

Greatview Aseptic Packaging Company Limited

Interim Report 2013

(Incorporated in the Cayman Islands with limited liability) Stock Code: 0468





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CORPORATE INFORMATION



Corporate Information

DIRECTORS

Executive Directors

Mr. BI Hua, Jeff (*Chief Executive Officer*)

Mr. HONG Gang (*Chairman*)

Non-Executive Directors

Mr. HILDEBRANDT James Henry

Mr. ZHU Jia

Mr. LEE Lap, Danny

Ms. SHANG Xiaojun

Independent Non-Executive Directors

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

AUDIT COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

REMUNERATION COMMITTEE

Mr. CHEN Weishu (*Chairman*)

Mr. BI Hua, Jeff

Mr. ZHU Jia

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

NOMINATION COMMITTEE

Mr. HONG Gang (*Chairman*)

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8th Floor, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

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

14 Jiuxianqiao Road

Chaoyang District

Beijing 100015

The PRC

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 AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

JOINT COMPANY SECRETARIES

Mr. CHANG Fuquan

Ms. MA Sau Kuen, Gloria

AUTHORISED REPRESENTATIVES

Mr. ZHU Jia

Ms. MA Sau Kuen, Gloria

AUDITORS

PricewaterhouseCoopers

Certified Public Accountants

COMPLIANCE ADVISER

TC Capital Asia Limited

LEGAL ADVISERS

Norton Rose Fulbright Hong Kong

Tian Yuan Law Firm

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

China Construction Bank

China Merchants Bank

Industrial and Commercial Bank of China

COMPANY WEBSITE

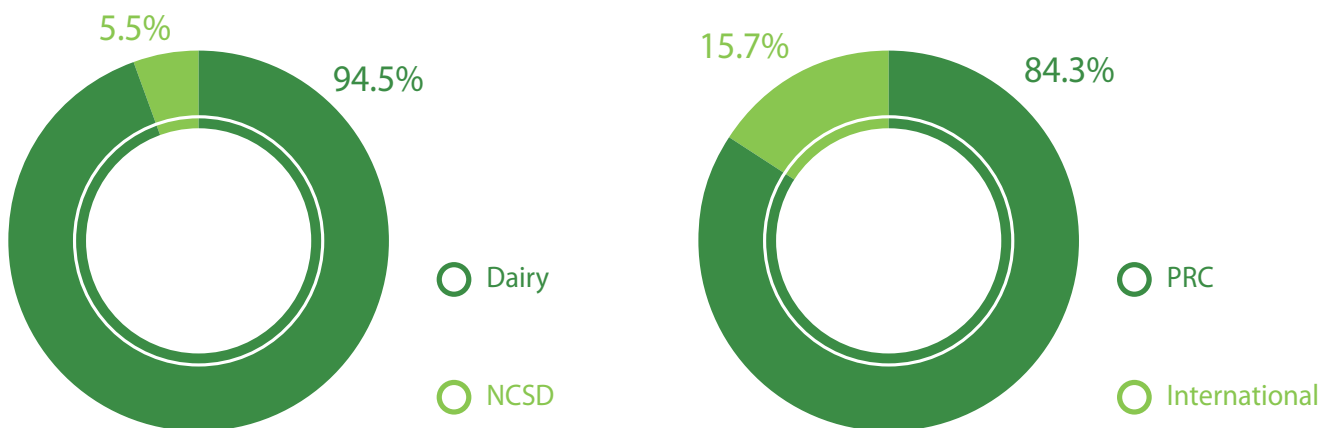
www.greatviewpack.com



FINANCIAL SUMMARY

	For the six months ended 30 June		
	2013 RMB million (Unaudited)	2012 RMB million (Unaudited)	Percentage %
Revenue	983.5	863.0	+14.0%
Gross profit	269.9	277.5	-2.7%
Net profit	142.4	158.2	-10.0%
Profit attributable to shareholders	142.4	158.2	-10.0%
Earnings per share — basic and diluted (RMB)	0.11	0.12	-8.3%
Proposed dividend per share (HKD)	Nil	0.10	

REVENUE ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Greatview Aseptic Packaging Company Limited (our "Company" or "Greatview") 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.

This year, Greatview celebrated its 10th year anniversary. To mark this milestone, Greatview signed a memorandum on 26 May 2013 with the Minister President of Saxony-Anhalt and the Mayor of Halle (Saale) at the Germany Chancellery in Berlin to double production capacity at our Halle factory in Saxony-Anhalt ("Halle Factory" or the "European Plant") from 4 billion packs to 8 billion packs per annum. The signing ceremony was witnessed by German Chancellor Angela Merkel and the visiting Chinese Premier Li Keqiang as this marks Greatview's latest attempt to deeper penetrate and win over the European market.

On 25 June 2013, 200 special guests from around the world gathered to attend Greatview's first overseas factory opening in

Halle, Germany. The guests included customers, suppliers, and government officials. During the ceremony, Greatview reaffirmed its commitment to the local community by donating over 20,000 Euros to the Halle Association for the Care of Children with Cancer.

