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**GREATVIEW ASEPTIC PACKAGING COMPANY LIMITED**  
**紛美包裝有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00468)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2015**

**HIGHLIGHTS**

- Revenue for the six months ended 30 June 2015 was RMB1,008.3 million, representing a decrease of 14.7%, as compared with RMB1,181.7 million for the six months ended 30 June 2014.
- Net profit after tax for the six months ended 30 June 2015 was RMB150.8 million, representing a decrease of 3.8%, as compared with RMB156.7 million for the six months ended 30 June 2014.
- Basic and diluted earnings per share for the six months ended 30 June 2015 was RMB0.112, representing a decrease of 3.4%, as compared with RMB0.116 for the six months ended 30 June 2014.

The board of directors (the “**Board**”) of Greatview Aseptic Packaging Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2015 together with comparative figures for the corresponding period in 2014 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015

		<b>Six months ended 30 June</b>	
		<b>2015</b>	<b>2014</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>1,008,333</b>	1,181,734
Cost of sales	5	<b>(730,545)</b>	(885,556)
<b>Gross profit</b>		<b>277,788</b>	296,178
Other income — net	4	<b>7,380</b>	16,630
Distribution expenses		<b>(45,760)</b>	(51,832)
Administrative expenses		<b>(55,849)</b>	(57,108)
<b>Operating profit</b>		<b>183,559</b>	203,868
Finance (expense)/income — net	6	<b>7,864</b>	2,514
<b>Profit before income tax</b>		<b>191,423</b>	206,382
Taxation	7	<b>(40,590)</b>	(49,699)
<b>Profit for the period</b>		<b>150,833</b>	156,683
Profit attributable to:			
Equity holders of the Company		<b>150,833</b>	156,683
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted	8	<b>RMB0.112</b>	RMB0.116

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015 (Unaudited)

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	<b>150,833</b>	156,683
<b>Other comprehensive income:</b>		
Currency translation differences	<u>(27,840)</u>	<u>214</u>
<b>Total comprehensive income for the period</b>	<u><b>122,993</b></u>	<u>156,897</u>
<b>Attributable to:</b>		
— Equity holders of the Company	<u><b>122,993</b></u>	<u>156,897</u>
<b>Total comprehensive income for the period</b>	<u><b>122,993</b></u>	<u>156,897</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2015*

		As at <b>30 June 2015</b>	As at 31 December 2014
	<i>Note</i>	<i>RMB'000</i> <b>(Unaudited)</b>	<i>RMB'000</i> <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>1,194,796</b>	1,239,701
Land use rights	10	<b>14,459</b>	14,615
Intangible assets		<b>56,687</b>	57,141
Deferred income tax assets		<b>33,499</b>	32,906
Long-term prepayment		<b>1,255</b>	1,304
		<hr/> <b>1,300,696</b>	<hr/> 1,345,667
<b>Current assets</b>			
Inventories	11	<b>568,895</b>	494,886
Trade and other receivables and prepayments	12	<b>464,703</b>	408,972
Cash and bank equivalents		<b>488,402</b>	489,561
Restricted Cash		<b>269,848</b>	278,722
		<hr/> <b>1,791,848</b>	<hr/> 1,672,141
<b>Total assets</b>		<hr/> <b>3,092,544</b>	<hr/> 3,017,808
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital, share premium and capital reserve	13	<b>993,118</b>	990,771
Statutory reserve		<b>175,117</b>	175,117
Exchange reserve		<b>(97,148)</b>	(69,308)
Retained earnings		<b>1,198,524</b>	1,047,691
		<hr/> <b>2,269,611</b>	<hr/> 2,144,271
<b>Total equity</b>		<hr/> <b>2,269,611</b>	<hr/> 2,144,271

		As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred government grants		98,523	105,282
Deferred income tax liabilities		7,000	6,400
		<u>105,523</u>	<u>111,682</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	16	331,526	395,788
Income tax liabilities		28,813	30,028
Borrowings	15	357,071	336,039
		<u>717,410</u>	<u>761,855</u>
<b>Total liabilities</b>		<u>822,933</u>	<u>873,537</u>
<b>Total equity and liabilities</b>		<u>3,092,544</u>	<u>3,017,808</u>
<b>Net current assets</b>		<u>1,074,438</u>	<u>910,286</u>
<b>Total assets less current liabilities</b>		<u>2,375,134</u>	<u>2,255,953</u>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2015 (Unaudited)

