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 2013

HIGHLIGHTS

- Revenue for the six months ended 30 June 2013 reached RMB983.5 million, representing an increase of 14.0%, as compared with RMB863.0 million for the six months ended 30 June 2012.
- Net profit after tax for the six months ended 30 June 2013 reached RMB142.4 million, as compared with RMB158.2 million for the six months ended 30 June 2012.
- Basic and diluted earnings per share for the six months ended 30 June 2013 was RMB0.11, as compared with RMB0.12 for the six months ended 30 June 2012.

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 2013 together with comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Attributable to equity owners (Unaudited)				
	Share capital, share premium and capital reserve *RMB'000* *(Note 13)*	**Statutory reserve** *RMB'000*	**Exchange reserve** *RMB'000*	**Retained earnings** *RMB'000*	**Total** *RMB'000*
As at 31 December 2011 (Audited)	930,861	85,490	(30,838)	654,766	1,640,279
Comprehensive income:					
Profit for the period				158,244	158,244
Other comprehensive income:					
Currency translation differences			(17,536)		(17,536)
Transactions with owners:					
Employee share option scheme	4,073				4,073
Transfer to statutory reserve		115		(115)	
As at 30 June 2012 (Unaudited)	**934,934**	**85,605**	**(48,374)**	**812,895**	**1,785,060**
As at 31 December 2012 (Audited)	937,797	113,079	(24,090)	833,058	1,859,844
Comprehensive income:					
Profit for the period				142,436	142,436
Other comprehensive income:					
Currency translation differences			(18,752)		(18,752)
Transactions with owners:					
Capitalisation as issued shares as part of the Reorganisation	232				232
Employee share option scheme	4,766				4,766
Dividend				(98,368)	(98,368)
Share premium	6,811				6,811
As at 30 June 2013 (Unaudited)	**949,606**	**113,079**	**(42,842)**	**877,126**	**1,896,969**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 30 June 2013

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1 GENERAL INFORMATION

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

The Company is an investment holding company and together with its subsidiaries are principally engaged in manufacturing, distribution and sale of paper packaging for soft drinks and beverages, and filling machines, principally in the People's Republic of China ("**PRC**").

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by International Accounting Standards Board ("**IASB**") 34 Interim Financial Reporting.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012.

2.2 Principal accounting policies

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the financial statements contained in the 2012 annual report except for the adoption of the new standards, amendments or interpretations issued by the International Accounting Standard Board which are mandatory for the annual period beginning on or after 1 January 2013. The adoption of these standards, amendments or interpretations has no material effect on the Group's financial position or results of operations.

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

3 SEGMENT REPORT

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

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

	PRC	International	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)
For the six month ended 30 June 2013			
Sales — Revenue from external customers	**829,027**	**154,436**	**983,463**
Cost	**(551,264)**	**(162,346)**	**(713,610)**
Segment result	**277,763**	**(7,910)**	**269,853**
Other segment items			
Depreciation and amortisation	**–**	**–**	**(45,310)**
Interest income	**–**	**–**	**1,620**
Interest expense	**–**	**–**	**(1,518)**
For the six month ended 30 June 2012			
Sales — Revenue from external customers	773,992	89,021	863,013
Cost	(514,619)	(70,861)	(585,480)
Segment result	259,373	18,160	277,533
Other segment items			
Depreciation and amortisation	–	–	(27,962)
Interest income	–	–	2,797
Interest expense	–	–	(4,182)

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Segment result for reportable segments	**269,853**	277,533
Other income — net	**13,225**	10,170
Distribution costs	**(47,500)**	(44,218)
Administrative expenses	**(50,988)**	(45,154)
Operating profit	**184,590**	198,331
Finance expense — net	**(99)**	(1,422)
Profit before income tax	**184,491**	196,909
Income tax expenses	**(42,055)**	(38,665)
Profit for the period	**142,436**	158,244

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board as they do not assess performance of reportable segments using information on assets and liabilities. The non-current assets excluding financial instruments, deferred tax assets (there is no employment benefit assets and rights arising under insurance contracts) amount to RMB1,241,039,000 (31 December 2012: RMB1,191,588,000).

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

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

4 REVENUE AND OTHER INCOME — NET

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

5 EXPENSES BY NATURE

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

6 FINANCE (EXPENSE)/INCOME — NET

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

7 INCOME TAX EXPENSE

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

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

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

Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd., a subsidiary of the Company, is located in a special economic zone with the applicable tax rate of 15%. This preferential tax rate has been approved by the local tax bureau for the six month ended 30 June 2013.