Over the past 10 years, Greatview continued to secure trust and support from our customers through the provision of high-quality products and services. Greatview's brand image and reputation continued to shine internationally as it emerged as the third largest carton supplier globally with an increasingly strong sales performance.

Products

We sold a total of 4.8 billion packs during the six months ended 30 June 2013, with GA Brick aseptic 250ml Base remained as our top selling product, followed by GA Brick aseptic 250ml Slim 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 11.1 % during the six months ended 30 June 2013, compared with the same period in 2012. The growth rate was slightly lower than that in the corresponding period in 2012, because our group focused more on maintaining its sales margin level and its average selling price of products. The slowdown of the dairy industry in the PRC has also impacted the sales volume. Although the industry was still slack in the six months ended 30 June 2013, our growth

rate in sales volume retained above the market average in the corresponding period.

We continued to make efforts to ensure the products from our European Plant are of high quality in order to further strengthen our brand name and reputation in the international market. We believe that our emphasis on quality will help us solidify customer confidence and provide a strong selling point for our products. Besides, we have unceasingly made significant effort to enhance our production process and volume by improving the operation management structure and setting up the systematic training scheme for our local employees.

Production Capacity and Utilisation

The annual production capacity of our Group was 17.4 billion packs as at the end of 2012. Our third production line in Gaotang is still under construction and is expected to bring an additional annual production capacity of 4 billion packs to the Group by the end of 2013.

Our Group produced approximately 4.6 billion packs for the six months ended 30 June 2013. The utilisation rate for the six months ended 30 June 2013 was lower than the corresponding period in 2012, which was mainly due to our European Plant which was still under ramping-up. The slowdown of worldwide economic growth and in particular, the slowdown of the domestic market has also contributed to the decline in the utilisation rate.

Management Discussion and Analysis



Suppliers and Raw Materials

During the six months ended 30 June 2013, the price of raw materials maintained relatively stable with a slight increase. The cost of raw materials increased due to growth in production volume. The improvement in production process also contributed to the increase of the cost of raw materials. In addition, we are continuously expanding our supplier base to manage and control the price of raw materials as well as to improve the production efficiency of our European Plant.

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 2013, we have put more resources to promote our brand, continuously expanded our customer base and continued to grow volume with our key dairy customers.

During the six months ended 30 June 2013, our sales and marketing teams continued to develop international businesses and penetrate new markets. We continued to spot the demand in leading dairy and beverage manufacturers in Europe for alternative aseptic suppliers. This trend, coupled with our sales efforts, solid production capacity as well as improved logistics services, enabled us to achieve our goal in geographical expansion.

To enforce our expansion plan in Europe, Greatview's Chief Executive Officer, Jeff Bi, signed an investment agreement with the Prime Minister of Saxony-Anhalt Province and Halle city mayor in May 2013 with a plan to invest 38 million Euros in aggregate at our European Plant through stages. The signing ceremony was witnessed by the German Chancellor Angela Merkel and the Chinese Premier Li Keqiang.

In the PRC, Greatview attended the 88th Annual Food and Drinks Fair in Chengdu, Sichuan—the largest and best renowned food exhibition, revealing Greatview's latest technology in aseptic packs production and its full range of packaging materials.

As a result of marketing and sales activities held in the preceding years, new progress has been made this year. Such new business developments contributed to the increase in sales volume and revenue for the first half of 2013.

FINANCIAL REVIEW Overview

During the six months ended 30 June 2013, we achieved a record revenue of RMB983.5 million and net profit of RMB142.4 million.

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 14.0% from RMB863.0 million for the six months ended 30 June 2012 to RMB983.5 million for the period under review. The increase was primarily driven by the increase of sales orders from existing dairy customers.

With respect to the domestic segment, our revenue increased by RMB55.0 million, or 7.1%, to RMB829.0 million for the six months ended 30 June 2013 from RMB774.0 million over the corresponding period in 2012. It was contributed by the increase in sales orders from existing dairy customers.

Management Discussion and Analysis

With respect to the international segment, our revenue increased by RMB65.4 million, or 73.5%, to RMB154.4 million for the six months ended 30 June 2013 from RMB89.0 million over the corresponding period in 2012. It was mainly contributed by the higher production capacity of our European Plant.

Our revenue from dairy customers increased by RMB121.3 million, or 15%, to RMB929.5 million for the six months ended 30 June 2013 from RMB808.2 million over the corresponding period in 2012. Our revenue from NCSD customers decreased by RMB0.8 million, or 1.5%, to RMB54.0 million for the six months ended 30 June 2013 from RMB54.8 million over the corresponding period in 2012, primarily as a result of increased sales volume and the Group's focus on maintaining the average selling price of its products.

Cost of Sales

Our cost of sales increased by RMB128.1 million, or 21.9%, to RMB713.6 million for the six months ended 30 June 2013 from RMB585.5 million over the corresponding period in 2012. The growth in cost of sales was higher than the growth in total revenue as a result of high operation cost of the European Plant which was still under its ramping-up period.

Raw material costs, which make up the largest portion of our cost of production, increased by RMB39.5 million, or 7.5%, to RMB567.7 million for the six months ended 30 June 2013 from RMB528.2 million over the corresponding period in 2012. The increase in raw material costs was attributed to the increase in production volume.