	Six Months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	49,282	252,039
Interest paid	(2,040)	(1,891)
Income tax paid	(41,205)	(49,523)
	<u>6,037</u>	<u>200,625</u>
Net cash generated from operating activities		
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment ("PPE")	(42,656)	(41,844)
Government grant received related to PPE	2,584	12,441
Proceeds from disposal of PPE	769	98
Acquisition of land use rights	–	(9,965)
Purchase of intangible assets	(1,188)	(1,626)
Interest received	8,739	4,380
	<u>(31,752)</u>	<u>(36,516)</u>
Net cash used in investing activities		
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	2,360	22,924
Proceeds from borrowings	600,205	616,153
Repayments of borrowings	(579,174)	(460,102)
Dividends paid to equity holders	–	(107,091)
	<u>23,391</u>	<u>71,884</u>
Net cash generated from financing activities		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,324)</b>	235,993
Cash and cash equivalents at beginning of the period	489,561	294,606
Exchange gains on cash and cash equivalents	1,165	25
	<u>488,402</u>	<u>530,624</u>
<b>Cash and cash equivalents at end of the period</b>	<b>488,402</b>	530,624

# **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 June 2015*

## **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 AND ACCOUNTING POLICIES**

### **2.1 Basis of preparation**

The unaudited condensed consolidated financial statements for the six months ended 30 June 2015 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 2014.

### **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 2014 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.



### 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> <i>RMB'000</i> (Unaudited)	<b>International</b> <i>RMB'000</i> (Unaudited)	<b>Total</b> <i>RMB'000</i> (Unaudited)
<b>For the six months ended 30 June 2015</b>			
Sales-Revenue from external customers	<b>827,891</b>	<b>180,442</b>	<b>1,008,333</b>
Cost	<b>(583,010)</b>	<b>(147,535)</b>	<b>(730,545)</b>
Segment result	<b><u>244,881</u></b>	<b><u>32,907</u></b>	<b><u>277,788</u></b>
<b>Other segment items</b>			
Depreciation and amortisation	–	–	<b>56,485</b>
Interest income	–	–	<b>8,739</b>
Interest expense	–	–	<b>(2,040)</b>
<b>For the six months ended 30 June 2014</b>			
Sales-Revenue from external customers	966,213	215,521	1,181,734
Cost	<b>(672,493)</b>	<b>(213,063)</b>	<b>(885,556)</b>
Segment result	<b><u>293,720</u></b>	<b><u>2,458</u></b>	<b><u>296,178</u></b>
<b>Other segment items</b>			
Depreciation and amortisation	–	–	50,034
Interest income	–	–	4,380
Interest expense	–	–	<b>(1,891)</b>

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

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Segment result for reportable segments	277,788	296,178
Other income-net	7,380	16,630
Distribution expenses	(45,760)	(51,832)
Administrative expenses	(55,849)	(57,108)
	<u>183,559</u>	<u>203,868</u>
Operating profit	183,559	203,868
Finance (expense)/income-net	7,864	2,514
	<u>191,423</u>	<u>206,382</u>
<b>Profit before income tax</b>	<b>191,423</b>	<b>206,382</b>
Income tax expenses	(40,590)	(49,699)
	<u>150,833</u>	<u>156,683</u>
<b>Profit for the period</b>	<b>150,833</b>	<b>156,683</b>

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

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Dairy	915,497	1,080,308
Non-carbonated soft drink (“NCSD”)	92,836	101,426
	<u>1,008,333</u>	<u>1,181,734</u>

#### 4 REVENUE, OTHER INCOME AND OTHER GAIN — NET

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales of products	1,008,333	1,181,734
Other income — net:		
— Income from sales of scrap materials	6,705	8,137
— Subsidy income from government	6,464	12,312
	<u>13,169</u>	<u>20,449</u>
Other gains — net:		
— Loss on disposal of assets	(42)	(16)
— Foreign exchange loss	(8,268)	(5,829)
— Others	2,521	2,026
	<u>(5,789)</u>	<u>(3,819)</u>

