Greatview Aseptic Packaging Company Limited

Interim Report 2011

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

GAPACK
纷美包装

This report is printed on environmentally friendly paper

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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, *FCIS, FCS(PE)*

AUTHORIZED REPRESENTATIVES
Mr. ZHU Jia
Ms. MA Sau Kuen Gloria, *FCIS, FCS(PE)*

AUDIT COMMITTEE
Mr. LUETH Allen Warren *(Chairman)*
Mr. BEHRENS Ernst Hermann
Mr. CHEN Weishu

REMUNERATION COMMITTEE
Mr. ZHU Jia *(Chairman)*
Mr. BI Hua, Jeff
Mr. LUETH Allen Warren
Mr. BEHRENS Ernst Hermann
Mr. CHEN Weishu

NOMINATION COMMITTEE
Mr. BI Hua, Jeff *(Chairman)*
Mr. BEHRENS Ernst Hermann
Mr. CHEN Weishu

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AUDITORS
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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

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Hong Kong

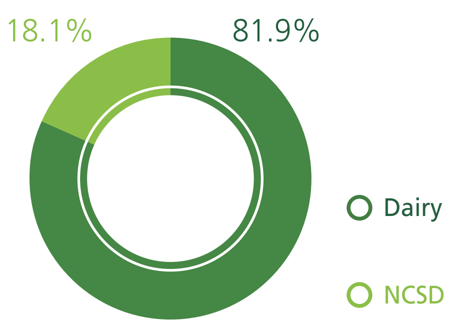
COMPANY WEBSITE
www.ga-pack.com

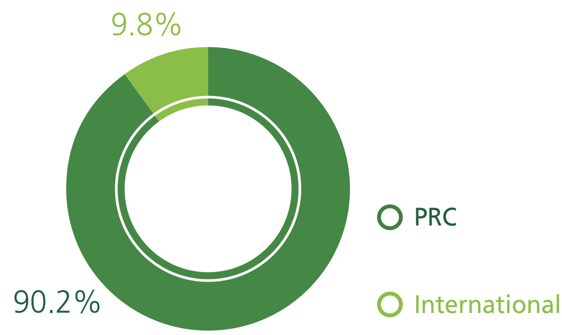

GAPACK

FINANCIAL SUMMARY

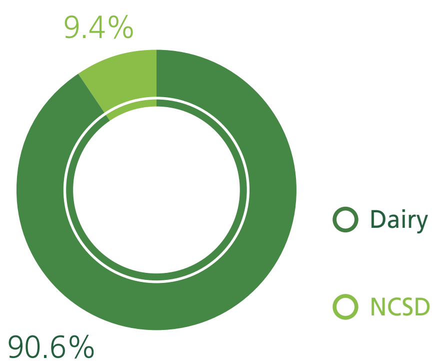
	For the six months ended 30 June		
	2011	2010	Percentage
	RMB million	RMB million	%
	(Unaudited)	(Audited)	
Revenue	**721.7**	503.2	+43.4
Gross profit	**226.5**	165.7	+36.7
Net profit	**117.2**	109.3	+7.2
Profit attributable to shareholders	**117.2**	109.3	+7.2
Earnings per share — basic and diluted (RMB)	**0.10**	N/A	N/A

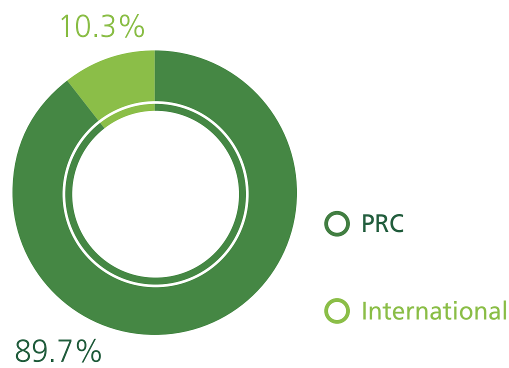
REVENUE ANALYSIS





PROFIT ANALYSIS





GA Pack Manufacturing GmbH

GA Pack sees the potential and the customer demand to grow the facilities over time: "This is a long term commitment to the dairy and beverage industry, the region and to Europe in general. We are here to say, and to offer the liquid food industry a choice that creates real value."

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Greatview Aseptic Packaging Company Limited (our "Company") and together with its subsidiaries (collectively, our "Group") are one of the selected few integrated providers of aseptic packaging and related services globally. Our aseptic packs are sold under the trade name of "GA Pack", which includes "GA Brick", our carton form packaging and "GA Pilo", our soft pouch form packaging. Over the last few years, we have grown to become the second largest roll-fed supplier of aseptic packaging globally. 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. The Company's accumulated experience in aseptic packaging manufacturing is approaching 20 billion packs as at 30 June 2011.

During the six months ended 30 June 2011 (the "Review Period"), we commenced construction of our European production facility in Halle, Germany (our "European Plant"). This new factory, estimated at a total investment of around Euro 50 million, marks an important milestone in our Group's international growth strategy by penetrating one of the largest aseptic packaging markets in the world. Our European Plant will also provide additional capacity for potential expansion into the Middle East, North America and South America. We see the opportunity with strong customer demand which will allow us to grow our business and fully utilise this facility over time.

During the Review Period, our Helingeer factory has begun commercial production and has started supplying aseptic packages to customers. We expect our Helingeer factory to operate at a higher efficiency level as sales orders increase. We hope that our Helingeer factory will contribute an increasingly significant portion of the Group's production volume.

While we were facing the rising prices in raw materials and pressure from general inflation, we have been able to contain such pressures with improved operation efficiency. As a result, we were able to maintain a relatively stable gross margin for the six months ended 30 June 2011.

Products

We sold a total of 3.55 billion packs during the six months ended 30 June 2011 with GA Brick 250ml Base remained as the top selling product. Due to the development of export sales, GA Brick 1000ml Base continues to grow, and is now the second most popular selling product of our Group.

Driven by the increasing consumer affluence and concern with health, fitness and well-being in the PRC, we expect that the market demand of our aseptic packaging will continue to grow.

Production and Operation

The annual production capacity of our Group was 9.4 billion packs at the end of 2010. As planned, we will introduce a second production line in the Helingeer factory by the end of 2011, which we expect will increase our annual production capacity by 4 billion packs.

In the first half of 2011, we have commenced construction of our European Plant, being our first overseas production facility, dedicated to produce high quality roll-fed aseptic packaging for dairy and NCSD customers in the overseas markets. Our European Plant is expected to be commissioned before the second half of 2012 and is expected to facilitate the growth of our Group's annual production capacity by 4 billion packs. This marks an important milestone in our Group's international development. We expect our European Plant would expand our Group's activities in Europe, as well as the international market.