With respect to the domestic segment, our cost of sales increased by RMB36.7 million, or 7.1%, to RMB551.3 million for the six months ended 30 June 2013 from RMB514.6 million over the corresponding period in 2012. The growth in cost of sales in the domestic segment was consistent with the growth in revenue from the domestic segment.

With respect to the international segment, our cost of sales increased by RMB91.4 million, or 128.9%, to RMB162.3 million for the six months ended 30 June 2013 from RMB70.9 million over the corresponding period in 2012. The growth in cost of sales in the international segment was larger than the growth in overall cost of sales as a result of increased sales volume, and high operation cost of the European Plant.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit decreased by RMB7.6 million, or 2.7% to RMB269.9 million for the six months ended 30 June 2013 from RMB277.5 million over the corresponding period in 2012. Our gross margin decreased by 4.8 percentage points to 27.4% for the six months ended 30 June 2013 from 32.2% over the corresponding period in 2012, primarily due to high operation cost of the European Plant.

Distribution Costs

Our distribution costs increased by RMB3.3 million, or 7.5%, to RMB47.5 million for the six months ended 30 June 2013 from RMB44.2 million over the corresponding period in 2012. The increase was primarily due to the increased employee benefits expenses.

Administrative Expenses

Our administrative expenses increased by RMB5.8 million, or 12.8%, to RMB51.0 million for the six months ended 30 June 2013 from RMB45.2 million over the corresponding period in 2012, primarily due to the increase of employee salaries and welfares.

Taxation

Our tax expenses increased by RMB3.4 million to RMB42.1 million for the six months ended 30 June 2013 from RMB38.7 million over the corresponding period in 2012. Effective tax rate increased by 3.2 percentage points to 22.8% for the six months ended 30 June 2013 from 19.6% for the corresponding period in 2012. Both increases were primarily due to gain in the domestic segment and loss in the international segment.

Profit for the Period and Net Profit Margin

Based on the factors described above, our net profit decreased by RMB15.8 million, or 10%, to RMB142.4 million for the six months ended 30 June 2013 from RMB158.2 million over the corresponding period in 2012. Our net profit margin decreased by 3.8 percentage points to 14.5% for the six months ended 30 June 2013 from 18.3% over the corresponding period in 2012, primarily due to high operation cost of the European Plant.



Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2013, we had RMB370.4 million (31 December 2012: RMB301.1 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 raw materials. Inventory turnover days (inventories/cost of sales) decreased to 110.8 days as at 30 June 2013 from 127.0 days as at 31 December 2012. Turnover days for trade receivables (trade receivables/revenue) decreased from 66.6 days as at 31 December 2012 to 62.2 days as at 30 June 2013. Turnover days for trade payables (trade payables/cost of sales) decreased from 41.2 days as at 31 December 2012 to 37.8 days as at 30 June 2013.

Borrowings and Finance Cost

Total borrowings of our Group as at 30 June 2013 was approximately RMB199.0 million (31 December 2012: RMB149.6 million) and denominated in US Dollars ("USD"). For the period under review, net finance costs of our Group were approximately RMB0.1 million (30 June 2012: RMB1.4 million).

Gearing Ratio

As at 30 June 2013, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group has increased to 0.10 (31 December 2012: 0.08). It was mainly contributed by the increase in short-term borrowings.

Working Capital

Our working capital (calculated by the difference between current assets and current liabilities) as of 30 June 2013 was RMB730.2 million (31 December 2012: RMB733.2 million).

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB. During the period under review, our Group recorded exchange loss of RMB5.1 million (30 June 2012: exchange loss of RMB4.1 million).

Capital Expenditure

As at 30 June 2013, our Group's total capital expenditure amounted to approximately RMB103.7 million, which is mainly used in the construction of the third production line in Gaotang, Shandong Province, the PRC.

Charge on Assets

As at 30 June 2013, our Group neither pledged any property, plant and equipment nor land use right.

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 an 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 2013, the appeal was still under process at the Court in Germany.

In addition, on 20 October 2010, we commenced opposition proceedings before the European Patent Office ("EPO") to invalidate the subject patent in question in Tetra Pak's infringement claim, with effect throughout all EPO member states. On 27 November 2012, the opposition division of EPO revoked the subject patent in its entirety. However Tetra Pak has filed an appeal on 17 April 2013 and has to file its grounds of appeal before 25 June 2013. Further disclosure will be made as and when appropriate.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2013, our Group employed approximately 1,228 employees (31 December 2012: 1,143 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 resources 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, our Group is expected to continue to:

- grow our market share with our key customers while broadening customer mix in the PRC market;
- further expand and penetrate international markets;
- strengthen the centralisation of our 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.

With respect to our expansion plan, in view of a strong demand for aseptic packs and in order to strengthen our Company's position in the market, we plan to construct new production lines in our factories in Halle and Hellingeer.