## 5 EXPENSES BY NATURE

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials and consumables used	602,870	725,692
Changes in inventories of finished goods and work in progress	(4,354)	22,236
Provision for obsolescence on inventories	—	67
Depreciation and amortisation charges	56,485	50,034
— Depreciation of property, plant and equipment	55,371	48,657
— Amortisation of intangible assets	958	1,257
— Amortisation of land use right	156	120
Provision for impairment of receivables and prepayment	22	2,523
Employee benefit expenses	81,967	84,918
Auditor's remuneration	874	1,000
Transportation expenses	22,882	28,463
Repair and maintenance expenses	9,881	12,880
Electricity and utilities	14,201	16,090
Rental expenses	3,891	3,801
Plating expenses	5,206	4,837
Professional fees	3,422	1,640
Travelling expenses	4,842	5,337
Advertising and promotional expenses	7,904	5,399
Other expenses	22,061	29,579
	<u>832,154</u>	<u>994,496</u>

## 6 FINANCE (EXPENSE)/INCOME — NET

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense — bank borrowings	(2,040)	(1,891)
Exchange loss on cash and cash equivalents	—	—
<b>Finance expense</b>	<u>(2,040)</u>	<u>(1,891)</u>
Interest income — cash and cash equivalents	8,739	4,380
Exchange gain on cash and cash equivalents	1,165	25
<b>Finance income</b>	<u>9,904</u>	<u>4,405</u>
<b>Finance income — net</b>	<u>7,864</u>	<u>2,514</u>

## 7 INCOME TAX EXPENSE

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Current income tax:		
Enterprise income tax (“EIT”)	<b>32,990</b>	56,223
Deferred tax:		
Origination and reversal of temporary differences	<b>7,600</b>	(6,524)
	<u><b>40,590</b></u>	<u>49,699</u>
Taxation	<u><b>40,590</b></u>	<u>49,699</u>

The Group’s subsidiaries established in the PRC are subjected to the PRC statutory EIT of 25% (2014: 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 (2014: 16.5%). Subsidiaries in Switzerland and Germany were in aggregated loss position and no income tax has been provided.

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.

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Profit before tax	<b>191,423</b>	206,381
Tax calculated at domestic tax rates applicable to profits in the respective countries	<b>52,102</b>	56,186
Preferential tax treatment for subsidiaries	<b>(9,413)</b>	(10,651)
Expenses not deductible for taxation purposes	–	(86)
Tax losses for which no deferred tax asset was recognised	<b>615</b>	4,600
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	<b>(427)</b>	(414)
Differential tax rates on income of Group companies	<b>(2,287)</b>	64
	<u><b>40,590</b></u>	<u>49,699</u>
Tax charge	<u><b>40,590</b></u>	<u>49,699</u>

## 8 EARNINGS PER SHARE

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
Profit attributable to equity holders of the Company ( <i>RMB'000</i> )	<b>150,833</b>	156,683
Weighted average number of ordinary shares in issue ( <i>thousand</i> )	<b>1,348,421</b>	1,345,630

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.

