

# Greatview Aseptic Packaging Company Limited

## Interim Report 2016

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





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*Choice creates value*

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

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

Mr. LIU Jun (*Chief Operating Officer*)

### Non-Executive Directors

Mr. HONG Gang (*Chairman*)

Mr. ZHU Jia

### Independent Non-Executive Directors

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

Mr. DANG Xinhua

## JOINT COMPANY SECRETARIES

Mr. CHANG Fuquan

Ms. MOK Ming Wai

## AUTHORIZED REPRESENTATIVES

Mr. ZHU Jia

Ms. MOK Ming Wai

## AUDIT COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)

Mr. BEHRENS Ernst Hermann

Mr. DANG Xinhua

## REMUNERATION COMMITTEE

Mr. DANG Xinhua (*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. DANG Xinhua

## REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

36/F, Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

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

14 Jiuxianqiao Road

Chaoyang District

Beijing 100015

The PRC

## AUDITOR

PricewaterhouseCoopers

*Certified Public Accountants*

## LEGAL ADVISERS

Norton Rose Fulbright Hong Kong

Tian Yuan Law Firm

## PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Commerzbank AG

The Hongkong and Shanghai Banking Corporation Limited

Citi Bank

China Construction Bank

Industrial and Commercial Bank of China

China Merchants Bank

## 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

Level 22

Hopewell Centre

183 Queen's Road East

Hong Kong

## COMPANY WEBSITE

[www.greatviewpack.com](http://www.greatviewpack.com)



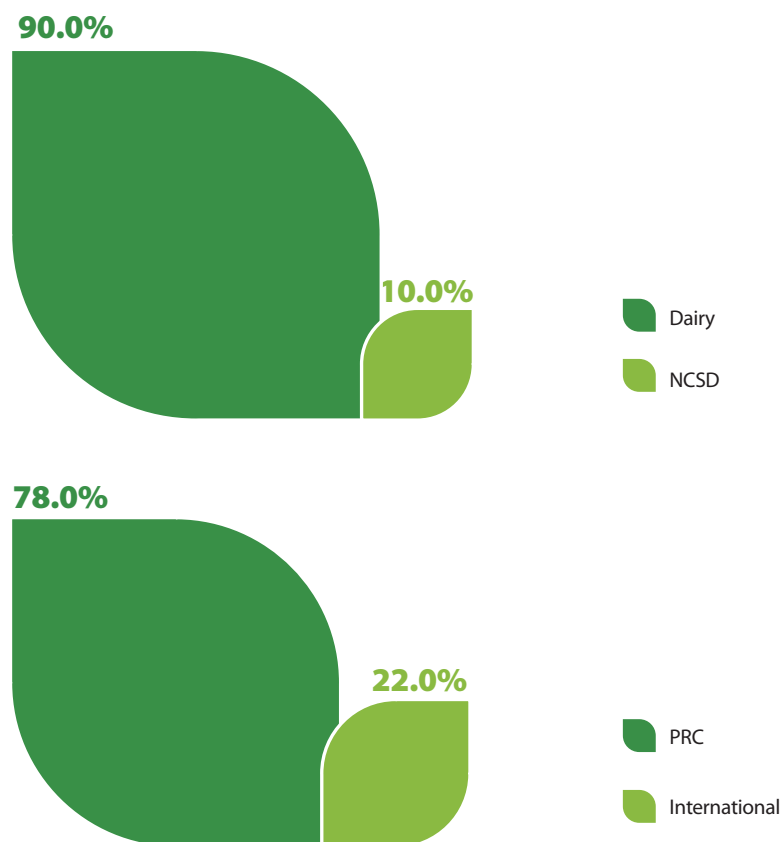
*We make liquid food consumption safe, accessible and appealing, while respecting the environment.*

# FINANCIAL SUMMARY

For the six months ended 30 June

	2016 RMB million (Unaudited)	2015 RMB million (Unaudited)	Percentage %
Revenue	1,039.0	1,008.3	+3.0%
Gross Profit	298.6	277.8	+7.5%
Net Profit	158.2	150.8	+4.9%
Profit attributable to shareholders	158.2	150.8	+4.9%
Earnings per share — basic and diluted (RMB)	0.118	0.112	+5.4%
Proposed dividend per share (HK\$)	0.11	0.10	+10.0%

## REVENUE ANALYSIS



# MANAGEMENT DISCUSSION AND ANALYSIS



## BUSINESS REVIEW

### Overview

Our Group (Greatview Aseptic Packaging Company Limited, our “Company” or “Greatview” and its subsidiaries) provides integrated packaging solutions of aseptic packaging material, filling machines, spare parts and technical service to the liquid food industry. We are the second largest roll-fed supplier globally and the leading alternative supplier in the PRC. Our aseptic packaging materials are sold under the trademark of “GREATVIEW”, which includes “Greatview Brick”, “Greatview Pillow”, “Greatview Blank-Fed” and “Greatview Crown”. Our aseptic packaging materials are fully compatible with roll-fed and blank-fed filling machines which enabled us to secure most of the dairy and non-carbonated soft drink (“NCSD”) producers in the PRC as well as numbers of international producers as our clients.

In the first half of 2016, domestic liquid milk production showed a slowly increasing trend against such backdrop as macro-economic development entered a new stage. Meanwhile, the rising of people’s per-capita income and enhancing of consumer’s nutrition and health consciousness in recent years continue to drive dairy enterprises to adjust their product structure. The competition in aseptic packaging industry continued to intensify in the first half of 2016, which led to an adverse effect on our sales performance. In the meantime, global demand of aseptic packaging material increased at a slow pace. Notwithstanding our sustainable development suffered the pressure from the above industry factors, we still achieved growth in sales and net profit in the first half of 2016.



Greatview Factory at Halle (Saale), Germany.