Hellingeer Factory

In February 2013, we entered into an investment agreement with the local government of Hellingeer, Inner Mongolia, the PRC, to expand production capacity of our Hellingeer factory. Under the investment agreement, the local government of Hellingeer will assist the Company in obtaining additional land for the expansion of our factory; provide assistance in obtaining all regulatory approvals and any

other forms of support that the government department could provide so as to ensure the smoothing and successful expansion of our factory. This investment shall be carried out in multiple phases which include, but not limited to, the construction of aseptic packaging material production line(s) that will systematically increase production capacity by billion(s) of packs. Our Company targets to develop new products in the aseptic area with the production line in phase one, which will enable us to foray into a new area of the industry. However, we may possibly adjust the investment plan and project schedule according to both market trend and customer demand which we will monitor closely and regularly. Further disclosure of the aforesaid investment will be made in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as and when appropriate.

We believe that Hellingeer is a strategic location for our business as it is situated in the heart of PRC's largest dairy belt, only a few kilometres away from two leading PRC dairy companies.

Halle Factory

In May 2013, in the presence of the German Chancellor and the Chinese Premier, Greatview's Chief Executive Officer, Jeff Bi, signed an investment agreement with the Prime Minister of Saxony-Anhalt Province and Halle city mayor with a plan to invest 38 million Euros in aggregate at the Halle factory through stages. We believe such investment plan is vital to our strategic expansion plan in the region, allowing an upsurge in production capacity in order for us to capture opportunities arising from the imbalance between supply and demand of aseptic packs. However, we may possibly adjust the investment plan and project schedule according to both market trend and customer demand which we will evaluate and monitor closely and regularly. Further disclosure of the aforesaid investment will be made in accordance with the Listing Rules as and when appropriate.

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 2013, 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	11.94%
	86,961,966	2	Interest of controlled corporation	Long position	6.51%
	8,038,000	3	Interest of controlled corporation	Long position	0.60%
	11,831,560	4	Founder of a discretionary trust	Long position	0.89%
Total long position	266,320,760				19.94%
	5,795,000	3	Interest of controlled corporation	Short position	0.43%
	14,820,000	1	Found of a discretionary trust	Short position	1.11%
Total short position	20,615,000				1.54%

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, 1 June 2012 and 1 June 2013, 3,546,000 options, 4,616,000 options and 5,800,000 options were vested respectively. On 12 April 2013, 3,236,000 options which were previously lapsed were taken back by Liwei and will be reallocated to 193 employees of the Group upon vesting. First installment of these options vested on 1 June 2013 and the second installment will vest on 1 June 2014. As at 30 June 2013, 785,000 options were lapsed after vesting. For the six months ended 30 June 2013, 425,000 share options were lapsed before the vesting periods and were taken back by Liwei. For the six months ended 30 June 2013, 1,982,000 options have been exercised under the Pre-IPO Share Option Scheme.

Liwei is therefore deemed to be interested in 8,038,000 Shares in a long position and have a short position in respect of the potential obligation to deliver 5,795,000 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 1,335,582,000 Shares in issue as at 30 June 2013.

Save as disclosed above, as at 30 June 2013, 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.

Other Information

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

As at 30 June 2013, 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 9)
Madam Xu Zhen	266,320,760	2	Interest of spouse	Long position	19.94%
	20,615,000	2	Interest of spouse	Short position	1.54%
Gao Wei	159,489,234	3	Founder of a discretionary trust	Long position	11.94%
	221,000	4	Beneficial owner	Long position	0.02%
	8,038,000	5	Interest of controlled corporation	Long position	0.60%
	11,831,560	6	Founder of a discretionary trust	Long position	0.89%
	Total long position	179,579,794			
Total short position	5,795,000	5	Interest of controlled corporation	Short position	0.43%
	14,820,000	3	Founder of a discretionary trust	Short position	1.11%
	20,615,000				1.54%
Madam Wang Wei	179,579,794	7	Interest of spouse	Long position	13.45%
	20,615,000	7	Interest of spouse	Short position	1.54%
Bain Capital Fund IX, L.P.	174,296,300	1	Interest of controlled corporation	Long position	13.05%
	30,000,000	1	Interest of controlled corporation	Short position	2.25%
Bain Capital Investors, LLC	174,296,300	1	Interest of controlled corporation	Long position	13.05%
	30,000,000	1	Interest of controlled corporation	Short position	2.25%
Bain Capital Partners IX, L.P.	174,296,300	1	Interest of controlled corporation	Long position	13.05%
	30,000,000	1	Interest of controlled corporation	Short position	2.25%
Bain Capital	174,296,300	1	Beneficial owner	Long position	13.05%
	30,000,000	1	Beneficial owner	Short position	2.25%

Other Information

Name of Substantial Shareholder	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 9)
Fosing	159,489,234	3	Interest of controlled corporation	Long position	11.94%
	14,820,000	3	Interest of controlled corporation	Short position	1.11%
Foxing Development Limited	159,489,234	3	Interest of controlled corporation	Long position	11.94%
	14,820,000	3	Interest of controlled corporation	Short position	1.11%
Wiseland	159,489,234	3	Beneficial owner	Long position	11.94%
	14,820,000	3	Beneficial owner	Short position	1.11%
FMR LLC	133,944,000		Investment manager	Long position	10.03%
Matthews International Capital Management, LLC	93,577,000		Investment manager	Long position	7.01%
Wellington Management Company, LLP	93,444,739		Investment manager	Long position	7.00%
Phanron Holdings Limited	86,961,966	8	Beneficial owner	Long position	6.51%
The Capital Group Companies, Inc.	67,933,000		Interest of controlled corporation	Long position	5.09%