## 9 PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Machinery <i>RMB'000</i>	Vehicles and office equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Leasehold improvement <i>RMB'000</i>	Total <i>RMB'000</i>
Cost						
<b>As at 31 December 2013 (Audited)</b>	317,914	948,194	53,804	324,421	2,430	1,646,763
Additions	–	23,080	2,624	123,142	–	148,846
Transfer upon completion	72,499	224,197	6,528	(303,224)	–	–
Disposals	–	(731)	(1,183)	–	–	(1,914)
Exchange adjustment	(24,216)	(17,921)	(14,970)	(1,354)	(755)	(59,216)
<b>As at 31 December 2014 (Audited)</b>	366,197	1,176,819	46,803	142,985	1,675	1,734,479
Additions	–	536	2,509	40,028	36	43,109
Transfer upon completion	38,371	14,350	1,044	(53,765)	–	–
Disposals	–	(347)	(844)	–	–	(1,191)
Exchange adjustment	(14,169)	(21,075)	(512)	(659)	(96)	(36,511)
<b>As at 30 June 2015 (Unaudited)</b>	<b>390,399</b>	<b>1,170,283</b>	<b>49,000</b>	<b>128,589</b>	<b>1,615</b>	<b>1,739,886</b>
Accumulated depreciation						
<b>As at 31 December 2013 (Audited)</b>	(27,148)	(349,517)	(18,299)	–	(404)	(395,368)
Current year depreciation	(12,667)	(85,065)	(7,009)	–	(170)	(104,911)
Current year disposals	–	160	1,136	–	–	1,296
Exchange adjustment	1,459	521	2,016	–	209	4,205
<b>As at 31 December 2014 (Audited)</b>	(38,356)	(433,901)	(22,156)	–	(365)	(494,778)
Current year depreciation	(3,343)	(48,886)	(3,064)	–	(78)	(55,371)
Current year disposals	–	48	416	–	–	464
Exchange adjustment	–	4,501	64	–	30	4,595
<b>As at 30 June 2015 (Unaudited)</b>	<b>(41,699)</b>	<b>(478,238)</b>	<b>(24,740)</b>	<b>–</b>	<b>(413)</b>	<b>(545,090)</b>
Net book value						
<b>As at 31 December 2014 (Audited)</b>	327,841	742,918	24,647	142,985	1,310	1,239,701
<b>As at 30 June 2015 (Unaudited)</b>	<b>348,700</b>	<b>692,045</b>	<b>24,260</b>	<b>128,589</b>	<b>1,202</b>	<b>1,194,796</b>

## 10 LAND USE RIGHTS

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Cost		
At the beginning of the period/year	<u>15,325</u>	<u>5,360</u>
Additions	–	9,965
At the end of the period/year	<u>15,325</u>	<u>15,325</u>
Accumulated amortisation		
At the beginning of the period/year	(710)	(434)
Current period/year amortisation	<u>(156)</u>	<u>(276)</u>
At the end of the period/year	<u>(866)</u>	<u>(710)</u>
Net book amount	<u><u>14,459</u></u>	<u><u>14,615</u></u>

All of the Group's land use rights are located in the PRC with the leasehold period between 10 to 50 years.

Amortization of the Group's leasehold land has been charged to administrative expenses in the income statements.

## 11 INVENTORIES

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Raw materials	455,590	398,554
Work in progress	32,405	25,357
Finished goods	<u>89,990</u>	<u>80,300</u>
	577,985	504,211
Less: Provision for obsolescence		
Raw materials	(6,028)	(6,028)
Finished goods	<u>(3,062)</u>	<u>(3,297)</u>
	<u><u>568,895</u></u>	<u><u>494,886</u></u>

The cost of inventories recognized as expense and included in cost of sales amounted to approximately RMB730,545,000 (30 June 2014: RMB885,556,000).

## 12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Trade receivables	312,184	263,896
Less: Provision for impairment	<u>(4,875)</u>	<u>(4,962)</u>
Trade receivables — net	307,309	258,934
Notes receivable	77,709	69,370
Value added tax deductible	23,823	25,737
Prepayments	43,245	27,012
Less: Provision for impairment	<u>(8,681)</u>	<u>(8,681)</u>
Prepayments — net	34,564	18,331
Other receivables	<u>21,298</u>	<u>36,600</u>
	<u><b>464,703</b></u>	<u><b>408,972</b></u>

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2014: 0 to 90 days).

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

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
0–30 days	162,394	138,303
31–90 days	73,066	55,451
91–365 days	64,389	52,097
Over 1 year	<u>12,335</u>	<u>18,045</u>
	<u><b>312,184</b></u>	<u><b>263,896</b></u>

## 13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2015 <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Share capital	11,540	11,534
Share premium	857,655	855,033
Capital reserve	<u>123,923</u>	<u>124,204</u>
	<u><b>993,118</b></u>	<u><b>990,771</b></u>

**(a) Share capital and share premium**

*Share capital*

As at 30 June 2015, the total authorized number of ordinary shares is 3,000,000,000 shares (31 December 2014: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2014: HK\$0.01 per share). The number of ordinary shares issued is 1,348,421,000 (31 December 2014: 1,347,646,300) with nominal value of HK\$0.01 per share (31 December 2014: HK\$0.01 per share). The increased shares are due to the stock options exercised. All issued shares were fully paid.