# Management Discussion and Analysis

Under the circumstances of an increasingly severe market environment, our domestic business had achieved stable sale results, while we made continuous effort in innovative and value-added services. We gradually deployed one code per pack and variable printing technology to new product categories on the basis of client's cooperation in existing product categories. In addition, we expanded cooperation with our customers in filling machines, compatibility of packaging materials, spare part supply and new products test, etc., which strengthened the customers relations and demonstrated a step-up to a new stage for cooperation with key customers.

The international business kept its high growth momentum in the first half of 2016. Our sales team had increased personnel and expanded into new markets in new regions. We maintained profitability of international business by continuously improving sales mix. The application of pre-lamination hole technology in family-sized package broadened our product portfolio, enhanced our competitiveness and allowed us to win new orders and deepen the market penetration.

Following consecutive years of very strong growth of our international business, we had taken a decision to add the second production line of 4 billion packs annual production capacity and to expand the warehouse for our European plant at Halle Germany at the end of the first half of 2016. These new production facilities, estimated at a total investment of around 23 million Euros, are expected to be commissioned in mid-2017. The additional equipment and building expansion will add capacity, flexibility and efficiency to our operations while helping to deliver responsive service and optimal products to customers. This investment, we believe, will more than double the annual production capacity of the factory, and is a vote of confidence in the continuing growth in our market share.



The world's first aseptic packaging One Code per Pack technology unveiled in the Food and Drinks Fair in Chengdu

# Management Discussion and Analysis



Along with our sales team's endeavors to capture opportunities from aseptic packaging market, our internal operation department was continuously committed to improving our products' quality. On the basis of the original ISO 9001:2008 and ISO 14001:2004 certification and a top grade in hygiene and safety standard applying to packaging materials awarded by British Retail Consortium and IOP the Packaging Society (BRC/IOP), in the first half of 2016, our Shandong and Inner Mongolia Factories had successively passed FSSC22000 Certification of Food Safety System and became the leading company passing such certification in aseptic packaging industry. After more than one year's preparation, Greatview undertook a comprehensive upgrade from building structure, plant layout, utility supply of water, electricity and gas, equipment maintenances and repairs, staff operation procedure to material management, etc. and successfully passed the audit conducted by SGS, a famous international certification authority. At present, FSSC22000 is one of the most stringent food safety systems in the world. Having successfully gained such certification, we aligned ourselves with the world's most stringent standard of food safety system and are capable of providing the safest product to the liquid food industry.

## Products

We sold a total of 5.5 billion packs during the first half of 2016 which represents an increase of 3.8 % as compared with the same period in 2015, due to the domestic sales volume remained stable amid adverse market conditions, while the sales volume of the international segment maintained the high growth trend of the previous year. Greatview Brick 250ml Base remained as our top selling product, followed by Greatview Brick 250ml Slim as the second most popular selling product of our Group.

Although the dairy industry in the PRC is experiencing a slower growth, we stay positive on the prospects of the sector in long term, because of the urbanization trend in the PRC and the relative low annual per capita consumption of dairy products in the PRC.

In regard to our international business, given our relatively low global market share, we believe there are plenty of opportunities to be explored.

In order to cater for the growing market demand of aseptic packaging product, we will work hard to enrich our product portfolio, such as diversification in package categories and sizes, and to broaden customer base as well as to ensure the production of high quality products at all of our production plants in order to strengthen our brand name in the market.

## Production Capacity and Utilization

The Group has a total annual production capacity of 21.4 billion packs as at 30 June 2016. Our Group produced approximately 5.5 billion packs for the six months ended 30 June 2016. The utilization rate for the six months ended 30 June 2016 was 51.4 %.



# Management Discussion and Analysis

At the end of the first half of 2016, we have commenced construction of the second production line at our European plant. This new production line will bring additional 4 billion packs annual production capacity to the Group and is expected to be commissioned in mid-2017.

## Suppliers and Raw Materials

During the six months ended 30 June 2016, the cost of raw materials increased at a lower rate than production volume, the prices of our major raw materials decreased compared with the same period of last year.

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 production plant.

## Sales and Marketing

Greatview sells aseptic packs and services to leading dairy and NCSD producers across the world, with a primary focus on the PRC and European markets.

In March 2016, we attended the 94th Food and Drinks Fair held in Chengdu, Sichuan, and exhibited for the first time our variable printing product and one code per pack product. These products are applied with the globally pioneering variable printing technology in the field of aseptic packaging for liquid food, bringing various value-added services for customers, including food safety traceability, sale channel management, internet marketing and sales improvement.

## FINANCIAL REVIEW

### Overview

In the first half of 2016, the Company managed to maintain a steady growth under the circumstances of an increasingly severe market environment. We continuously endeavored to optimize the production efficiency. As a result, we achieved an increase in profit for the six months ended 30 June 2016. We have also attained free cash to propose for dividend. Our management is pleased with the financial results and will continue to capture growth in the aseptic packaging industry as well as explore potential business development opportunities to further enhance return to shareholders.

### Revenue

We primarily derived revenue from domestic and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by 3.0 % from RMB1,008.3 million for the six months ended 30 June 2015 to RMB1,039.0 million for the six months ended 30 June 2016.

With respect to the domestic segment, our revenue decreased by RMB17.3 million, or 2.1%, to RMB810.6 million for the six months ended 30 June 2016 from RMB827.9 million for the six months ended 30 June 2015. It was mainly impacted by the average selling price decline.

With respect to the international segment, our revenue increased by RMB48.0 million, or 26.6%, to RMB228.4 million for the six months ended 30 June 2016 from RMB180.4 million for the six months ended 30 June 2015. It was mainly contributed by the increase of sales volume.

# Management Discussion and Analysis



Our revenue from dairy customers increased by RMB19.5 million, or 2.1 %, to RMB 935.0 million for the six months ended 30 June 2016 from RMB915.5 million for the six months ended 30 June 2015, and our revenue from NCSD customers increased by RMB11.2 million, or 12.1%, to RMB104.0 million for the six months ended 30 June 2016 from RMB92.8 million for the six months ended 30 June 2015. It was mainly contributed by the increase of sales volume in international market.