Notes:

- (1) Bain Capital Investors, LLC, Bain Capital Partners IX, L.P. and Bain Capital Fund IX, L.P. are deemed to be interested in 174,296,300 Shares as at 30 June 2013 by virtue of their direct and indirect interests in Bain Capital, which has interest in 174,296,300 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.
- (2) Madam Xu Zhen is interested in a long position of 266,320,760 Shares and short position in 20,615,000 Shares by virtue of her being the spouse of Hong Gang.
- (3) 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.
- (4) Gao Wei has acquired 221,000 Shares by cash consideration in the year of 2011.

Other Information

- (5) 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, 1 June 2012 and 1 June 2013, 3,546,000 options, 4,616,000 options and 5,800,000 options were vested respectively. On 12 April 2013, 3,236,000 options which were previously lapsed were taken back by Liwei and will be reallocated to 193 employees of the Group upon vesting. First installment of these options vested on 1 June 2013 and the second installment will vest on 1 June 2014. As at 30 June 2013, 785,000 options were lapsed after vesting. For the six months ended 30 June 2013, 425,000 share options were lapsed before the vesting periods and were taken back by Liwei. For the six months ended 30 June 2013, 1,982,000 options have been exercised under the Pre-IPO Share Option Scheme.

Liwei is therefore deemed to be interested in 8,038,000 Shares in a long position and have a short position in respect of the potential obligation to deliver 5,795,000 Shares.

- (6) 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.
- (7) Madam Wang Wei is interested in a long position of 179,579,794 Shares and a short position of 20,615,000 Shares by virtue of her being the spouse of Gao Wei.
- (8) 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.
- (9) There were 1,335,582,000 Shares in issue as at 30 June 2013.

Save as disclosed above, and as at 30 June 2013, 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.

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

During the six months ended 30 June 2013, 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 2013, 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 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 2013.

Other Information

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.

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	Pre-IPO	Pre-IPO	Pre-IPO	Pre-IPO
					Options outstanding as at 1 January 2013	Options vested during the period	Options exercised during the period	Options cancelled/ lapsed during the period	Options outstanding as at 30 June 2013
Liwei	1	22/01/2010	09/12/2010– 22/11/2020	4.30	13,838,000	(5,800,000)	–	–	8,038,000
Employees in aggregate	2	01/09/2011, 01/06/2012 and 01/06/2013	01/09/2011– 01/06/2014	4.30	7,467,000	5,800,000	(1,982,000)	(90,000)	11,195,000
Total					21,305,000	–	(1,982,000)	90,000	19,233,000

Notes:

- (1) 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 Pre-IPO Options will only be transferred to the employees upon vesting. The Pre-IPO Options vested/will vest in four installments on 1 September 2011, 1 June 2012, 1 June 2013 and 1 June 2014.

On 12 April 2013, 3,236,000 Pre-IPO Options which were previously lapsed were taken back by Liwei and will be reallocated to 193 employees of the Group upon vesting. These Pre-IPO Options vested/will vest in two installments on 1 June 2013 and 1 June 2014.

- (2) During the six months ended 30 June 2013, 5,800,000 Pre-IPO Options were vested and 90,000 Pre-IPO Options were lapsed after vesting.

Other Information

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").

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 2013.

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 2013.

Other Information

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2013 (30 June 2012: HK\$0.1).

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 2013 have been reviewed by the Audit Committee.

On behalf of the Board

Mr. HONG Gang

Chairman

Beijing, the PRC, 30 August 2013

Condensed Consolidated Income Statement

For the six months ended 30 June 2013

	Note	Six months ended 30 June	
		2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Revenue	4	983,463	863,013
Cost of sales	5	(713,610)	(585,480)
Gross profit		269,853	277,533
Other income — net		13,225	10,170
Distribution cost		(47,500)	(44,218)
Administrative expenses		(50,988)	(45,154)
Operating profit		184,590	198,331
Finance expenses — net	6	(99)	(1,422)
Profit before income tax		184,491	196,909
Taxation	7	(42,055)	(38,665)
Profit for the period		142,436	158,244
Profit attributable to:			
Equity holders of the Company		142,436	158,244
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted	8	RMB0.11	RMB0.12

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Profit for the period	142,436	158,244
Other comprehensive income:		
Currency translation differences	(18,752)	(17,536)
Total comprehensive income for the period	123,684	140,708
Attributable to:		
— Equity holders of the Company	123,684	140,708
Total comprehensive income for the period	123,684	140,708