Management Discussion and Analysis

During the Review Period, we produced 3.61 billion packs in total. Driven by the growing market demand, we are confident that our Group will continue to operate at a high utilisation rate in the second half of 2011.

Suppliers and Raw Materials

The prices of our raw materials increased slightly in the first six months of 2011 compared to the same period of 2010, mainly due to the inflationary pressure. 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 raw materials prices within a reasonable range. Furthermore, we are considering entering into long-term purchase agreements with our suppliers to secure a stable supply of our major raw materials at a reasonable commercial pricing level. We are also 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 NCSD producers across the world, with a primary focus on the PRC market. During the six months ended 30 June 2011, we have continuously expanded our customer base in the PRC and continued to grow volume with our key dairy customers. We have also penetrated selected international markets such as Italy, Slovakia, Oman and Kazakhstan. Meanwhile, we also expanded our technical support capability to 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.

In the first half of 2011, our Group has actively conducted marketing activities tailor-made for our customers and geared towards supporting the activities of our sales team by keeping abreast of industry trends, interacting with existing customers, cultivating new relationships and building brand awareness.

Our Group also aims to conduct our operations in compliance with international environmental standards, and we place a strong emphasis on responsible environmental practices in our operations. In the first half of 2011, we have certified that GA Brick aseptic packaging material complies with the United States Food and Drug Administration regulations.

FINANCIAL REVIEW

Overview

During the six months ended 30 June 2011, we achieved a record revenue of RMB721.7 million and net profit of RMB117.2 million. Our management is pleased with the financial results and will strive towards a higher target for the financial year ending 2011.

Revenue

We primarily derive revenue from domestic and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by 43.4% from RMB503.2 million for the six months ended 30 June 2010 to RMB721.7 million for the Review Period, primarily due to the increased orders from the existing dairy customers.

With respect to the domestic segment, our revenue increased by RMB185.4 million, or 39.8%, to RMB650.9 million for the six months ended 30 June 2011 from RMB465.5 million over the corresponding period in 2010.

With respect to the international segment, our revenue increased by RMB33.1 million, or 87.8%, to RMB70.8 million for the six months ended 30 June 2011 from RMB37.7 million over the corresponding period in 2010, primarily due to the increase in sales volume.

Our revenue from dairy customers increased by RMB214.9 million, or 57.2%, to RMB590.8 million for the six months ended 30 June 2011 from RMB375.9 million over the corresponding period in 2010, while our revenue from NCSD customers increased slightly by RMB3.4 million, or

Management Discussion and Analysis

2.7%, to RMB130.8 million for the six months ended 30 June 2011 from RMB127.4 million over the corresponding period in 2010.

Cost of Sales

Our cost of sales increased by RMB157.7 million, or 46.7%, to RMB495.2 million for the six months ended 30 June 2011 from RMB337.5 million over the corresponding period in 2010.

Raw material costs, which made up the largest portion of our cost of production, increased by RMB148.4 million, or 52.7%, to RMB429.8 million for the six months ended 30 June 2011 from RMB281.4 million over the corresponding period in 2010. In the first half of 2011, the prices of our raw materials increased slightly. We managed to maintain the raw material costs at a reasonable level as a result of reduced wastage and improved operation efficiency.

With respect to the domestic segment, our cost of sales increased by RMB139.9 million, or 45.5%, to RMB447.7 million for the six months ended 30 June 2011 from RMB307.8 million over the corresponding period in 2010. This increase was attributable to the increase in sales volume.

With respect to the international segment, our cost of sales increased by RMB17.8 million, or 59.9%, to RMB47.5 million for the six months ended 30 June 2011 from RMB29.7 million over the corresponding period in 2010.

Gross Profit and Gross Margin

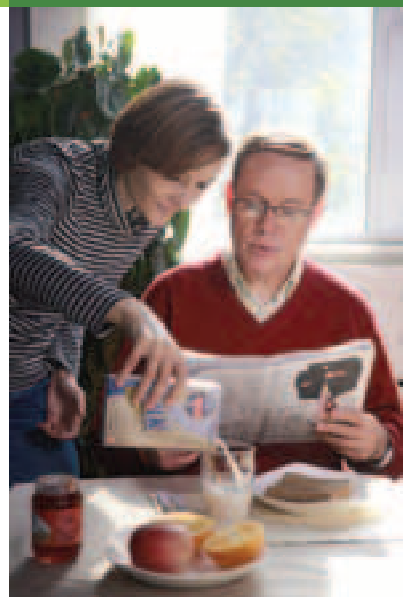
As a result of the foregoing factors, our gross profit increased by RMB60.8 million, or 36.7% from RMB165.7 million for the six months ended 30 June 2010 to RMB226.5 million over the Review Period. Our gross margin decreased by 1.5 percentage points to 31.4% for the six months ended 30 June 2011 from 32.9% over the corresponding period in 2010. The decrease of gross margin was primarily contributed by the increase in raw materials prices and the slight decrease of our overall average selling price. However, the decrease of gross margin has been minimised by the improvement of production capacity.

Distribution Costs

Our distribution costs increased by RMB17.9 million, or 73.4%, to RMB42.3 million for the six months ended 30 June 2011 from RMB24.4 million over the corresponding period in 2010. The raise in freight expenses due to the growth in sales volume is the primary reason for the increase of distribution costs. The higher salaries and personnel expenses from the international sales team building is another reason for this increase.

Administrative Expenses

Our administrative expenses increased by RMB24.6 million, or 119.4%, to RMB45.2 million for the six months ended 30 June 2011 from RMB20.6 million over the corresponding period in 2010, primarily caused by the expenses regarding to the share option scheme and the increase in salaries and personnel expenses. In the second half of 2010, we centralized some manufacturing functions and as a result, there was an increase in salaries and personnel expenses due to the reallocation of the head counts from the production side. The construction of the Helingeer factory also contributed to the increase of expenses.



Taxation

Our tax expenses increased by RMB13.6 million to RMB28.3 million for the six months ended 30 June 2011 from RMB14.7 million over the corresponding period in 2010. Effective tax rate increased by 7.7 percentage points to 19.5% for the six months ended 30 June 2011 from 11.8% over the corresponding period in 2010.It was primarily due to the income tax rate of Helingeer factory increased to 25% in 2011 from 15% in 2010, which resulted in an increase in overall tax expenses of the Group.