*Share premium*

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	As at 31 December 2014 RMB'000 (Audited)
As at 1 January	855,033	813,417
New shares issued under initial public offering	<u>2,622</u>	<u>41,616</u>
As at the end of the period/year	<u><b>857,655</b></u>	<u><b>855,033</b></u>

**(b) Capital reserve**

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	As at 31 December 2014 RMB'000 (Audited)
As at 1 January	124,204	137,487
Share options-value of employee services	–	(1,751)
Share options exercised	<u>(281)</u>	<u>(11,532)</u>
	<u><b>123,923</b></u>	<u><b>124,204</b></u>



## 14 SHARE-BASED PAYMENTS

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

	<b>As at 30 June 2015 Options (in thousand)</b>	As at 31 December 2014 Options (in thousand)
As at 1 January	3,986	13,096
Granted to employees	–	–
Forfeit	–	(160)
Lapsed	(615)	(221)
Exercised	(775)	(8,729)
	<u>3,986</u>	<u>13,096</u>
<b>Outstanding options granted to employees</b>	<b><u>2,596</u></b>	<b><u>3,986</u></b>

## 15 BORROWINGS

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	As at 31 December 2014 RMB'000 (Audited)
<b>Current</b>		
Unsecured bank borrowings		
— US\$	27,905	70,195
— HK\$	44,950	60,745
— EUR	131,973	–
	<u>204,828</u>	<u>130,940</u>
Secured bank borrowing		
— US\$	93,169	171,050
— EUR	59,074	34,049
	<u>152,243</u>	<u>205,099</u>
Total current borrowing	<u>357,071</u>	<u>336,039</u>
<b>Total borrowing</b>	<b><u>357,071</u></b>	<b><u>336,039</u></b>

The remaining unsecured borrowing is denominated in Euro with a maturity date of 180 days from the date of each drawdown. It bears the interest rate of higher of 1.1% per annum over LIBOR (London interbank Offered Rate) or the Bank's Cost of Fund. The effective interest rate is 1.3% per annum.

## Payment schedule

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

	As at <b>30 June</b> <b>2015</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Within 1 year	357,071	336,039
Between 1 and 2 years	–	–
Between 2 and 5 years	–	–
	<u>357,071</u>	<u>336,039</u>

## 16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at <b>30 June</b> <b>2015</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Trade payables	223,793	222,263
Notes payment	27,863	44,746
Advance from customers	23,387	24,062
Accrued expenses	40,336	76,150
Salary and welfare payable	12,300	14,594
Other payables	228	9,607
Value added tax payable	3,619	4,366
	<u>331,526</u>	<u>395,788</u>

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

	As at <b>30 June</b> <b>2015</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2014 <i>RMB'000</i> (Audited)
Within 30 days	196,496	163,345
31–90 days	24,644	57,207
91–365 days	1,840	910
Over 365 days	813	801
	<u>223,793</u>	<u>222,263</u>

## 17 DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.1 per share (30 June 2014: HK\$0.1 per share), amounting to a total of approximately HK\$135,000,000 (30 June 2014: HK\$134,764,000) for the six months ended 30 June 2015.

## 18 COMMITMENTS

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

	<b>As at 30 June 2015 RMB'000 (Unaudited)</b>	As at 31 December 2014 RMB'000 (Audited)
Contracted but not provided for property, plant and equipment	<u>13,903</u>	<u>25,073</u>

(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 2015 RMB'000 (Unaudited)</b>	As at 31 December 2014 RMB'000 (Audited)
Not later than one year	2,797	6,180
Later than one year and not later than five years	12,619	12,687
Later than five years	—	—
Total	<u>15,416</u>	<u>18,867</u>

## 19 RELATED-PARTY TRANSACTION

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:

	<b>Six Months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Salaries and other short-term employees benefits	5,577	3,852
Social security cost	363	684
	<u>5,940</u>	<u>4,536</u>

## 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 2015, 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 2015, 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.