Condensed Consolidated Statement of Financial Position

As at 30 June 2013

	Note	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,181,107	1,031,636
Land use rights	10	2,559	2,588
Intangible assets		54,026	54,158
Deferred income tax assets		19,805	20,147
Long-term prepayment		3,347	103,206
		1,260,844	1,211,735
Current assets			
Inventories	11	391,769	475,095
Trade receivables, other receivables and prepayments	12	526,535	417,310
Cash and bank balances		370,425	301,126
		1,288,729	1,193,531
Total assets		2,549,573	2,405,266
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital, share premium and capital reserve	13	949,606	937,797
Statutory reserve		113,079	113,079
Exchange reserve		(42,842)	(24,090)
Retained earnings		877,126	833,058
Total equity		1,896,969	1,859,844

Condensed Consolidated Statement of Financial Position

As at 30 June 2013

	Note	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	15	–	–
Deferred government grants		93,546	80,498
Deferred income tax liabilities		503	4,591
Long term payables		–	–
		94,049	85,089
Current liabilities			
Trade payables, other payables and accruals	16	324,095	285,622
Income tax liabilities		35,412	25,135
Borrowings	15	199,048	149,576
		558,555	460,333
Total liabilities		652,604	545,422
Total equity and liabilities		2,549,573	2,405,266
Net current assets		730,174	733,198
Total assets less current liabilities		1,991,018	1,944,933

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	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:					
Employee share option scheme	4,073				4,073
Transfer to statutory reserve		115		(115)	
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 (Note 13)	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000
As at 31 December 2012 (Audited)	937,797	113,079	(24,090)	833,058	1,859,844
Comprehensive income:					
Profit for the period				142,436	142,436
Other comprehensive income:					
Currency translation differences			(18,752)		(18,752)
Transactions with owners:					
Capitalisation as issued shares as part of the Reorganisation	232				232
Employee share option scheme	4,766				4,766
Dividend				(98,368)	(98,368)
Share premium	6,811				6,811
As at 30 June 2013 (Unaudited)	949,606	113,079	(42,842)	877,126	1,896,969

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash generated from/(used in) operations	236,765	207,721
Interest paid	(1,518)	(4,182)
Income tax paid	(32,388)	(38,665)
Net cash generated from/(used in) operating activities	202,859	164,874
Cash flows from investing activities		
Property, plant and equipment ("PPE")		
— Additions	(99,509)	(176,126)
— Prepayment	(3,347)	51,484
— Interest paid and expense capitalised	(4,289)	(913)
Government grant received related to PPE	14,900	50,356
Purchase of intangible assets	(880)	—
Interest received	1,620	2,797
Net cash used in investing activities	(91,505)	(72,402)
Cash flows from financing activities		
Proceeds from issuance of shares	7,042	—
Proceeds from borrowings	387,321	45,594
Repayments of borrowings	(337,849)	(13,120)
Dividends paid to equity holders	(98,368)	—
Net cash (used in)/generated from financing activities	(41,854)	32,474
Net increase/(decrease) in cash and cash equivalents	69,500	124,947
Cash and cash equivalents at beginning of the period	301,126	273,606
Exchange (loss)/gains on cash and cash equivalents	(201)	(4,268)
Cash and cash equivalents at end of the period	370,425	394,285

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

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 manufacturing, distribution and sale of paper packaging for soft drinks and beverages, and filling machines, principally in the PRC.

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 2013 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 2012.

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 2012 annual report except for the adoption of the new standards, amendments or interpretations issued by the International Accounting Standard Board which are mandatory for the annual period beginning on or after 1 January 2013. 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 2013

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 is as follows:

	PRC RMB'000 (Unaudited)	International RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the six month ended 30 June 2013			
Sales — Revenue from external customers	829,027	154,436	983,463
Cost	(551,264)	(162,346)	(713,610)
Segment result	277,763	(7,910)	269,853
Other segment items			
Depreciation and amortisation	–	–	(45,310)
Interest income	–	–	1,620
Interest expense	–	–	(1,518)
For the six month 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)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

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	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Segment result for reportable segments	269,853	277,533
Other income — net	13,225	10,170
Distribution costs	(47,500)	(44,218)
Administrative expenses	(50,988)	(45,154)
Operating profit	184,590	198,331
Finance expense — net	(99)	(1,422)
Profit before income tax	184,491	196,909
Income tax expenses	(42,055)	(38,665)
Profit for the period	142,436	158,244

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 RMB1,241,039,000 (31 December 2012: RMB1,191,588,000).

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

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dairy	929,513	808,245
Non-carbonated soft drink ("NCSD")	53,950	54,768
	983,463	863,013

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

4 REVENUE AND OTHER INCOME — NET

	Six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Sales of products	983,463	863,013
Other income — net:		
— Income from sales of scrap materials	9,194	5,907
— Subsidy income from government	10,454	8,001
— Foreign exchange loss	(5,109)	(4,074)
— Others	(1,314)	336
	13,225	10,170

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Raw materials and consumables used	567,709	528,204
Changes in inventories of finished goods and work in progress	24,439	(13,160)
Provision for obsolescence on inventories	(779)	355
Depreciation and amortisation charges	45,310	27,962
— Depreciation of property, plant and equipment	44,368	27,312
— Amortisation of intangible assets	913	621
— Amortisation of land use right	29	29
Provision for impairment of receivables and prepayment	(751)	1,223
Employee benefit expenses	81,277	50,060
Auditor's remuneration	1,000	1,200
Transportation expenses	27,726	26,723
Repair and maintenance expenses	8,491	5,925
Electricity and utilities	15,127	10,416
Rental expenses	3,985	3,545
Plating expenses	4,395	4,529
Professional fees	2,228	2,224
Travelling expenses	6,946	6,260
Advertising and promotional expenses	2,988	2,889
Other expenses	22,007	16,497
Total cost of sales, distribution costs and administrative expenses	812,098	674,852