Profit for the Period and Net Profit Margin

Due to the factors described above, our profit increased by RMB7.9 million, or 7.2%, to RMB117.2 million for the six months ended 30 June 2011 from RMB109.3 million over the corresponding period in 2010. Our net profit margin decreased by 5.5 percentage points to 16.2% for the six months ended 30 June 2011 from 21.7% over the corresponding period in 2010 primarily due to the increase in distribution costs, administrative expenses and tax expenses.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2011, we had RMB254.1 million (31 December 2010: RMB548.3 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are mainly held in Renminbi ("RMB") and EURO ("EUR") denominated accounts with banks in China. Going forward, we expect that cash generated from operations and bank credit facilities, together with the net proceeds raised from our initial public offering in 2010 ("IPO"), will be our primary sources of liquidity as well as funding for capital expenditures. Our approach in managing liquidity is to ensure, as far as possible, that we will always have sufficient liquidity to meet the liabilities when due, without incurring unacceptable losses or risking damage to our reputation.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials and finished packaging products. Inventory turnover days (average inventories/cost of sales) was 89.7 days as at 30 June 2011 as compared to 83.3 days as at 31 December 2010. Turnover days for trade receivables (average trade receivables/revenue) increased from 49.4 days as at 31 December 2010 to 72.9 days as at 30 June 2011. Turnover days for trade payables (average trade payables/cost of sales) increased from 21.4 days as at 31 December 2010 to 26.1 days as at 30 June 2011.

Borrowings and Finance Cost

Total borrowings of our Group were RMB138.5 million as at 30 June 2011 (31 December 2010: RMB105.3 million), all of which were denominated in RMB and the net finance income of our Group were approximately RMB1.4 million (30 June 2010: RMB0.4 million).

Gearing Ratio

As at 30 June 2011, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group remained at a low level of 9.1% (31 December 2010: 7.6%).

Working Capital

Our working capital (calculated by the difference between the current assets and current liabilities) as of 30 June 2011 was RMB739.4 million (31 December 2010: RMB890.2 million).

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB. Therefore, our Group's exposure to foreign currency exchange risk is negligible and the Board does not expect future currency fluctuations will materially impact our Group's operations. During the Review Period, our Group recorded exchange loss of RMB4.6 million (30 June 2010: RMB1.2 million). As at 30 June 2011, our Group does not employ any financial instruments for hedging purposes.

Capital Expenditure

As at 30 June 2011, our Group's total capital expenditure amounted to approximately RMB68.9 million, which were invested in the construction and the first production line of our European Plant, the second production line in Helingeer factory and a new production facility. The main part of the capital expenditure was maintained in the long term prepayment amounted at RMB256.1 million.

Management Discussion and Analysis

Charge on Assets

For the six months ended 30 June 2011, our Group had pledged certain property, plant and equipment of a subsidiary with an aggregate net book value of RMB95 million (31 December 2010: RMB103 million) and land use rights in respect of a land parcel in the PRC with an aggregate net book value of approximately RMB1.36 million (31 December 2010: RMB1.37 million) for the purpose of securing a loan with carrying value of RMB72.16 million.

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 ("Tralin Europe") and Tralin Packaging Company Limited ("Tralin Packaging"); alleging patent infringement related to aseptic packaging material. The complaint seeks injunctive relief, accounting information and damages. The Directors of the Company intended to defend the claim vigorously and on 21 September 2010, Tralin Europe submitted its notice of defence. Furthermore, on 20 October 2010, Tralin Europe 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 Packaging on 19 January 2011 and Tralin Packaging had formally notified the court of its intention to defend the action by communication dated 27 January 2011. As at 30 June 2011, the case was still under process at the Court in Germany.

HUMAN RESOURCES

As at 30 June 2011, our Group employed approximately 871 employees (31 December 2010: 838 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. A share option scheme has also been adopted for employees of our Group. In order to ensure that our Group's employees remain competitive in the industry, the Company offers training to its employees which is managed by our human resources department.

PROSPECTS

With the net proceeds from IPO and profits generated during these two years, the Company has sufficient resources to expand our production capacity, improve our products, enhance our productivity and create value to our shareholders.

In this regard, the Company has formulated a set of long-term, progressive and prudent strategies as follows:

- To continue to grow market share with our key customers while broadening customer mix in the PRC market.
- To further expand and penetrate selected international markets.
- To expand our own roll-fed filling machine support services.
- To continue to optimise products and production processes.
- To strategically explore value-enhancing acquisitions and/or joint ventures to further grow our market share.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. BI Hua, Jeff (畢樺), aged 48, is our co-founder, Chief Executive Officer and executive director of the Company (the "Director"). Mr. Bi joined the Group in March 2003 and was appointed as an executive Director on 29 July 2010. He is primarily responsible for our overall business strategy formulation, execution and organizational development. Mr. Bi is also a director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Holdings Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd., Greatview Beijing Trading Co. Ltd., GA Pack Europe GmbH (formerly known as Tralin Pak Europe GmbH), and GA Pack Manufacturing GmbH (formerly known as GA Pack Property GmbH). Mr. Bi has more than 15 years of experience in marketing development in the aseptic packaging industry as well as company management. From 1997 to 2003, he was a sales and marketing manager at a leading aseptic packaging producer. From 1992 to 1997, Mr. Bi was the Greater China manager of Echostar Corporation, a software and service provider for television companies worldwide. Mr. Bi graduated from the University of Denver with a Master of Arts degree in 1992. He did not hold any directorship in any listed public companies in the last three years.

Mr. HONG Gang (洪鋼), aged 52, is our co-founder, Chairman and Director. Mr. Hong joined the Group in March 2003 and was appointed as the Director on 29 July 2010. He is primarily responsible for the strategic development, as well as supervision of daily marketing and communications of our Group. Mr. Hong is also a director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Holdings Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Beijing Packaging Equipment Co. Ltd., Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd., Greatview Beijing Trading Co. Ltd., and GA Pack Europe GmbH (formerly known as Tralin Pak Europe GmbH). Mr. Hong has more than 22 years of experience in the packaging industry. From 1993 to 2002, he held various executive positions with a leading aseptic packaging producer. Mr. Hong graduated from Zhejiang University in China with a Bachelor of Science degree in 1982 and obtained a Master of Philosophy (Development Studies) degree from Sussex University in the United Kingdom in 1987. He did not hold any directorship in any listed public companies in the last three years.

NON-EXECUTIVE DIRECTORS

Mr. HILDEBRANDT James Henry, aged 51, is a non-executive Director. Mr. Hildebrandt joined the Group on 13 September 2006 and was appointed as a non-executive Director on 29 July 2010. Mr. Hildebrandt is also a director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Holdings Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd., and Greatview Beijing Trading Co. Ltd. Mr. Hildebrandt is primarily responsible for the development and monitoring of the overall business strategy of our Group. Mr. Hildebrandt is a managing director of Bain Capital Asia, LLC ("Bain Capital Asia"). Prior to joining Bain Capital Asia in 2005, Mr. Hildebrandt was a partner and director at Bain & Company, where he worked for 18 years, helping to establish the Asian offices in China, Southeast Asia, Korea and Australia. Mr. Hildebrandt had regional responsibility for the Asian Private Equity Practice, as well as the China and Southeast Asia Financial Services Practice. From 1983 to 1984, Mr. Hildebrandt worked at the law firm of Bennett Jones in Calgary, Alberta, Canada. Mr. Hildebrandt obtained an MBA from the Leland Stanford Junior University in 1986 and received a Juris Doctor from the University of Toronto in 1983. He did not hold any directorship in any listed public companies in the last three years.