## 21 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Board on 28 August 2015.

## 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 packs, 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 People’s Republic of China (the “**PRC**”). Our aseptic packs are sold under the trademark of “**GREATVIEW**”, which includes “Greatview Brick” and “Greatview Blank-Fed”, our carton form packaging as well as “Greatview Pillow”, our soft pouch form packaging. Our aseptic packs are fully compatible with roll-fed and blank-fed filling machines which enabled us to secure some of the leading dairy and non-carbonated soft drink (“**NCS**D”) producers in the PRC as well as numbers of international producers as our clients.

Under the circumstances of slow recovery of dairy industry in the PRC and intensified competition among packaging suppliers, the sales of the Group has declined during the six months ended 30 June 2015, compared with the same period in 2014. However, the overall business has improved when comparing with the second half of 2014. Moreover, our international business has turned profitable which contributed to the Group’s net profit.

Although the dairy industry in the PRC is experiencing a slow recovery, we stay positive on the prospects of the sector in long term due to the urbanization and the relative low annual consumption per capita of dairy products in the PRC. In regard to our international business, we believe plenty of opportunities are to be explored to expand our market share.

Milestones in our effort to drive operational excellence have been seen in the first half of 2015. In an audit by an accredited German auditing authority in April 2015, our production facility in Halle was awarded a top grade under the standard published by British Retail Consortium and IOP the Packaging Society (BRC/IOP), the globally accepted hygiene and safety standard applying to packaging material in direct contact with food.

In parallel to the BRC/IOP audit, our Halle factory also successfully completed an audit for ISO 9001 certification of Quality Management Systems, with zero non-conformances found. By the end of June 2015, all of our factories had obtained the certification or complied with the standard of ISO 9001:2008, ISO 14001:2004 and BRC/IOP, meeting the stringent quality and safety requirements of customers around the world.

During the period under review, we continued to implement the enterprise resource planning system by establishing standardized procedures to business functions, which has simplified the operation management of the Company. As we are optimizing and standardizing the business process, we are also expanding the scope to the entire Group to strengthen the centralization of our Group’s management functions.

## **Products**

We sold a total of 5.3 billion packs during the first half of 2015 which represents a drop of 10.2% as compared with the same period in 2014, due to the slow recovery of dairy product demand in the PRC and the intensified competition among packaging suppliers. However, with our enriched product portfolio, such as diversification in packs sizes and categories, and broadened customer base as well as the commitments from our existing customers, we foresee an upward trend of our sales volume for the rest of the year.

## **Production Capacity and Utilisation**

The Group has a total annual production capacity of 21.4 billion packs as at 30 June 2015. Our Group produced approximately 5.4 billion packs for the six months ended 30 June 2015. The utilization rate for the six months ended 30 June 2015 was 50.5%.

## **Suppliers and Raw Materials**

During the six months ended 30 June 2015, the cost of raw materials decreased due to the lower production volume, lower raw material prices, Euro depreciation, and the lower wastage in our European plant.

We are continuously expanding our supplier base to manage and control the price of raw materials as well as to improve the production efficiency of our European plant.

## **Sales and Marketing**

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

For the six months ended 30 June 2015, our domestic sales team added more resources to enhance after sales services and strengthen our partnership with customers. For example, we organized seminars in Gaotang, Shandong Province and in Chengdu, Sichuan Province to exchange views with customers on the latest technology development and Chinese dairy industry trends. Nearly 100 representatives from 40 customers participated in the events.

Meanwhile, our international sales team continued to implement the Company's strategy to further expand the business and optimize product mix during the first half of 2015. This effort, coupled with lowered raw material prices and wastage at our Halle factory, enabled our international business to become profitable. By the end of June 2015, we were serving customers in more than 30 countries.

In March 2015, we exhibited our entire series of products, including aseptic packaging materials, filling machine and spare parts, at Chengdu's 91st Food and Drinks Fair, the PRC. This included the unveiling of Greatview's latest aseptic carton range, Greatview Blank-Fed, which enables owners of applicable blank-fed filling machines to choose an alternative carton supplier for their ambient dairy and NCS D products.