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

6 FINANCE (EXPENSE)/INCOME — NET

	Six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Interest expense — bank borrowings	(1,518)	(4,182)
Exchange loss on cash and cash equivalents	(201)	(37)
Finance expense	(1,719)	(4,219)
Interest income — cash and cash equivalents	1,620	2,797
Exchange gain on cash and cash equivalents	—	—
Finance income	1,620	2,797
Finance (expense)/income — net	(99)	(1,422)

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Current income tax:		
Enterprise income tax ("EIT")	44,481	38,396
Deferred tax:	(2,426)	—
Origination and reversal of temporary differences	—	269
Taxation	42,055	38,665

The Group's subsidiaries established in the PRC are subjected to the PRC statutory EIT of 25% (2012: 25%) on the assessable income for the period. The profit arising from Hong Kong profits tax has been provided for at the rate of 16.5% for the period (2012: 16.5%). Switzerland profits tax has been provided at the rate of 10.18% (2012: 10.18%) on the estimated assessable profit for the current year.

The applicable EIT rate of the Group's principal subsidiary Greatview Aseptic Packaging (Shandong) Co., Ltd. for the current year is 25% (2012: 25%).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

7 INCOME TAX EXPENSE (continued)

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 month ended 30 June 2013.

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	184,491	196,909
Tax calculated at domestic tax rates applicable to profits in the respective countries	34,836	48,237
Preferential tax treatment for subsidiaries	-	(10,428)
Expenses not deductible for taxation purposes	-	3,475
Tax losses for which no deferred tax asset was recognised	7,219	2,018
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	-	(1,795)
Differential tax rates on income of Group companies	-	(2,842)
Tax charge	42,055	38,665

8 EARNINGS PER SHARE

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company	142,436	158,244
Weighted average number of ordinary shares in issue	1,335,582	1,333,600

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 2013

9 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Vehicles and office equipment	Construction in progress	Leasehold Improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
As at 31 December 2011 (Audited)	111,632	539,943	22,589	364,997	–	1,039,161
Additions	1,356	3,212	6,765	281,588	2,404	295,325
Transfer upon completion	201,371	374,903	18,194	(594,468)	–	–
Disposals	–	(10)	(921)	–	–	(931)
Exchange differences	164	2	4	4,192	–	4,362
As at 31 December 2012 (Audited)	314,523	918,050	46,631	56,309	2,404	1,337,917
Additions	7,952	(2,812)	2,728	204,175	–	212,043
Transfer upon completion	11	1,261	658	(1,930)	–	–
Disposals	–	–	–	–	–	–
Exchange differences	(6,915)	(7,978)	(708)	–	–	(15,601)
As at 30 June 2013 (Unaudited)	315,571	908,521	49,309	258,554	2,404	1,534,359
Accumulated depreciation						
As at 31 December 2011 (Audited)	(9,652)	(230,313)	(7,687)	–	–	(247,652)
Current year depreciation	(5,785)	(49,178)	(3,935)	–	(60)	(58,958)
Current year disposals	–	4	367	–	–	371
Exchange differences	–	(1)	(41)	–	–	(42)
As at 31 December 2012 (Audited)	(15,437)	(279,488)	(11,296)	–	(60)	(306,281)
Current year depreciation	(5,378)	(37,817)	(3,861)	–	(106)	(47,162)
Current year disposals	–	–	–	–	–	–
Exchange differences	22	136	33	–	–	191
As at 30 June 2013 (Unaudited)	(20,793)	(317,169)	(15,124)	–	(166)	(353,252)
Net book value						
As at 31 December 2012 (Audited)	299,086	638,562	35,335	56,309	2,344	1,031,636
As at 30 June 2013 (Unaudited)	294,778	591,352	34,185	258,554	2,238	1,181,107

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

10 LAND USE RIGHTS

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 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	(332)	(273)
Current period/year amortisation	(29)	(59)
At the end of the period/year	(361)	(332)
Net book value	2,559	2,588

All of the Group's land use rights are located in the PRC with the leasehold period between 10 to 50 years. Amortization of the Group's leasehold land has been charged to administrative expenses in the income statements.

11 INVENTORIES

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Raw materials	296,097	365,148
Work in progress	32,780	32,063
Finished goods	68,467	87,459
	397,344	484,670
Less: Inventory write-down to net realisable value	(5,575)	(9,575)
	391,769	475,095

The cost of inventories recognized as expense and included in cost of sales amounted to approximately RMB713,610,000 (30 June 2012: RMB585,000,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Trade receivables	387,940	282,545
Less: Provision for impairment	(5,506)	(4,578)
Trade receivables — net	382,434	277,967
Notes receivable	86,708	81,688
Value added tax deductible	35,890	40,106
Prepayments	18,478	19,133
Less: Provision for impairment	(7,002)	(8,681)
Prepayments — net	11,476	10,452
Other receivables	10,027	7,097
	526,535	417,310

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2012: 0 to 90 days).