Mr. ZHU Jia (竺稼), aged 48, is a non-executive Director. Mr. Zhu joined the Group in 2006 and was appointed as a non-executive Director on 29 July 2010. Mr. Zhu is also a director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Holdings Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd., and Greatview Beijing Trading Co. Ltd. Mr. Zhu is primarily responsible for the development and monitoring of the overall business strategy of our Group. He is currently a managing director of Bain Capital Asia. From 1996 to 2006, Mr. Zhu was a managing director of

Board of Directors

Morgan Stanley Asia Limited and the chief executive officer of its China business. Mr. Zhu is currently a non-executive director of Sino Media Holding Limited (stock code: 623) GOME Electrical Appliances Holding Limited (stock code: 493) and Sunac China Holdings Limited (stock code: 1918), all are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Zhu is also an independent director of Youku.com (a company listed on New York Stock Exchange). Mr. Zhu graduated from Zhengzhou University with a Bachelor of Arts degree in 1982 and obtained a Master of Arts degree from Nanjing University in 1984. He obtained a Juris Doctor Degree from Cornell Law School in 1992. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years.

Mr. LEE Lap, Danny (李立明), aged 39, is a non-executive Director. Mr. Lee joined the Group in 2010 and was appointed as a non-executive Director on 12 October 2010. Mr. Lee is also a director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Beijing Trading Co. Ltd., and Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. Mr. Lee is primarily responsible for the development and monitoring of the overall business strategy of our Group. Mr. Lee is currently a principal in the private equity team of Bain Capital Asia, responsible for sourcing and leading the execution of transactions, covering healthcare, chemicals, consumer and technology sectors in the Asia Pacific region. Prior to joining Bain Capital Asia in 2006, Mr. Lee was with the Asian private equity arm and worked with the subsidiaries or affiliates of Sweden's Investor AB since 1998, one of the largest industrial holding companies in the Nordic region. Mr. Lee was a vice president of Investor Asia Limited, which is now known as Investor Growth Capital, a wholly-owned venture capital arm of Investor AB, the largest listed industrial holding company in Northern Europe, from September 1998 to June 2000; vice president of imGO Limited, an investment holding company which was formed by among others, Investor AB in 2000 focusing on the emerging wireless communications area in Asia, from 2000 to 2002 and vice president of Investor Asia Limited from 2003 to 2006. From 1995 to mid-1998, Mr. Lee was with Lehman Brothers Investment Banking in New York and Hong Kong. Mr. Lee graduated from Columbia College of Columbia University with a Bachelor of Arts degree in economics in 1995. Mr. Lee is a Chartered Financial Analyst. He did not hold any directorship in any listed public companies in the last three years.

Mr. LEW Kiang Hua (劉謹華), aged 57, is a non-executive Director. Mr. Lew joined the Group in 2005 and was appointed as a non-executive Director on 29 July 2010. Mr. Lew is also a director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Holdings Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Beijing Trading Co. Ltd., and Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. Mr. Lew is primarily responsible for the development and monitoring of the overall business strategy of our Group. Mr. Lew is a managing director of CDH Investment Advisory Private Limited, a private equity fund management vice president company based in Singapore. Prior to joining CDH Investment Advisory Private Limited in 2009, he was the chief financial officer of CDH China Management Company Limited from 2002 to 2008 and managing director of CDH Investments Management (Hong Kong) Limited from 2008 to 2009. From 1980 to 2002, he worked in a number of European and US multi-national corporations in the field of finance, operations and business management including setting up the first joint venture of each of Philips Electronics and General Electric Company in China. He graduated from Nanyang University in Singapore with a Bachelor of Commerce degree in 1978. He is a fellow of both of the Institute of Certified Public Accountants of Singapore and the Association of Chartered Certified Accountants, United Kingdom. He did not hold any directorship in any listed public companies in the last three years.

Ms. SHANG Xiaojun (商曉君), aged 37, is a non-executive Director. Ms. Shang joined the Group in 2005 and was appointed as a non-executive

Director on 29 July 2010. Ms. Shang is also a director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Holdings Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Beijing Trading Co. Ltd., and Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. Ms. Shang is primarily responsible for the development and monitoring of the overall business strategy of our Group. Ms. Shang is currently an executive director of CDH Investments Management (Hong Kong) Limited, an asset management company based in Hong Kong. Prior to becoming an executive director of CDH Investments Management (Hong Kong) Limited on 1 October 2010, Ms. Shang was an executive director of CDH Investment Advisory Private Limited, a private equity fund management company based in Singapore during 2009 to 2010, vice president of CDH Investments Management (Hong Kong) Limited from 2007 to 2009. From 2003 to 2007, Ms. Shang was a vice president of CDH China Management Company Limited. Prior to joining CDH China Management Company Limited in 2003, Ms. Shang was an assistant vice president of GIC Special Investments' Asia Pacific private equity group, focusing on direct investment opportunities in China. From 1997 to 2001, she worked for DBS Land Limited and CapitaLand Residential Limited in the field of business development, strategic planning, asset management and corporate planning. Ms. Shang graduated from the National University of Singapore, with a Bachelor of Business Administration degree in 1996 with a first class honour. She currently sits on the board of directors of Guangdong Haid Group Co. Ltd. (002311.SZ), a company which is principally engaged in the business of research and development, production and sale of pre-mixed aquatic feeds, mixed aquatic feeds, as well as mixed livestock feeds. Ms. Shang was a director of Air Media Group Inc. (AMCN NASDAQ) since October 2005 as a representative appointed by CDH China Growth Management Company Limited, a financial investor, and resigned from its board in November 2008 after listing of Air Media Group Inc. in November 2007. Save as disclosed above, she did not hold any directorship in any listed public companies in the last three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LUETH Allen Warren, aged 42, was appointed as an independent non-executive Director on 15 November 2010. Mr. Lueth is primarily responsible for scrutinising and monitoring the performance of the Group. Mr. Lueth is currently an independent director of CNinsure Inc. (CISG-NASDAQ), one of the largest independent insurance agencies in the PRC. Mr. Lueth is also vice president of finance of Cardinal Health China (formerly owned by Zuellig Pharma), a company focused on pharmaceutical distribution. He has worked for the company since 2005, previously in the position of chief financial officer. Previously Mr. Lueth worked for GE Capital from 1998 to 2004 in a variety of roles, including chief financial officer and chief executive officer for the Taiwan operations, and representative for China. Earlier, he served with Coopers & Lybrand as an auditor. Mr. Lueth received his Bachelor of Science in business degree from the University of Minnesota and an MBA degree from the Kellogg School of Management at Northwestern University. Mr. Lueth obtained his certificate as a certified public accountant in 1991 and certified management accountant in 1994. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years.