## Cost of Sales

Our cost of sales increased by RMB9.9 million, or 1.4%, to RMB740.4 million for the six months ended 30 June 2016 from RMB730.5 million for the six months ended 30 June 2015. The growth in cost of sales was lower than the growth in total sales volume as a result of the low raw material cost.

## Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit increased by RMB20.8 million, or 7.5 % from RMB277.8 million for the six months ended 30 June 2015 to RMB298.6 million for the six months ended 30 June 2016. Our gross margin increased by 1.1 percentage points to 28.7% for the six months ended 30 June 2016 from 27.6% for the six months ended 30 June 2015. It was primarily due to the increase of sales volume and well control of production cost.

## Other Income

Our other income increased by RMB7.6 million, or 57.6%, to RMB20.8 million for the six months ended 30 June 2016 from RMB13.2 million for the six months ended 30 June 2015. It was primarily due to the increase of government subsidy.

## Distribution Expenses

Our distribution expenses increased by RMB4.8 million, or 10.5%, to RMB50.6 million for the six months ended 30 June 2016 from RMB45.8 million for the six months ended 30 June 2015. The increase was primarily due to the increase in transportation expenses and advertising and promotion expenses, which was in line with the growth in sales volume.

## Administrative Expenses

Our administrative expenses increased by RMB7.4 million, or 13.3%, to RMB63.2 million for the six months ended 30 June 2016 from RMB55.8 million for the six months ended 30 June 2015. The increase was primarily due to the increase in salary and welfare and the research and development expenses.

## Taxation

Our tax expenses increased by RMB11.5 million to RMB52.1 million for the six months ended 30 June 2016 from RMB40.6 million for the six months ended 30 June 2015. Effective tax rate increased by 3.6 percentage points to 24.8% for the six months ended 30 June 2016 from 21.2% for the corresponding period in 2015.

# Management Discussion and Analysis

## Profit for the Period and Net Profit Margin

Driven by the factors described above, our net profit increased by RMB7.4 million, or 4.9%, to RMB158.2 million for the six months ended 30 June 2016 from RMB150.8 million for the six months ended 30 June 2015. Our net profit margin increased by 0.2 percentage points to 15.2% for the six months ended 30 June 2016 from 15.0% for the six months ended 30 June 2015, primarily due to the profitability improvement of the international business and enhanced control in production costs.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2016, we had RMB265.1 million (31 December 2015: RMB267.9 million) in cash and bank balances. Our cash and bank balances consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

As at 30 June 2016, we had RMB376.2 million (31 December 2015: nil) in available-for-sale financial assets.

## Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials. Turnover days for inventory (inventories/cost of sales) increased from 120.9 days as at 31 December 2015 to 122.7 days as at 30 June 2016. Turnover days for trade receivables (trade receivables/revenue) increased from 50.5 days as at 31 December 2015 to 55.1 days as at 30 June 2016. Turnover days for trade payables (trade payables/cost of sales) decreased from 60.3 days as at 31 December 2015 to 55.6 days as at 30 June 2016.

## Borrowings and Finance Cost

Total borrowings of our Group as at 30 June 2016 were RMB87.8 million (31 December 2015: RMB87.4 million) and denominated in Euro and US dollar. For the period under review, net finance income of our Group was approximately RMB(0.3) million (30 June 2015: RMB7.9 million).

## Gearing Ratio

As at 30 June 2016, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group was 0.04 (31 December 2015: 0.04), which was in line with the growth of outstanding loans.

## Working Capital

Our working capital (calculated as the difference between the current assets and current liabilities) as at 30 June 2016 was RMB1,136.6 million (31 December 2015: RMB962.4 million).

## Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB. During the period under review, our Group recorded exchange gain of RMB0.6 million (30 June 2015: exchange loss of RMB8.3 million).

## Capital Expenditure

As at 30 June 2016, our Group's total capital expenditure amounted to approximately RMB25.6 million (31 December 2015: RMB125.1 million), which was used for constructing new building and purchasing production machines and equipment for the Group.

# Management Discussion and Analysis



## Charge on Assets

As at 30 June 2016, our Group neither pledged any property, plant and equipment (31 December 2015: nil) nor land use right (31 December 2015: nil).

## Contingent Liabilities

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

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "Judgment"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. As at 30 June 2016, the appeal was pending decision of the opposition proceedings.

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 filed an appeal on 17 April 2013 against the first instance decision. On 23 December 2013, the Company filed a reply in response to Tetra Pak's appeal. As at 30 June 2016, the appeal was under process at EPO. Based on the communication with our legal advisor on German law, the Company made its assessment that the Group may prevail in the defense against Tetra Pak's appeal. Further disclosure will be made as and when appropriate.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2016, our Group employed approximately 1,211 employees (31 December 2015: 1,219 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 our employees managed by our human resources department.

## PROSPECTS

Greatview focuses on the PRC and international markets. We intend to support our future growth through:

- Expanding our market share in the PRC through higher penetration of existing customers and growing our customer base;
- Further developing our international business;
- Broadening our product offering of packaging material and filling equipment, and improving after sales service; and
- Driving operational excellence.

# OTHER INFORMATION

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

As at 30 June 2016, interests and short positions in the shares of the Company (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 executive 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 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 4)
Hong Gang	78,141,966	1	Interest of controlled corporation	Long position	5.84%
	2,673,000	2	Interest of controlled corporation	Long position	0.20%
Total long position	80,814,966				6.04%
Bi Hua, Jeff	129,000,000	3	Founder of a discretionary trust	Long position	9.64%

Notes:

- (1) Phanron Holdings Limited ("Phanron") is wholly-owned by Hong Gang and he is therefore deemed to be interested in the 78,141,966 Shares held by Phanron.
- (2) 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 adopted by the Company on 15 November 2010 (the "Pre-IPO Share Option Scheme").