## **FINANCIAL REVIEW**

### **Overview**

The profitability of our overall business in the first half of 2015 has seen improvement from the second half of 2014, though still lower than the first half of 2014. Our Group managed to maintain sales to most of the PRC customers and increase sales in the international market in terms of local currency. We improved the gross margin by optimizing product mix and controlling the production costs and expenses. As a result, we achieved an increase in profit for the six months ended 30 June 2015 in comparison with the second half of 2014 and our international business turned profitable. We have also maintained free cash and propose for interim dividend. Our management is proud of the financial results that we have been able to achieve in a difficult business environment and is confident that we are well positioned to capture future growth opportunities to further enhance return to shareholders of the Company.

### **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 decreased by 14.7% from RMB1,181.7 million for the six months ended 30 June 2014 to RMB1,008.3 million for the six months ended 30 June 2015.

With respect to the domestic segment, our revenue decreased by RMB138.3 million, or 14.3%, to RMB827.9 million for the six months ended 30 June 2015 from RMB966.2 million for the six months ended 30 June 2014. It was mainly due to the lower sales volume and selling price.

With respect to the international segment, our revenue decreased by RMB35.1 million, or 16.3%, to RMB180.4 million for the six months ended 30 June 2015 from RMB215.5 million for the six months ended 30 June 2014, which was mainly due to Euro depreciation.

Our revenue from dairy customers decreased by RMB164.8 million, or 15.3%, to RMB915.5 million for the six months ended 30 June 2015 from RMB1,080.3 million for the six months ended 30 June 2014, and our revenue from NCSD customers decreased by RMB8.6 million, or 8.5%, to RMB92.8 million for the six months ended 30 June 2015 from RMB101.4 million for the six months ended 30 June 2014.

### **Cost of Sales**

Our cost of sales decreased by RMB155.1 million, or 17.5 %, to RMB730.5 million for the six months ended 30 June 2015 from RMB885.6 million for the six months ended 30 June 2014. The reduction in cost of sales was in line with the decrease in total sales volume and as a result of enhance control on operating cost.

Raw material costs, which make up the largest portion of our cost of production, decreased by RMB122.8 million, or 16.9%, to RMB602.9 million for the six months ended 30 June 2015 from RMB725.7 million for the six months ended 30 June 2014. The reduction in raw material costs was due to the lower production volume, lower raw material prices, Euro depreciation, and the lower wastage in our European plant.

### **Gross Profit and Gross Margin**

As a result of the foregoing factors, our gross profit decreased by RMB 18.4 million, or 6.2% from RMB296.2 million for the six months ended 30 June 2014 to RMB277.8 million for the six months ended 30 June 2015. Our gross margin increased by 2.5 percentage points to 27.6% for the six months ended 30 June 2015 from 25.1% for the six months ended 30 June 2014, primarily due to improved operation results of our international market segment as a result of enhanced control of overall cost.

### **Other Income**

Our other income decreased by RMB7.2 million, or 35.3%, to RMB13.2 million for the six months ended 30 June 2015 from RMB20.4 million for the six months ended 30 June 2014, primarily due to the reduction of government subsidy received.

### **Distribution Expenses**

Our distribution expenses decreased by RMB6.0 million, or 11.6%, to RMB45.8 million for the six months ended 30 June 2015 from RMB51.8 million for the six months ended 30 June 2014, primarily due to the decrease in transportation expenses and advertising and promotion expenses. The decrease in distribution expenses was in line with the reduction in sales volume.

### **Administrative Expenses**

Our administrative expenses decreased by RMB1.3 million, or 2.3%, to RMB55.8 million for the six months ended 30 June 2015 from RMB57.1 million for the six months ended 30 June 2014, primarily due to the decrease in provision for impairment of receivables.

### **Taxation**

Our tax expenses decreased by RMB9.1 million to RMB40.6 million for the six months ended 30 June 2015 from RMB49.7 million for the six months ended 30 June 2014. Effective tax rate decreased by 2.9 percentage points to 21.2 % for the six months ended 30 June 2015 from 24.1% for the corresponding period in 2014.



## **Profit for the Period and Net Profit Margin**

Driven by the factors described above, our net profit decreased by RMB5.9 million, or 3.8%, to RMB150.8 million for the six months ended 30 June 2015 from RMB156.7 million for the six months ended 30 June 2014. Our net profit margin increased by 1.7 percentage points to 15.0% for the six months ended 30 June 2015 from 13.3% for the six months ended 30 June 2014, primarily due to the profitability improvement of the international business and enhance control in production costs and expenses.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As of 30 June 2015, we had RMB488.4 million (31 December 2014: RMB489.6 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.