Mr. BEHRENS Ernst Hermann, aged 63, was appointed as an independent non-executive Director on 15 November 2010. Mr. Behrens is primarily responsible for scrutinizing and monitoring the performance of our Group. Mr. Behrens is currently a senior adviser on China business of Vermilion Partners Limited which is a private equity and investment advisory firm based in China offering a range of merchant banking and corporate advisory services to leading multinationals, Chinese companies and investors. Mr. Behrens was the non-executive chairman of EADS China from 2007 to 2009 and president and chief executive officer of EADS China from 2005 to 2006. From 1997 to 2004, Mr. Behrens served as president and chief executive officer of Siemens Ltd., China and from 1992 to 1997, he served as president and chief executive officer of Siemens Inc. Philippines. Prior to joining Siemens Inc. Philippines, Mr. Behrens was an executive vice president of Electronic Telephone Systems, Industries Inc., Philippines from 1984 to 1992; a country representative for Siemens in Jebsen and Co. PRC, from 1981 to 1984; a technical and administration manager of Nixdorf Computers, Hong Kong from 1976 to 1981; head of filed engineering of Nixdorf Computers, Germany from 1972 to 1976 and an electronics engineer of German Naval Air Force, Germany from 1968 to 1971. Mr. Behrens was the chairman of the Executive Committee of Foreign Investment Companies (ECIFC) in China from 2002 to 2005; president of European Union Chamber of Commerce in China from 2002 to 2004; president of German Chamber of Commerce in China from 1999 to 2001; president of European Chamber of Commerce in Philippines from 1995 to 1997 and its treasurer from 1993 to 1994. Mr. Behrens was honoured by Beijing Municipality with the Great Wall Friendship Award in 2004; awarded by Shanghai Municipality with the Magnolia Award Gold level in 2003 and decorated by the German government with the cross of the Order of Merit in 1993. Mr. Behrens was appointed as independent non-executive director by Deutsche Bank (China) Co. Ltd. and non-executive director by Nordex (Beijing) Wind Power Engineering & Technology Co. in the first half year of 2011. He did not hold any directorship in any listed public companies in the last three years.

Mr. CHEN Weishu (陳偉恕), aged 65, was appointed as an independent non-executive Director on 15 November 2010. Mr. Chen is primarily responsible for scrutinizing and monitoring the performance of our Group. Mr. Chen is the consultant member of Shanghai Pudong Development Bank, independent director of The Royal Bank of Scotland (China) Co. Ltd., and Suzhou Trust Co. Ltd., and also chairman of Academy for World Watch. He served various positions including secretary general of the Research Centre for Economics of Fudan University, deputy head of world economics department and professor and head of international finance department, and also executive director and vice president of Shanghai Pudong Development Bank, CEO and deputy chairman of Shanghai Industrial Holdings Ltd., chairman of Shanghai Industrial Development Co. Ltd. and vice chairman of Shanghai Industrial Investment (Holdings) Co. Ltd.. He has more than 46 years of experience in the areas of economics, financial research and banking, and corporate management. Mr. Chen graduated from Fudan University with a master degree in economics. He did not hold any directorship in any listed public companies in the last three years.

OTHER INFORMATION

INTERESTS 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 2011, interests and short positions in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and 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 Companies (the "Model Code") are as follows:

Interests and short position in the shares (the "Shares") and underlying Shares of our Company

Name of Director/ Chief Executive	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of share 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
	22,000,000	3	Interest of controlled corporation	Long position	1.65
	11,831,560	4	Founder of a discretionary trust	Long position	0.89
Total long position	280,282,760				21.02
	20,010,000	3	Interest of controlled corporation	Short position	1.50
	14,820,000	1	Founder of a discretionary trust	Short position	1.11
Total short position	34,830,000				2.61

Notes:

(1) 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.

(2) Phanron is wholly–owned by Hong Gang and he is therefore deemed to be interested in the 86,961,966 Shares held by Phanron.

(3) Liwei Holdings (PTC) Limited ("Liwei") is 50% owned by each of Hong Gang and Gao Wei. Therefore, Hong Gang and Gao Wei is therefore deemed to be interested in all of the underlying Shares issued pursuant to the 22,000,000 options granted to Liwei under the pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme").

On 17 March 2011, 284 employees were granted by Liwei the rights to subscribe for up to 20,010,000 Shares under the Pre-IPO Share Option Scheme upon vesting of their options. Liwei is therefore deemed to have a short position in respect of the potential obligation to deliver these 20,010,000 Shares. As at 30 June 2011, none of the share options has been exercised under the Pre-IPO Share Option Scheme.

(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 of our Company in issue as at 30 June 2011.

Save as disclosed above, as at 30 June 2011, 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 2011, 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)
Bain Capital Investors, LLC	392,458,300	1	Interest of controlled corporation	Long position	29.43
	30,000,000	1	Interest of controlled corporation	Short position	2.25
CDH China Growth Capital Fund II, L.P.	296,942,700	2	Interest of controlled corporation	Long position	22.27
CDH China Growth Capital Holdings Company Limited	296,942,700	2	Interest of controlled corporation	Long position	22.27
CDH Packaging Limited	296,942,700	2	Beneficial owner	Long position	22.27
China Diamond Holdings Company Limited	296,942,700	2	Interest of controlled corporation	Long position	22.27

Other Information

Name of Substantial Shareholder		No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 9)
China Diamond Holdings II, L.P.		296,942,700	2	Interest of controlled corporation	Long position	22.27
Madam Xu Zhen		280,282,760	3	Interest of spouse	Long position	21.02
		34,830,000	3	Interest of spouse	Short position	2.61
Gao Wei		159,489,234	4	Founder of a discretionary trust	Long position	11.96
		22,000,000	5	Interest of controlled corporation	Long position	1.65
		11,831,560	6	Founder of a discretionary trust	Long position	0.89
	Total long position	193,320,794				14.50
		20,010,000	5	Interest of controlled corporation	Short position	1.50
		14,820,000	4	Founder of a discretionary trust	Short position	1.11
	Total short position	34,830,000				2.61
Madam Wang Wei		193,320,794	7	Interest of spouse	Long position	14.50
		34,830,000	7	Interest of spouse	Short position	2.61
Fosing Limited		159,489,234	4	Interest of controlled corporation	Long position	11.96
		14,820,000	4	Interest of controlled corporation	Short position	1.11
Foxing Development Limited		159,489,234	4	Interest of controlled corporation	Long position	11.96
		14,820,000	4	Interest of controlled corporation	Short position	1.11
Wiseland Holdings Ltd		129,489,234	4	Beneficial owner	Long position	9.71
		30,000,000	4	Beneficial owner	Long position	2.25
	Total long position	159,489,234				11.96
		14,820,000	4	Beneficial owner	Short position	1.11
Phanron Holdings Limited		78,141,966	8	Beneficial owner	Long position	5.86
		8,820,000	8	Beneficial owner	Long position	0.66
	Total long position	86,961,966				6.52

Notes:

(1) Bain Capital Investors, LLC is deemed to be interested in 392,458,300 Shares by virtue of its wholly-owned subsidiary's, Bain Capital, interest in 392,458,300 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) 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 296,942,700 Shares by these companies relates to the same block of Shares.