On 22 November 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 take up the 20,010,000 options granted to Liwei under the Pre-IPO Share Option Scheme upon vesting of their options. On 12 April 2013, 3,236,000 options which were previously granted by Liwei to the aforesaid employees but which lapsed prior to transfer to such employees were reallocated to 193 employees of the Group. On 1 September 2011, 1 June 2012, 1 June 2013 and 1 June 2014, 3,546,000 options, 4,616,000 options, 5,800,000 options and 5,365,000 options were vested respectively. Liwei is therefore deemed to be interested in 2,673,000 Shares in a long position.

- (3) Foxing Development Limited ("Foxing") is directly interested in 129,000,000 Shares. Foxing is wholly-owned by Hill Garden Limited ("Hill Garden") and is therefore deemed to be interested in the same 129,000,000 Shares. Bi Hua, Jeff is the founder of the trust that wholly-owns Hill Garden. Bi Hua, Jeff, therefore, is deemed to be interested in the same 129,000,000 Shares.
- (4) There were 1,337,541,000 Shares in issue as at 30 June 2016.

## Other Information

Save as disclosed above, as at 30 June 2016, none of the Directors or chief executive 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 2016, 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 (%)
Phanron	78,141,966		Beneficial owner	Long position	5.84%
Madam XU Zhen	78,141,966	1	Interest of spouse	Long position	5.84%
	2,673,000	1	Interest of spouse	Long position	0.20%
	80,814,966				6.04%
Hill Garden	129,000,000	2	Interest of controlled corporation	Long position	9.64%
Foxing	129,000,000	2	Beneficial owner	Long position	9.64%
Madam BI Wei Li	129,000,000	3	Interest of spouse	Long position	9.64%
Wellington Management Group, LLP	147,085,417	4	Interest of controlled corporation	Long position	11.00%
Wellington Group Holdings LLP	147,085,417	4	Interest of controlled corporation	Long position	11.00%
Wellington Investment Advisors Holdings LLP	147,085,417	4	Interest of controlled corporation	Long position	11.00%
Wellington Management Global Holdings, Ltd.	125,822,597	4	Interest of controlled corporation	Long position	9.41%
Wellington Management Company LLP	21,262,820	4	Beneficial owner	Long position	1.59%
Wellington Management International Ltd	68,632,438	4	Beneficial owner	Long position	5.13%
Wellington Management Singapore Pte Ltd	57,190,159	4	Beneficial owner	Long position	4.28%
Prudential plc	136,549,000	5	Interest of controlled corporation	Long position	10.21%
Dominion Assets Limited	128,045,000	6	Beneficial owner	Long position	9.57%
Fiduco Trust Management AG	128,045,000	6	Interest of controlled corporation	Long position	9.57%
Tanoto Sukanto	128,045,000	6	Founder of discretionary trust	Long position	9.57%



Notes:

- (1) Madam XU Zhen is interested in a long position of 80,814,966 Shares by virtue of her being the spouse of Hong Gang.
- (2) Foxing has a direct interest in 129,000,000 Shares. Hill Garden is interested in 100% of Foxing. Therefore, Hill Garden is deemed to be interested in 129,000,000 Shares. Bi Hua, Jeff is the founder of the Trust that wholly-owns Hill Garden.
- (3) Madam Bi Wei Li is interested in a long position of 129,000,000 Shares by virtue of her being the spouse of Bi Hua, Jeff.
- (4) Wellington Management Singapore Pte Ltd and Wellington Management International Ltd, which are 100% owned by Wellington Management Global Holdings, Ltd., are directly interested in 57,190,159 Shares and 68,632,438 Shares, respectively. Wellington Management Company LLP is directly interested in 21,262,820 Shares. Wellington Management Global Holdings, Ltd. and Wellington Management Company LLP are in turn owned by Wellington Investment Advisors Holdings LLP of 94.1% and 99.99%, respectively. Wellington Investment Advisors Holdings LLP is 99.99% owned by Wellington Group Holdings LLP which is 99.70% owned by Wellington Management Group LLP. Therefore Wellington Management Group LLP is deemed to be interested in 147,085,417 Shares.
- (5) Prudential plc, M&G Group Ltd. and M&G Ltd. all had an indirect interest in 136,549,000 Shares as at 30 June 2016. M&G Investment Management Ltd. ("MAGIM") was the fund manager for all 136,549,000 Shares. Of these Shares, the power to vote on 26,093,000 Shares has been retained by external clients. M&G Securities Ltd. is the authorized corporate director for a number of M&G open-ended investment companies ("OEICs") and was therefore interested in 110,456,000 Shares. M&G Investment Funds (7) held 77,940,000 Shares managed by MAGIM. Other OEICs held a combined total of 32,516,000 Shares.
- (6) Dominion Assets Limited ("Dominion Assets") is directly interested in 128,045,000 Shares. Fiduco Trust Management AG ("Fiduco Trust") is interested in 100% of Dominion Assets and is deemed to be interested in 128,045,000 Shares. Tanoto Sukanto is the owner of a discretionary trust which in turn owns 100% of Fiduco Trust and therefore is deemed to be interested in 128,045,000 Shares.
- (7) There were 1,337,541,000 Shares in issue as at 30 June 2016.

Save as disclosed above, and as at 30 June 2016, 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 2016, the Company purchased a total of 3,407,000 Shares at an aggregate purchase price before expenses of HK\$10,712,130 on the Stock Exchange. Details of the purchases of such Shares were as follows:

Month of purchase	Number of Shares purchased	Price per Share		Aggregate purchase price (HK\$)
		Highest (HK\$)	Lower (HK\$)	
January 2016	3,047,000	3.65	3.38	10,712,130
Total	3,047,000			10,712,130

All the 3,047,000 purchased Shares were cancelled during the period under review. The above repurchases were effected by the Directors pursuant to the mandate from shareholders, with a view to benefit shareholders as a whole in enhancing the net assets and earnings per Share of the Company. Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the period under review.

# Other Information

## SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES, FUTURE PLANS FOR MATERIAL INVESTMENT OR ACQUISITION OF CAPITAL ASSETS

During the six months ended 30 June 2016, there was no material acquisition and disposal of subsidiaries and associated companies by the Company. As at the date of this report, the Group has no plan to make any significant investment or acquisition of capital assets.

## CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the six months ended 30 June 2016.

## SHARE OPTION SCHEMES

### Pre-IPO Share Option Scheme

On 15 November 2010, the Pre-IPO Share Option Scheme was adopted by resolution of sole shareholder 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, on 22 November 2010, 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 2016	Options vested during the period	Options exercised during the period	Options lapsed/ expired during the period	Options outstanding as at 30 June 2016
Liwei	1	22/01/2010	09/12/2010– 22/11/2020	4.30	2,673,000	–	–	–	2,673,000
Employees in aggregate	2	01/09/2011, 01/06/2012, 01/06/2013 and 01/06/2014	01/09/2011– 01/06/2016	4.30	2,445,000	–	–	(2,445,000)	–
Total					5,118,000	–	–	(2,445,000)	2,673,000

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 upon vesting of their options. On 12 April 2013, 3,236,000 options which were previously granted by Liwei to the aforesaid employees but which lapsed prior to transfer to such employees were reallocated to 193 employees of the Group. The Pre-IPO Options vested in four installments on 1 September 2011, 1 June 2012, 1 June 2013, and 1 June 2014.
- (2) During the six months ended 30 June 2016, no Pre-IPO Options were vested and 2,445,000 Pre-IPO Options were lapsed/expire after vesting.
- (3) During the six months ended 30 June 2016, no Pre-IPO Options were granted, exercised or cancelled.

## Share Option Scheme

Pursuant to the disclosure requirement under Listing Rules 17.09, particulars in relation to the share option scheme of the Company are shown below.

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), any non-executive director of 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, and therefore is currently capped at 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.

# Other Information

No option has been granted pursuant to the Share Option Scheme prior to the date ended 30 June 2016. No option has been cancelled or lapsed during the six months ended 30 June 2016.

## 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 2016.

## INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.11 per share (30 June 2015: HK\$0.1 per share), amounting to a total of approximately HK\$147,000,000 (30 June 2015: approximately HK\$135,000,000) for the six months ended 30 June 2016 which shall be payable on or about 14 October 2016 to shareholders whose names appear on the register of members of the Company ("Register of Members") on 23 September 2016.

## CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 21 September 2016 to 23 September 2016, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 20 September 2016.

## 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. DANG Xinhua.

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 risk management and internal control systems and 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 2016 have been reviewed by the Audit Committee.

## CHANGE OF INFORMATION IN RESPECT OF DIRECTORS

There is no change of information of each Director that is required to be disclosed under Rules 13.51(2) and 13.51B(1) of the Listing Rules since the publication of the 2015 annual report of the Company.

On behalf of the Board

**Mr. HONG Gang**

*Chairman*

Beijing, the PRC, 29 August 2016

# Condensed Consolidated Income Statement

For the six months ended 30 June 2016

	Note	Six months ended 30 June	
		2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Revenue	4	<b>1,039,022</b>	1,008,333
Cost of sales	5	<b>(740,421)</b>	(730,545)
<b>Gross profit</b>		<b>298,601</b>	277,788
Other income — net		<b>25,697</b>	7,380
Distribution expenses		<b>(50,606)</b>	(45,760)
Administrative expenses		<b>(63,152)</b>	(55,849)
<b>Operating profit</b>		<b>210,540</b>	183,559
Finance income — net	6	<b>(292)</b>	7,864
<b>Profit before income tax</b>		<b>210,248</b>	191,423
Taxation	7	<b>(52,060)</b>	(40,590)
<b>Profit for the period</b>		<b>158,188</b>	150,833
Profit attributable to:			
Equity holders of the Company		<b>158,188</b>	150,833
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted		<b>RMB0.118</b>	RMB0.112

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
<b>Profit for the period</b>	<b>158,188</b>	150,833
<b>Other comprehensive income:</b>		
Currency translation differences	<b>13,333</b>	(27,840)
<b>Total comprehensive income for the period</b>	<b>171,521</b>	122,993
<b>Attributable to:</b>		
— Equity holders of the Company	<b>171,521</b>	122,993
<b>Total comprehensive income for the period</b>	<b>171,521</b>	122,993

# Condensed Consolidated Statement of Financial Position

As at 30 June 2016

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	1,227,951	1,235,060
Land use rights	10	17,459	14,305
Intangible assets		58,079	57,519
Deferred income tax assets		17,581	22,646
Long-term prepayment		8,528	8,564
		<b>1,329,598</b>	1,338,094
<b>Current assets</b>			
Inventories	11	429,089	566,388
Trade and other receivables and prepayments	12	328,925	504,045
Cash and bank equivalents		265,053	267,885
Restricted Cash		88,740	188,982
Available-for-sale financial assets		376,171	–
		<b>1,487,978</b>	1,527,300
<b>Total assets</b>		<b>2,817,576</b>	2,865,394
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital, share premium and capital reserve	13	960,773	969,776
Statutory reserve		207,667	207,667
Exchange reserve		(74,111)	(87,444)
Retained earnings		1,272,830	1,114,642
<b>Total equity</b>		<b>2,367,159</b>	2,204,641

# Condensed Consolidated Statement of Financial Position

As at 30 June 2016

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred government grants		93,395	91,238
Deferred income tax liabilities		5,600	4,638
		<b>98,995</b>	95,876
<b>Current liabilities</b>			
Trade and other payables and accruals	16	256,181	441,739
Deferred government grants		5,185	5,918
Income tax liabilities		2,301	29,824
Borrowings	15	87,755	87,396
		<b>351,422</b>	564,877
<b>Total liabilities</b>		<b>450,417</b>	660,753
<b>Total equity and liabilities</b>		<b>2,817,576</b>	2,865,394
<b>Net current assets</b>		<b>1,136,556</b>	962,423
<b>Total assets less current liabilities</b>		<b>2,466,154</b>	2,300,517



# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	Attributable to equity owners (unaudited)				
	Share capital, share premium and capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 31 December 2014 (Audited)</b>	990,771	175,117	(69,308)	1,047,691	2,144,271
<b>Comprehensive income</b>					
Profit for the year	–	–	–	150,833	150,833
<b>Other comprehensive income</b>					
Currency translation differences	–	–	(27,840)	–	(27,840)
<b>Transactions with owners</b>					
Employee share option	–	–	–	–	–
Share options issued	2,347	–	–	–	2,347
Share issuance costs	–	–	–	–	–
Transfer to statutory reserve	–	–	–	–	–
Dividend	–	–	–	–	–
<b>As at 30 June 2015 (Unaudited)</b>	993,118	175,117	(97,148)	1,198,524	2,269,611
	Attributable to equity owners (unaudited)				
	Share capital, share premium and capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 31 December 2015 (Audited)</b>	969,776	207,667	(87,444)	1,114,642	2,204,641
<b>Comprehensive income</b>					
Profit for the year	–	–	–	158,188	158,188
<b>Other comprehensive income</b>					
Currency translation differences	–	–	13,333	–	13,333
<b>Transactions with owners</b>					
Shares repurchased	(9,003)	–	–	–	(9,003)
<b>As at 30 June 2016 (Unaudited)</b>	<b>960,773</b>	<b>207,667</b>	<b>(74,111)</b>	<b>1,272,830</b>	<b>2,367,159</b>

# Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2016

	<b>Six Months ended 30 June</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	<b>477,562</b>	49,282
Interest paid	<b>(755)</b>	(2,040)
Income tax paid	<b>(73,556)</b>	(41,205)
Net cash generated from/(used in) operating activities	<b>403,251</b>	6,037
<b>Cash flows from investing activities</b>		
Property, plant and equipment ("PPE")	<b>(20,431)</b>	(42,656)
Government grant received related to PPE	<b>3,733</b>	2,584
Proceeds from disposal of PPE	<b>98</b>	769
Acquisition of land use rights	<b>(3,332)</b>	–
Purchase of intangible assets	<b>(1,799)</b>	(1,188)
Interest received	<b>1,581</b>	8,739
Other investing cash flow	<b>(376,171)</b>	–
Net cash used in investing activities	<b>(396,321)</b>	(31,752)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	<b>(9,003)</b>	2,360
Proceeds from borrowings	<b>182,918</b>	600,205
Repayments of borrowings	<b>(182,559)</b>	(579,174)
Net cash generated from financing activities	<b>(8,644)</b>	23,391
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,714)</b>	(2,324)
Cash and cash equivalents at beginning of the period	<b>267,885</b>	489,561
Exchange (loss)/gains on cash and cash equivalents	<b>(1,118)</b>	1,165
<b>Cash and cash equivalents at end of the period</b>	<b>265,053</b>	488,402

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 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 liquid food, and filling machines.

## 2 BASIS OF PREPARATION

### 2.1 Basis of preparation

The unaudited condensed consolidated financial statements For the six months ended 30 June 2016 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 2015.

### 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 2015 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 2015. 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 2016

## 2 BASIS OF PREPARATION (continued)

### 2.3 Fair value estimation

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2016.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets</b>				
Trading derivatives	–	–	–	–
Derivatives used for hedging	–	–	–	–
Available-for-sale financial assets	–	–	–	–
— Equity securities	–	–	–	–
— Debt investments	376,171	–	–	376,171
<b>Total assets</b>	<b>376,171</b>	<b>–</b>	<b>–</b>	<b>376,171</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 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:

	<b>PRC</b> RMB'000 (Unaudited)	<b>International</b> RMB'000 (Unaudited)	<b>Total</b> RMB'000 (Unaudited)
<b>For the six month ended 30 June 2016</b>			
Sales-Revenue from external customers	<b>810,587</b>	<b>228,435</b>	<b>1,039,022</b>
Cost	<b>(552,584)</b>	<b>(187,837)</b>	<b>(740,421)</b>
Segment result	<b>258,003</b>	<b>40,598</b>	<b>298,601</b>
<b>Other segment items</b>			
Depreciation and amortisation	–	–	<b>49,165</b>
Interest income	–	–	<b>1,581</b>
Interest expense	–	–	<b>(755)</b>
<b>For the six month ended 30 June 2015</b>			
Sales-Revenue from external customers	827,891	180,442	1,008,333
Cost	(583,010)	(147,535)	(730,545)
Segment result	244,881	32,907	277,788
<b>Other segment items</b>			
Depreciation and amortisation	–	–	56,485
Interest income	–	–	8,739
Interest expense	–	–	(2,040)

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 3 SEGMENT REPORT *(continued)*

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

	<b>Six Months ended 30 June</b>	
	<b>2016</b>	2015
	<b>RMB'000</b> <b>(Unaudited)</b>	RMB'000 (Unaudited)
Segment result for reportable segments	<b>298,601</b>	277,788
Other income-net	<b>25,697</b>	7,380
Distribution expenses	<b>(50,606)</b>	(45,760)
Administrative expenses	<b>(63,152)</b>	(55,849)
Operating profit	<b>210,540</b>	183,559
Finance (expense)/income-net	<b>(292)</b>	7,864
<b>Profit before income tax</b>	<b>210,248</b>	191,423
Income tax expenses	<b>(52,060)</b>	(40,590)
<b>Profit for the period</b>	<b>158,188</b>	150,833

	<b>Six Months ended 30 June</b>	
	<b>2016</b>	2015
	<b>RMB'000</b> <b>(Unaudited)</b>	RMB'000 (Unaudited)
Revenue		
Dairy	<b>934,975</b>	915,497
Non-carbonated soft drink ("NCSD")	<b>104,047</b>	92,836
	<b>1,039,022</b>	1,008,333

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 4 REVENUE AND OTHER INCOME — NET

	Six Months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of products	1,039,022	1,008,333
Other income — net:		
— Income from sales of scrap materials	4,890	6,705
— Subsidy income from government	15,905	6,464
	20,795	13,169
— Gain/(loss) on disposal of assets	(182)	(42)
— Foreign exchange gain/(loss)	595	(8,268)
— Others	4,489	2,521
	4,902	(5,789)