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

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
0–30 days	273,758	169,041
31–90 days	88,389	85,071
91–365 days	25,788	24,859
Over 1 year	5	3,574
	387,940	282,545

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Share capital	11,655	11,423
Share premium	793,668	786,857
Capital reserve	144,283	139,517
	949,606	937,797

(a) Share capital and share premium

Share capital

As at the 30 June 2013, the total authorised number of ordinary shares is 3,000,000,000 shares (31 December 2012: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2012: HK\$0.01 per share). The number of ordinary shares issued is 1,335,582,000 (31 December 2012: 1,333,600,000) with nominal value of HK\$0.01 per share (31 December 2012: HK\$0.01 per share). The increased shares are due to the stock options exercised. All issued shares were fully paid.

Share premium

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
As at 1 January	786,857	786,857
Addition	6,811	–
As at end of the period	793,668	786,857

(b) Capital reserve

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
As at 1 January	139,517	132,581
Issued employee share options	4,766	6,936
As at end of the period	144,283	139,517

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

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 vested/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.

On 12 April 2013 the Board approved Liwei to transfer a total of 3,236,000 Pre-IPO Options to 193 employees of the Group. Pursuant to the Pre-IPO Option Scheme, those 193 employees were awarded the Pre-IPO Options carrying rights to subscribe for up to 3,236,000 shares of the Company at the exercise price of HK\$4.30 per share. The Pre-IPO Options will be vested in two installments, 50% of those Pre-IPO Options (to the extent not lapsed under the Pre-IPO Share Option Scheme) were vested on 1 June 2013 and the remainder (to the extent not lapsed under the Pre-IPO Share Option Scheme) will vest on 1 June 2014.

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 2013 Options (in thousand)	As at 31 December 2012 Options (in thousand)
As at 1 January	16,248	18,408
Granted to employees	3,236	–
Forfeit	(422)	(1,519)
Lapsed	(90)	(641)
Exercised	(1,982)	–
Outstanding options granted to employees	16,990	16,248

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

14 SHARE-BASED PAYMENTS *(continued)*

Out of the 16,990,000 outstanding options, 11,195,000 options were exercisable as at 30 June 2013. Share options outstanding at the end of the period have the following expiry dates:

Expiry Date	Vested Date	Options (in thousand)
1 September 2013	1 September 2011	1,803
1 June 2014	1 June 2012	3,652
1 June 2015	1 June 2013	5,740
1 June 2016	1 June 2014	5,795
		16,990

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 the employees and risk free of 0.735% to 1.678%.

The total expense recognized in the consolidated income statement for the year ended 30 June 2013 in relation to the share options amounted to RMB4,766,000 (31 December 2012: RMB6,936,000), with the corresponding amount credit in capital reserve.

15 BORROWINGS

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Non-current		
Secured bank borrowing	–	–
Current		
Secured bank borrowing	–	–
Unsecured bank borrowing	199,048	149,576
Total current borrowing	199,048	149,576
Total borrowing	199,048	149,576

The remaining unsecured borrowing is denominated in USD with a maturity date of 120 days from the date of each drawdown. It bears the interest rate of higher of 1.4% per annum over LIBOR (London Interbank Offered Rate) or the Bank's Cost of Fund. The effective interest rate is 1.97% per annum.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

15 BORROWINGS (continued)

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

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Within 1 year	199,048	149,576
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
	199,048	149,576

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Trade payables	136,683	158,737
Notes payment	23,941	7,630
Advance from customers	32,413	28,719
Accrued expenses	38,648	46,912
Salary and welfare payable	14,376	19,594
Value added tax payable	15,101	6,309
Other payables	62,933	17,721
	324,095	285,622

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

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Within 30 days	93,985	54,879
31-90 days	31,492	94,785
91-365 days	7,170	7,237
Over 365 days	4,036	1,836
	136,683	158,737

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

17 DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (30 June 2012: HK\$0.10).

18 COMMITMENTS

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

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Contracted but not provided for property, plant and equipment	63,683	78,476

(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 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Not later than 1 year	3,071	5,863
Later than 1 year and not later than 5 years	5,993	5,645
Later than 5 years	1,852	2,258
Total	10,916	13,766

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

19 RELATED-PARTY TRANSACTION

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	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employees benefits	4,395	4,050
Social security cost	804	502
	5,199	4,552

20 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 an 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 2013, the appeal was still under process at the Court in Germany.

In addition, on 20 October 2010, we commenced opposition proceedings before the European Patent Office ("EPO") to invalidate the subject patent in question in Tetra Pak's infringement claim, with effect throughout all EPO member states. On 27 November 2012, the opposition division of EPO revoked the subject patent in its entirety. However Tetra Pak has filed an appeal on 17 April 2013 and has to file its grounds of appeal before 25 June 2013. Further disclosure will be made as and when appropriate.

21 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board on 30 August 2013.