(3) Madam Xu Zhen is interested in a long position of 280,282,760 Shares and short position in 34,830,000 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) Liwei is 50% owned by each of Hong Gang and Gao Wei. Hong Gang and Gao Wei is therefore deemed to be interested in all of the underlying Shares issued pursuant to the 22,000,000 options granted to Liwei under the Pre-IPO Share Option Scheme.

On 17 March 2011, 284 employees were granted by Liwei the rights to subscribe for up to 20,010,000 Shares under the Pre-IPO Share Option Scheme upon vesting of their options. Liwei is therefore deemed to have a short position in respect of the potential obligation to deliver these 20,010,000 Shares. As at 30 June 2011, none of the share options has been exercised under the Pre-IPO Share Option Scheme.

(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 193,320,794 Shares and a short position of 34,830,000 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 1,333,600,000 Shares of our Company in issue as at 30 June 2011.

Save as disclosed above, and as at 30 June 2011, the Directors were not aware of any persons (who were not Directors or chief executive of our Company) who had an interest or short position in the shares or underlying shares of our 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 LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2011, neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

For the six months ended 30 June 2011, there was no material acquisition or 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 Companies under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Specific enquiry has been made of all the Directors and each of them has confirmed that he/she had complied with such code of conduct during the six months ended 30 June 2011.

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

The Company adopted its Pre-IPO Share Option Scheme on 15 November 2010. Set out below are the details of the outstanding options granted under the Pre-IPO Share Option Scheme:

Name of grantee	Date of grant	Exercise period	Exercise price	Pre-IPO Options outstanding as at 1 January 2011	Pre-IPO Options exercised during the period	Pre-IPO Options cancelled/ lapsed during the period	Pre-IPO Options outstanding as at 30 June 2011
Liwei	22/11/2010	9/12/2010– 22/11/2020	HK$4.30	22,000,000	—	—	22,000,000

Note: On 17 March 2011, 284 employees were granted by Liwei the rights to subscribe for 20,010,000 Shares under the Pre-IPO Share Option Scheme upon vesting of their options. The options will be vested in four installments on 1 September 2011, 1 June 2012, 1 June 2013, and 1 June 2014.

Other Information

Share Option Scheme

The Company has adopted its Share Option Scheme on 15 November 2010. No option has been granted pursuant to the Share Option Scheme for the six months ended 30 June 2011.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2011.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2011.

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 2011 have been reviewed by the Audit Committee.

On behalf of the Board

Mr. HONG Gang
Chairman

Beijing, The PRC, 29 August 2011

Condensed Consolidated Income Statement

For the six months ended 30 June 2011

		Six months ended 30 June	
		2011	2010
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Audited)
Revenue	4	**721,672**	503,226
Cost of sales	5	**(495,163)**	(337,527)
Gross profit		**226,509**	165,699
Other income — net	4	**4,962**	2,819
Distribution cost	5	**(42,253)**	(24,401)
Administrative expenses	5	**(45,172)**	(20,563)
Operating profit		**144,046**	123,554
Finance income — net	6	**1,439**	409
Profit before income tax		**145,485**	123,963
Taxation	7	**(28,297)**	(14,657)
Profit for the period		**117,188**	109,306
Profit attributable to:			
Equity holders of the Company		**117,188**	109,306
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted (RMB)	8	**0.10**	N/A

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Profit for the period	**117,188**	109,306
Other comprehensive income:		
Currency translation differences	**89**	21
Total comprehensive income for the period	**117,277**	109,327
Attributable to:		
Equity holders of the Company	**117,277**	109,327
Total comprehensive income for the period	**117,277**	109,327

Condensed Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	**505,609**	461,602
Land use rights	10	**2,676**	2,705
Intangible assets		**51,130**	52,065
Deferred income tax assets		**15,237**	15,706
Long-term prepayment		**256,063**	37,577
		830,715	569,655
Current assets			
Inventories	11	**282,896**	203,624
Trade receivables and other receivables and prepayments	12	**431,987**	326,594
Cash and bank balances		**254,069**	548,286
		968,952	1,078,504
Total assets		**1,799,667**	1,648,159
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital, share premium and capital reserve	13	**922,489**	916,207
Statutory reserve		**52,146**	52,146
Exchange reserve		**(1,789)**	(1,878)
Retained earnings		**542,154**	424,966
Total equity		**1,515,000**	1,391,441

Condensed Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	14	45,920	59,040
Deferred government grants		9,167	9,334
		55,087	68,374
Current liabilities			
Trade receivables and other payables and accruals	15	124,315	132,569
Income tax liabilities		12,710	9,525
Borrowings	14	92,555	46,250
		229,580	188,344
Total liabilities		284,667	256,718
Total equity and liabilities		1,799,667	1,648,159
Net current assets		739,372	890,160
Total assets less current liabilities		1,570,087	1,459,815

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	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 1 January 2011	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	**922,489**	**52,146**	**(1,789)**	**542,154**	**1,515,000**

	Attributable to equity owners (Audited)				
	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 1 January 2010	461,777	30,899	13	268,416	761,105
Comprehensive income:					
Profit for the period	—	—	—	109,306	109,306
Other comprehensive income:					
Currency translation differences	—	—	21	—	21
Transactions with owners:					
Dividend	—	—	—	(23,414)	(23,414)
As at 30 June 2010	**461,777**	**30,899**	**34**	**354,308**	**847,018**