## 5 EXPENSES BY NATURE

	Six Months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials and consumables used	605,864	602,870
Changes in inventories of finished goods and work in progress	(970)	(4,354)
Provision for obsolescence on inventories	—	—
Depreciation and amortisation charges	49,165	56,485
— Depreciation of property, plant and equipment	47,644	55,371
— Amortisation of intangible assets	1,343	958
— Amortisation of land use right	178	156
Provision for impairment of receivables and prepayment	644	22
Employee benefit expenses	92,040	81,967
Auditor's remuneration	1,225	874
Transportation expenses	24,479	22,882
Repair and maintenance expenses	10,813	9,881
Electricity and utilities	16,287	14,201
Rental expenses	3,873	3,891
Plating expenses	5,911	5,206
Professional fees	2,040	3,422
Travelling expenses	5,602	4,842
Advertising and promotional expenses	9,336	7,904
Other expenses	27,870	22,061
Total cost of sales, distribution expenses and administrative expenses	854,179	832,154

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 6 FINANCE (EXPENSE)/INCOME — NET

	Six Months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Interest expense — bank borrowings	(755)	(2,040)
Exchange loss on cash and cash equivalents	(1,118)	–
<b>Finance expense</b>	<b>(1,873)</b>	<b>(2,040)</b>
Interest income — cash and cash equivalents	1,581	8,739
Exchange gain on cash and cash equivalents	–	1,165
<b>Finance income</b>	<b>1,581</b>	<b>9,904</b>
<b>Finance (expense)/income — net</b>	<b>(292)</b>	<b>7,864</b>

## 7 INCOME TAX EXPENSE

	Six Months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Current income tax:		
Enterprise income tax ("EIT")	44,699	32,990
Deferred tax:		
Origination and reversal of temporary differences	7,361	7,600
Taxation	52,060	40,590

The Group's subsidiaries established in the PRC are subjected to the PRC statutory EIT of 25% (2015: 25%) on the assessable income for the period. The profit arising from Hong Kong profits tax has been provided at the rate of 16.5% for the period (2015: 16.5%). Greatview Aseptic Packaging Manufacturing GmbH profits tax has been provided at rate of 30%. No income tax provision has been made for Greatview Aseptic Packaging Europe GmbH as there was unutilised tax losses brought forwards from prior years to offset current year's taxable income. No income tax provision has been made for Greatview Aseptic Packaging Service GmbH as there was no taxable income for years

Another subsidiary, Greatview Aseptic Packaging (Inner Mongolia) Co.,Ltd., is located in a special economic zone with an applicable tax rate of 15%, which is subject to annual approval from the local tax bureau.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 7 INCOME TAX EXPENSE (continued)

	Six Months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Profit before tax	210,248	191,423
Tax calculated at domestic tax rates applicable to profits in the respective countries	52,025	52,102
Withholding tax on dividends	5,600	–
Preferential tax treatment for subsidiaries	(5,611)	(9,413)
Expenses not deductible for taxation purposes	141	–
Tax losses for which no deferred tax asset was recognised	1,523	615
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	(4,974)	(427)
Differential tax rates on income of Group companies	3,356	(2,287)
Tax charge	52,060	40,590

## 8 EARNINGS PER SHARE

	Six Months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)
Profit attributable to equity holders of the Company (RMB '000)	158,188	150,833
Weighted average number of ordinary shares in issue (thousand)	1,337,541	1,348,421

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 2016

## 9 PROPERTY, PLANT AND EQUIPMENT

	<b>Buildings</b>	<b>Machinery</b>	<b>Vehicles and office equipment</b>	<b>Construction in progress</b>	<b>Leasehold improvement</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
<b>As at 31 December 2014 (Audited)</b>	366,197	1,176,819	46,803	142,985	1,675	1,734,479
Additions	600	2,681	1,793	111,933	–	117,007
Transfer upon completion	99,379	19,894	2,734	(122,007)	–	–
Disposals	–	(2,754)	(1,767)	–	–	(4,521)
Exchange adjustment	(16,058)	(12,828)	(189)	(1,025)	(60)	(30,160)
<b>As at 31 December 2015 (Audited)</b>	450,118	1,183,812	49,374	131,886	1,615	1,816,805
Additions	–	936	471	26,814	–	28,221
Transfer upon completion	320	18,878	573	(19,771)	–	–
Disposals	–	(124)	(857)	–	–	(981)
Exchange adjustment	7,055	10,150	276	75	64	17,620
As at 30 June 2016	457,493	1,213,652	49,837	139,004	1,679	1,861,665
Accumulated depreciation						
<b>As at 31 December 2014 (Audited)</b>	(38,356)	(433,901)	(22,156)	–	(365)	(494,778)
Current year depreciation	(13,677)	(72,120)	(6,779)	–	(162)	(92,738)
Current year disposals	0	2,200	1,219	–	–	3,419
Exchange adjustment	538	1,752	44	–	18	2,352
<b>As at 31 December 2015 (Audited)</b>	(51,495)	(502,069)	(27,672)	–	(509)	(581,745)
Current year depreciation	(8,154)	(36,016)	(3,390)	–	(84)	(47,644)
Current year disposals	–	94	607	–	–	701
Exchange adjustment	(620)	(4,372)	(544)	–	510	(5,026)
As at 30 June 2016	(60,269)	(542,363)	(30,999)	–	(83)	(633,714)
Net book value						
<b>As at 31 December 2015 (Audited)</b>	398,623	681,743	21,702	131,886	1,106	1,235,060
<b>As at 30 June 2016 (unaudited)</b>	397,224	671,289	18,838	139,004	1,596	1,227,951

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 10 LAND USE RIGHT

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Cost		
At the beginning of the period/year	<b>15,325</b>	15,325
Additions	<b>3,332</b>	–
At the end of the period/year	<b>18,657</b>	15,325
Accumulated amortisation		
At the beginning of the period/year	<b>(1,020)</b>	(710)
Current period/year amortisation	<b>(178)</b>	(310)
At the end of the period/year	<b>(1,198)</b>	(1,020)
Net book amount	<b>17,459</b>	14,305

