 June 2012 was 7.59% (31 December 2011: 6.84%) per annum. The carrying amount of the borrowing approximates its fair value because the interest rates are reset to market rates. As at 30 June 2012, this borrowing was secured against an aggregate net book value of approximately RMB78 million (31 December 2011: RMB86 million) of property, plant and equipment (Note 9) and an aggregate net book value of approximately RMB1.33 million (31 December 2011: RMB1.34 million) of land use right (Note 10).

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For the six months ended 30 June 2012

15 BORROWINGS (continued)

Unsecured borrowing of RMB10,000,000 bears an effective interest rate of 6.87% to 6.94% per annum, and it is subsequently repaid in July 2012.

The remaining unsecured borrowing is denominated in US\$ with a maturity date of a maximum of 120 days from the date of each drawdown. It bears the interest rate of higher of 1.6% per annum over LIBOR (London Interbank Offered Rate) or the Bank's Cost of Fund. The effective interest rate is 2.6% per annum.

The Group's borrowings as at each of the balance sheet date are repayable as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Within 1 year	217,172	171,578
Between 1 and 2 years	19,680	26,240
Between 2 and 5 years		6,560
	236,852	204,378

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Trade payables	92,628	110,850
Advance from customers	24,346	16,116
Accrued expenses	10,085	27,641
Salary and welfare payable	20,473	14,455
Other payables	3,733	26,485
	151,265	195,548

The ageing analysis of the Group's trade payables at each balance sheet date are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Within 30 days	55,107	87,086
31–90 days	24,534	20,735
91–365 days	11,870	2,101
Over 365 days	1,117	928
	92,628	110,850

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17 DIVIDEND

The Board declared that an interim dividend of HK\$0.10 per share (2011: Nil) be payable on 28 September 2012 to the shareholders whose names are recorded in the register of members of the Company on 21 September 2012.

18 COMMITMENTS

(a) The Group's capital commitments at the balance sheet date are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Contracted but not provided for property, plant and equipment	153,632	140,433

(b) Operating leases commitments

The Group leases offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 3 and 10 years.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Not later than 1 year	4,815	3,391
Later than 1 year and not later than 5 years	4,698	6,375
Later than 5 years	2,768	811
Total	12,281	10,577

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For the six months ended 30 June 2012

19 RELATED-PARTY TRANSACTIONS

The following transactions took place between the Group and related parties at terms agreed between the parties:

Key management compensation

Key management includes Directors and other key management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Salaries and other short-term employees benefits	4,050	4,024
Social security cost	502	503
	4,552	4,527

20 CONTINGENT LIABILITIES

On 17 September 2010, the Group received a notice informing it that a competitor has filed a complaint in Germany against subsidiary companies of the Group. The named defendants in the notice are Tralin Pak Europe GmbH (name changed to Greatview Aseptic Packaging Europe GmbH in 2011) and Tralin Packaging Company Limited (together in the following "Tralin Pak"); alleging patent infringement related to aseptic packaging material. The complaint seeks injunctive relief, accounting information and damages. The Directors intent to defend the claim vigorously and on 21 September 2010, Greatview Aseptic Packaging Europe GmbH submitted its notice of defence. In addition, on 20 October 2010, Greatview Aseptic Packaging Europe GmbH initiated Opposition Proceedings before the European Patent Office to nullify the same patent in question with effect for all member states of the European Patent Convention. The action was served to Tralin Pak on 19 January 2011 and Tralin Pak has formally notified the court of its intention to defend the action by communication dated 27 January 2011.

In December 2011, the Court denied the complaint and found the competitor liable for the costs of the proceedings ("the Judgement"). On 16 January 2012, this competitor filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgement. As at 30 June 2012, the appeal was still under process at the Court in Germany.

The Directors together with the Company's legal adviser on German law are of the views that the Group has a strong case in defending the appeal in Germany. Consequently, the Group considered there is no need to make any provision relating to this claim.

21 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board on 27 August 2012.