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash flows from operating activities		
Cash (used in)/generated from operations	**(16,141)**	36,709
Interest paid	**(3,208)**	(1,312)
Income tax paid	**(24,643)**	(10,080)
Net cash (used in)/generated from operating activities	**(43,992)**	25,317
Cash flows from investing activities		
Property, plant and equipment ("PPE")		
— Additions	**(68,857)**	(45,311)
— Prepayment	**(218,486)**	(1,378)
— Interest paid — capitalised	**—**	(2,086)
— Value added tax paid	**—**	(3,371)
Proceeds from disposal of PPE	**—**	833
Purchase of intangible assets	**488**	(295)
Entrusted loan granted to an affiliate of a former shareholder	**—**	50,000
Interest received	**2,037**	2,128
Net cash (used in)/generated from investing activities	**(284,818)**	520
Cash flows from financing activities		
Proceeds from issuance of shares	**(363)**	—
Proceeds from borrowings	**46,305**	10,000
Repayments of borrowings	**(13,120)**	(6,570)
Dividends paid to equity holders	**—**	(23,414)
Net cash generated from/(used in) financing activities	**32,822**	(19,984)
Net (decrease)/increase in cash and cash equivalents	**(295,988)**	5,853
Cash and cash equivalents at beginning of the period	**526,970**	124,233
Exchange gains/(loss) on cash and cash equivalents	**2,611**	(407)
Cash and cash equivalents at end of the period	**233,593**	129,679

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2011

1 GENERAL INFORMATION

Greatview Aseptic Packaging Company Limited 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, 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 2011 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 2010.

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 2010 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 1 January 2011. 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 anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3 SEGMENT REPORT

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

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

	PRC RMB'000	International RMB'000	Total RMB'000
For the six months ended 30 June 2011 (Unaudited)			
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 amortization	**—**	**—**	**(25,326)**
Interest income	**—**	**—**	**2,037**
Interest expense	**—**	**—**	**(3,208)**
For the six months ended 30 June 2010 (Audited)			
Sales — Revenue from external customers	465,516	37,710	503,226
Cost	(307,812)	(29,715)	(337,527)
Segment result	157,704	7,995	165,699
Other segment items			
Depreciation and amortization	—	—	(15,805)
Interest income	—	—	2,128
Interest expense	—	—	(1,312)

3 SEGMENT REPORT *(continued)*

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

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Segment result for reportable segments	**226,509**	165,699
Other income — net	**4,962**	2,819
Distribution costs	**(42,253)**	(24,401)
Administrative expenses	**(45,172)**	(20,563)
Operating profit	**144,046**	123,554
Finance income — net	**1,439**	409
Profit before income tax	**145,485**	123,963
Income tax expenses	**(28,297)**	(14,657)
Profit for the period	**117,188**	109,306

Information on segment assets and liabilities are not disclosed as this information is not presented to the board of directors 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 RMB815,478,000 (31 December 2010: RMB553,949,000), and are mainly located in the PRC; the amount held in other countries are not material to be separately allocated.

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

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Dairy	**590,824**	375,850
NCSD	**130,848**	127,376
	721,672	503,226

Revenue of approximately RMB489,966,000 (30 June 2010: RMB316,378,000) was derived from 3 (30 June 2010: 3) single external customers. Each of the external customers contributes more than 10% of the Group's revenue. These revenues are attributable to the PRC segment.

4 REVENUE AND OTHER INCOME — NET

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Sales of products	**721,672**	503,226
Other income — net:		
— Income from sales of scrap materials	**3,836**	2,102
— Subsidy income from government	**5,562**	1,616
— Foreign exchange loss	**(4,564)**	(1,216)
— Others	**128**	317
	4,962	2,819

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Raw materials and consumables used	**429,800**	281,370
Changes in inventories of finished goods and work in progress	**1,331**	13,930
Tax and levies on main operations	**1,438**	—
Provision for obsolescence on inventories	**822**	(763)
Depreciation and amortisation charges:	**25,326**	15,805
— Depreciation of property, plant and equipment	**24,850**	15,716
— Amortisation of intangible assets	**447**	60
— Amortisation of land use right	**29**	29
Provision for impairment of receivables and prepayment	**1,763**	46
Employee benefit expenses	**48,047**	27,897
Auditor's remuneration	**950**	—
Transportation expenses	**29,266**	13,930
Repair and maintenance expenses	**8,598**	4,930
Electricity and utilities	**9,640**	5,033
Rental expenses	**2,362**	1,945
Plating expenses	**4,848**	3,231
Professional fees	**3,697**	—
Travelling expenses	**3,297**	3,639
Advertising and promotional expenses	**1,555**	1,858
Other expenses	**9,847**	9,640
Total cost of goods sold, distribution costs and administrative expenses	**582,588**	382,491

6 FINANCE (EXPENSE)/INCOME — NET

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Interest expense — bank borrowings	**(3,208)**	(1,312)
Finance expense	**(3,208)**	(1,312)
Interest income — cash and cash equivalents	**2,037**	655
— entrusted loan to Shandong Tralin Paper Co., Ltd.	**—**	1,473
Exchange gain on cash and cash equivalents	**2,610**	(407)
Finance income	**4,647**	2,128
Finance income — net	**1,439**	409

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Current income tax:		
Mainland China enterprise income tax ("EIT")	**27,391**	13,751
Hong Kong profits tax	**1,376**	—
Deferred tax:		
Origination and reversal of temporary differences	**(470)**	906
Taxation	**28,297**	14,657

Hong Kong profits tax has been provided for at the rate of 16.5% (30 June 2010: Nil) on the estimated assessable profits for the period.

The Group's subsidiaries established in the PRC are subject to the PRC statutory EIT of 25% (2010: 25%) on the assessable income for the period.

As a foreign investment production enterprise in the PRC, the Group's principal subsidiary Greatview Aseptic Packaging (Shandong) Co., Ltd. is entitled to tax exemption for two years followed by a 50% reduction in tax rate in the next three years effective from the first cumulative tax profit-making year. The subsidiary's first cumulative tax profit-making year is 2007, and the applicable EIT rate for the current period is 12.5% (2010: 12.5%). This preferential tax rate will expire after 2011.

7 INCOME TAX EXPENSE *(continued)*

	Six months ended 30 June	
	2011 **RMB'000** **(Unaudited)**	2010 RMB'000 (Audited)
Profit before tax	**145,486**	123,963
Tax calculated at statutory tax rate of 25%	**36,371**	30,991
Preferential tax treatment for a principal subsidiary	**(13,782)**	(16,224)
Expenses not deductible for taxation purposes	**76**	315
Tax losses for which no deferred tax asset was recognised	**3,672**	189
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	**(727)**	(765)
Differential tax rates on income of Group companies	**2,687**	151
Tax charge	**28,297**	14,657

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.