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

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Raw materials	<b>316,196</b>	448,010
Work in progress	<b>39,637</b>	30,759
Finished goods	<b>82,484</b>	96,847
	<b>438,317</b>	575,616
Less: Provision for obsolescence		
Raw materials	<b>(8,914)</b>	(8,914)
Finished goods	<b>(314)</b>	(314)
	<b>429,089</b>	566,388

The cost of inventories recognized as expense and included in cost of sales amounted to approximately RMB736,274,000 (30 June 2015: RMB727,679,000)

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Trade receivables	<b>277,422</b>	350,014
Less: Provision for impairment	<b>(4,363)</b>	(3,708)
Trade receivables — net	<b>273,059</b>	346,306
Notes receivable	<b>19,154</b>	95,498
Value added tax deductible	<b>16,031</b>	14,861
Prepayments	<b>23,735</b>	43,323
Less: Provision for impairment	<b>(8,681)</b>	(8,681)
Prepayments — net	<b>15,054</b>	34,642
Other receivables	<b>5,627</b>	12,738
	<b>328,925</b>	504,045

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2015: 0 to 90 days).

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

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
0–30 days	<b>84,644</b>	199,537
31–90 days	<b>69,951</b>	62,683
91–365 days	<b>117,910</b>	72,863
Over 1 year	<b>4,917</b>	14,931
	<b>277,422</b>	350,014

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Share capital	<b>11,450</b>	11,476
Share premium	<b>826,475</b>	835,452
Capital reserve	<b>122,848</b>	122,848
	<b>960,773</b>	969,776

### (a) Share capital and share premium

#### *Share capital*

The total authorized number of ordinary shares is 3,000,000,000 shares (31 December 2015: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2015: HK\$0.01 per share). The number of ordinary shares issued is 1,337,541,000 (31 December 2015: 1,340,588,000) with nominal value of HK\$0.01 per share (31 December 2015: HK\$0.01 per share). The decreased shares are due to the share buyback.

#### *Share premium*

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
As at 1 January	<b>835,452</b>	855,033
Share buyback	<b>(8,977)</b>	(19,581)
As at the end of the period/year	<b>826,475</b>	835,452

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

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

### (b) Capital reserve

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
As at 1 January	<b>122,848</b>	124,204
Issued employee share options	-	(1,356)
	<b>122,848</b>	122,848

## 14 SHARE BASED PAYMENTS

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

	<b>As at 30 June 2016 RMB'000 Options (in thousand)</b>	As at 31 December 2015 RMB'000 Options (in thousand)
As at 1 January	<b>2,445</b>	3,986
Lapsed	<b>(2,445)</b>	(766)
Exercised	-	(775)
<b>Outstanding options granted to employees</b>	<b>-</b>	2,445

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 15 BORROWINGS

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
<b>Current</b>		
Unsecured bank borrowings		
— US\$	<b>5,070</b>	11,786
— EUR	<b>29,279</b>	—
	<b>34,349</b>	11,786
Secured bank borrowing		
— EUR	<b>53,406</b>	75,610
	<b>53,406</b>	75,610
Total current borrowing	<b>87,755</b>	87,396
<b>Total borrowing</b>	<b>87,755</b>	87,396

The unsecured borrowing of RMB34,349,000 is mainly denominated in EUR with a maturity date of 120 days from the date of each drawdown. It bears the interest rate of higher of 0.75% per annum over EURIBOR (Euro interbank Offered Rate) or the Bank's Cost of Fund. The effective interest rate is 1.03% per annum.

The secured bank borrowings of RMB53,406,000 dominated in EUR are secured by bank deposits of the Group of RMB70,000,000 (2015: RMB70,000,000).

### Payment schedule

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

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Within 1 year	<b>87,755</b>	87,396
Between 1 and 2 years	—	—
Between 2 and 5 years	—	—
	<b>87,755</b>	87,396

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Trade payables	<b>144,228</b>	306,742
Notes payment	<b>18,740</b>	25,982
Advance from customers	<b>5,288</b>	8,863
Accrued expenses	<b>42,098</b>	53,699
Salary and welfare payable	<b>15,467</b>	18,990
Other payables	<b>9,571</b>	19,798
Value added tax payable	<b>20,789</b>	7,665
	<b>256,181</b>	441,739

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

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Within 30 days	<b>133,307</b>	302,414
31-90 days	<b>1,437</b>	1,869
91-365 days	<b>1,246</b>	1,419
Over 365 days	<b>8,238</b>	1,040
	<b>144,228</b>	306,742



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 17 DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.11 per share (30 June 2015: HK\$0.1 per share), amounting to a total of approximately HK\$147,000,000 (30 June 2015: HK\$135,000,000) for the six months ended 30 June 2016.

## 18 COMMITMENTS

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

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Contracted but not provided for property, plant and equipment	<b>5,660</b>	24,958

(b) 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:

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Not later than one year	<b>1,762</b>	6,299
Later than one year and not later than five years	<b>12,272</b>	7,780
Later than five years	–	1,038
<b>Total</b>	<b>14,034</b>	15,117

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

## 19 RELATED-PARTY TRANSACTIONS

The following transactions took place between the Group and related parties at terms agreed between and 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	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employees benefits	7,493	5,577
Social security cost	748	363
	8,241	5,940

## 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 a European patent related to aseptic packaging material ("Tetra Pak's Claim") against two group companies.

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "Judgment"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. As at 30 June 2016, the appeal was pending decision of the opposition proceedings.

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 filed an appeal on 17 April 2013 against the first instance decision. On 23 December 2013, the Company filed a reply in response to Tetra Pak's appeal. As at 30 June 2016, the appeal was under process at EPO. Based on the communication with our legal advisor on German law, the Company made its assessment that the Group may prevail in the defense against Tetra Pak's appeal.

## 21 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Board on 29 August 2016.