### **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 100.8 days as at 31 December 2014 to 132.9 days as at 30 June 2015. Turnover days for trade receivables (trade receivables/revenue) decreased from 57 days as at 31 December 2014 to 52.1 days as at 30 June 2015. Turnover days for trade payables (trade payables/cost of sales) increased from 44.8 days as at 31 December 2014 to 55.7 days as at 30 June 2015.

### **Borrowings and Net Finance Income/Cost**

Total borrowings of our Group as at 30 June 2015 were RMB357.1 million (31 December 2014: RMB336.0 million) and denominated in Euro. For the period under review, our Group had net finance income of approximately RMB7.9 million (30 June 2014: net finance income of RMB2.5 million).

### **Gearing Ratio**

As at 30 June 2015, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group was 0.16 (31 December 2014: 0.16) 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 of 30 June 2015 was RMB1,074.4 million (31 December 2014: RMB910.3 million).

### **Foreign Exchange Exposure**

Our Group's sales were primarily denominated in RMB. During the period under review, our Group recorded exchange loss of RMB8.3 million (30 June 2014: exchange loss of RMB5.8 million). It was mainly due to Euro depreciation.

## **Capital Expenditure**

As at 30 June 2015, our Group's total capital expenditure amounted to approximately RMB43.8 million (31 December 2014: RMB167.0 million), which was used for finishing the construction of blank-fed production line and purchasing production machines and equipment for the Group.

## **Charge on Assets**

As at 30 June 2015, our Group neither pledged any property, plant and equipment (31 December 2014: nil) nor land use right (31 December 2014: 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 2015, 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 2015, 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 2015, our Group employed approximately 1,228 employees (31 December 2014: 1,234 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.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

Caring about the environment and addressing sustainability issues has always been a priority at Greatview. Our Company has a longstanding and well-developed policy governing corporate social responsibility and this diligent approach has become an integral part of our enduring success.

During the first half of 2015, we partnered with educational bodies and arranged a series of trainings and activities to prepare undergraduate students for their future career development and entrepreneurship. On May Day holiday in 2015, we organized a tour of our Helingeer factory for students of the University of International Business and Economics in the PRC, during which we shared our expertise in aseptic production and knowledge of the PRC's dairy industry. Our Halle factory also received and trained senior students from Institute of Junior Engineers in Germany about production process of packaging material.

We have also been taking an industry lead in the area of sustainable production via the attainment of Chain of Custody certifications of all three major global sustainable forest management systems — PEFC™, SFIT™ and FSC™. Since the opening of our Halle factory, 100% of the paperboard for the production at our Halle factory was sourced from sustainably managed forests. The Company, at present, has over 70% of the paperboard used at all factories coming from certified and sustainably managed forests.

## **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.

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **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 2015, there was no material acquisition and disposal of subsidiaries and associated companies by the Company. As at the date of the announcement, 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 2015.

## **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 2015.

## **INTERIM DIVIDEND**

The Board has resolved to declare an interim dividend of HK\$0.1 per Share (30 June 2014: HK\$0.1 per Share), amounting to a total of approximately HK\$135,000,000 (30 June 2014: approximately HK\$134,764,000) for the six months ended 30 June 2015 which shall be payable on or about 15 October 2015 to shareholders whose names appear on the register of members of the Company (“**Register of Members**”) on 25 September 2015.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The Register of Members will be closed from 23 September 2015 to 25 September 2015, 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 22 September 2015.

## **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 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 2015 have been reviewed by the Audit Committee.

## **PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE**

The Company's interim report containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company ([www.greatviewpack.com](http://www.greatviewpack.com)) in due course.

By order of the Board  
**Greatview Aseptic Packaging Company Limited**  
**Bi Hua, Jeff**  
*Chief Executive Officer and Executive Director*

Beijing, the PRC, 28 August 2015

*As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. BI Hua, Jeff and Mr. LIU Jun; two non-executive directors, namely Mr. HONG Gang, and Mr. ZHU Jia; and three independent non-executive directors, namely Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. DANG Xinhua.*