	Six months ended 30 June	
	2011 **(Unaudited)**	2010 (Audited)
Profit attributable to equity holders of the Company (RMB '000)	**117,188**	N/A
Weighted average number of ordinary shares in issue (in thousand)	**1,229,920**	N/A

9 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery RMB'000	Vehicles and office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2010 (Audited)					
Opening net book amount	42,384	196,414	7,308	188,973	435,079
Addition	214	821	2,477	64,300	67,812
Transfer upon completion	54,350	187,197	6,526	(248,073)	—
Disposals	—	(752)	(239)	—	(991)
Depreciation	(2,140)	(35,929)	(2,229)	—	(40,298)
Closing net book amount	94,808	347,751	13,843	5,200	461,602
As at 31 December 2010 (Audited)					
Cost	100,889	534,432	19,022	5,200	659,544
Accumulated depreciation	(6,081)	(186,680)	(5,181)	—	(197,942)
Net book amount	94,808	347,752	13,842	5,200	461,602
Period ended 30 June 2011 (Unaudited)					
Opening net book amount	**94,808**	**347,752**	**13,842**	**5,200**	**461,602**
Additions	**—**	**129**	**9,108**	**59,620**	**68,857**
Transfer upon completion	**2,255**	**3,170**	**1,466**	**(6,891)**	**—**
Depreciation	**(1,776)**	**(21,761)**	**(1,313)**	**—**	**(24,850)**
Closing net book amount	**95,287**	**329,290**	**23,103**	**57,929**	**505,609**
As at 30 June 2011 (Unaudited)					
Cost	**103,144**	**537,731**	**29,597**	**57,929**	**728,401**
Accumulated depreciation	**(7,857)**	**(208,441)**	**(6,494)**	**—**	**(222,792)**
Net book amount	**95,287**	**329,290**	**23,103**	**57,929**	**505,609**

10 LAND USE RIGHT

	As at June 30 2011 RMB'000 (Unaudited)	As at December 31 2010 RMB'000 (Audited)
Opening net book amount	2,705	2,763
Amortisation	(29)	(58)
Closing net book amount	2,676	2,705
Cost	2,892	2,892
Accumulated amortisation	(216)	(187)
Net book amount	2,676	2,705

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 RMB1.36 million (31 December 2010: RMB1.37 million) (Note 14)

11 INVENTORIES

	As at June 30 2011 RMB'000 (Unaudited)	As at December 31 2010 RMB'000 (Audited)
Raw materials	210,373	142,593
Work in progress	11,896	10,531
Finished goods	66,332	55,587
	288,601	208,711
Less: Inventory write-down to net realisable value	(5,705)	(5,087)
	282,896	203,624

The cost of inventories recognised as expense and included in cost of sales amounted to approximately RMB495,000,000 (30 June 2010: RMB338,000,000).

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Trade receivables	**332,035**	244,391
Less: Provision for impairment	**(11,159)**	(11,197)
Trade receivables — net	**320,876**	233,194
Notes receivable	**76,654**	34,972
Value added tax deductible	**—**	26,663
Prepayments	**20,750**	32,962
Less: Provision for impairment	**(7,002)**	(7,002)
Prepayments — net	**13,748**	25,960
Other receivables	**20,709**	5,805
	431,987	326,594

The credit terms granted to customers by the Group were usually 15 to 90 days during the period (31 December 2010: 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 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
0–30 days	**198,141**	102,668
31–90 days	**105,462**	119,567
91–365 days	**19,493**	12,569
Over 1 year	**8,939**	9,587
	332,035	244,391

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.

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Share capital	**11,423**	11,423
Share premium	**786,494**	786,857
Capital reserve	**124,572**	117,927
	922,489	916,207

(a) Share capital and share premium

Share capital

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Authorised:		
3,000,000,000 ordinary shares of HK$0.01 each	**25,667**	25,667
Issued and fully paid:		
1,333,600,000 ordinary shares of HK$0.01 each	**11,423**	11,423

Share premium

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
As at 1 January 2011	**786,857**	—
New shares issued under initial public offering	**—**	859,940
Share issuance costs	**(363)**	(73,083)
	786,494	786,857

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

(b) Capital reserve

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
As at 1 January	**117,927**	461,777
Deemed distribution as part of the Reorganisation	**—**	(334,430)
Capitalisation as issued shares as part of the Reorganisation	**—**	(9,420)
Employee share option scheme	**6,645**	—
	124,572	117,927

14 BORROWINGS

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Non-current		
Secured bank borrowing	**45,920**	59,040
Current		
Secured bank borrowing	**26,240**	26,250
Unsecured bank borrowing	**66,315**	20,000
	92,555	46,250
Total borrowing	**138,475**	105,290

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 2011 was 7.1% (31 December 2010: 6.37%) 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 2011, this borrowing was secured against an aggregate net book value of approximately RMB95 million (31 December 2010: RMB103 million) of property, plant and equipment (Note 9) and an aggregate net book value of approximately RMB1.36 million (31 December 2010: RMB1.37 million) of land use right (Note 10).

The Group's borrowings are denominated in RMB.

14 BORROWINGS *(continued)*

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

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Within 1 year	92,555	46,250
Between 1 and 2 years	26,240	26,240
Between 2 and 5 years	19,680	32,800
	138,475	105,290

15 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Trade payables	87,689	62,329
Advance from customers	18,614	12,006
Accrued expenses	14,677	18,729
Salary and welfare payable	11,140	13,476
Other payables	(7,805)	26,029
	124,315	132,569

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

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Within 30 days	68,833	56,624
31–90 days	16,919	4,860
91–365 days	1,915	194
Over 365 days	22	651
	87,689	62,329

16 DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2011 (30 June 2010: Nil).

17 COMMITMENTS

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

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Contracted but not provided for property, plant and equipment	**329,176**	222,443

(b) Operating leases commitments

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

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

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Not later than one year	**3,842**	3,253
Later than one year and not later than five years	**7,154**	8,700
Later than five years	**625**	875
Total	**11,621**	12,828

18 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	
	2011	2010
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Salaries and other short-term employees benefits	**4,024**	4,156
Social security costs	**503**	89
	4,527	4,245

19 SHARE OPTION SCHEME

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 directors and 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, 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 of Directors of the Company 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 of Directors 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 instalments on 1 September 2011, 1 June 2012, 1 June 2013 and 1 June 2014.

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 ("Tralin Europe") and Tralin Packaging Company Limited ("Tralin Packaging"); alleging patent infringement related to aseptic packaging material. The complaint seeks injunctive relief, accounting information and damages. The Directors of the Company intended to defend the claim vigorously and on 21 September 2010, Tralin Europe submitted its notice of defence. Furthermore, on 20 October 2010, Tralin Europe 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 Packaging on 19 January 2011 and Tralin Packaging has formally notified the court of its intention to defend the action by communication dated 27 January 2011. As at 30 June 2011, the case was still under process at the court in Germany.

The Group was advised by its legal adviser on German law that the Group has a strong case in defending the proceeding in Germany and, 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 of Directors of the Company on 29 August 2011.