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

8 EARNINGS PER SHARE

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

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

9 PROPERTY, PLANT AND EQUIPMENT

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

10 LAND USE RIGHTS

	As at 30 June 2013 *RMB'000* **(Unaudited)**	As at 31 December 2012 *RMB'000* (Audited)
Cost		
At the beginning of the period/year	**2,920**	2,920
At the end of the period/year	**2,920**	2,920
Accumulated amortisation		
At the beginning of the period/year	**(332)**	(273)
Current period/year amortisation	**(29)**	(59)
At the end of the period/year	**(361)**	(332)
Net book value	**2,559**	2,588

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

11 INVENTORIES

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

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

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

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

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

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

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

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

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

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

(a) Share capital and share premium

Share capital

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

Share premium

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

(b) Capital reserve

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

14 SHARE-BASED PAYMENTS

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

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

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

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

	As at 30 June 2013 Options ***(in thousand)***	As at 31 December 2012 Options *(in thousand)*
As at 1 January	**16,248**	18,408
Granted to employees	**3,236**	–
Forfeit	**(422)**	(1,519)
Lapsed	**(90)**	(641)
Exercised	**(1,982)**	–
Outstanding options granted to employees	**16,990**	16,248

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

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

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

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

15 BORROWINGS

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

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

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

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

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

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

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

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

17 DIVIDEND

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

18 COMMITMENTS

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

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

(b) Operating leases commitments

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

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

	As at 30 June 2013 *RMB'000* **(Unaudited)**	As at 31 December 2012 *RMB'000* (Audited)
Not later than 1 year	**3,071**	5,863
Later than 1 year and not later than 5 years	**5,993**	5,645
Later than 5 years	**1,852**	2,258
Total	**10,916**	13,766

19 RELATED-PARTY TRANSACTION

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

Key management compensation

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries and other short-term employees benefits	**4,395**	4,050
Social security cost	**804**	502
Total	**5,199**	4,552

20 CONTINGENT LIABILITIES

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

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "**Judgement**"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. The Company was advised by its legal adviser on German law that the Group has a strong case to defend against Tetra Pak's appeal. As at 30 June 2013, the appeal was still under process at the Court in Germany.

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

21 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

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

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

On 25 June 2013, 200 special guests from around the world gathered to attend Greatview's first overseas factory opening in Halle, Germany. The guests included customers, suppliers, and government officials. During the ceremony, Greatview reaffirmed its commitment to the local community by donating over 20,000 Euros to the Halle Association for the Care of Children with Cancer.

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

Products

We sold a total of 4.8 billion packs during the six months ended 30 June 2013, with GA Brick aseptic 250ml Base remained as our top selling product, followed by GA Brick aseptic 250ml Slim as the second most popular selling product of our Group.

Driven by the increasing consumers' concern with health, fitness and well-being, the demand for dairy and NCSD products remained as the key driver of our sales volume growth. Sales volume grew about 11.1 % during the six months ended 30 June 2013, compared with the same period in 2012. The growth rate was slightly lower than that in the corresponding period in 2012, because our group focused more on maintaining its sales margin level and its average selling price of products. The slowdown of the dairy industry in the PRC has also impacted the sales volume. Although the industry was still slack in the six months ended 30 June 2013, our growth rate in sales volume retained above the market average in the corresponding period.

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

Production Capacity and Utilisation

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

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

Suppliers and Raw Materials

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

Sales and Marketing

We sell our aseptic packs and services to leading dairy and NCSD producers across the world, with a primary focus on the PRC and European markets. For the six months ended 30 June 2013, we have put more resources to promote our brand, continuously expanded our customer base and continued to grow volume with our key dairy customers.

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

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

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

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

FINANCIAL REVIEW

Overview

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

Revenue

We primarily derive revenue from domestic and international sales of aseptic packaging materials and related services to dairy and NCSD producers. Revenue of our Group increased by 14.0% from RMB863.0 million for the six months ended 30 June 2012 to RMB983.5 million for the period under review. The increase was primarily driven by the increase of sales orders from existing dairy customers.

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

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

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

Cost of Sales

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

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

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

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

Gross Profit and Gross Margin

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

Distribution Costs

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

Administrative Expenses

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

Taxation

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

Profit for the Period and Net Profit Margin

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

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2013, we had RMB370.4 million (31 December 2012: RMB301.1 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials. Inventory turnover days (inventories/cost of sales) decreased to 110.8 days as at 30 June 2013 from 127.0 days as at 31 December 2012. Turnover days for trade receivables (trade receivables/revenue) decreased from 66.6 days as at 31 December 2012 to 62.2 days as at 30 June 2013. Turnover days for trade payables (trade payables/cost of sales) decreased from 41.2 days as at 31 December 2012 to 37.8 days as at 30 June 2013.

Borrowings and Finance Cost

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

Gearing Ratio

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

Working Capital

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

Foreign Exchange Exposure

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

Capital Expenditure

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

Charge on Assets

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

Contingent Liabilities

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

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "**Judgement**"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. The Company was advised by its legal adviser on German law that the Group has a strong case to defend against Tetra Pak's appeal. As at 30 June 2013, the appeal was still under process at the Court in Germany.

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2013, our Group employed approximately 1,228 employees (31 December 2012: 1,143 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to its employees. In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. Share option schemes have also been adopted for employees of our Group. In order to ensure that our Group's employees remain competitive in the industry, the Company has adopted training schemes for its employees managed by its human resources department.

PROSPECTS

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

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

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

Helingeer Factory

In February 2013, we entered into an investment agreement with the local government of Helingeer, Inner Mongolia, the PRC, to expand production capacity of our Helingeer factory. Under the investment agreement, the local government of Helingeer will assist the Company in obtaining additional land for the expansion of our factory; provide assistance in obtaining all regulatory approvals and any other forms of support that the government department could provide so as to ensure the smoothing and successful expansion of our factory. This investment shall be carried out in multiple phases which include, but not limited to, the construction of aseptic packaging material production line(s) that will systematically increase production capacity by billion(s) of packs. Our Company targets to develop new products in the aseptic area with the production line in phase one, which will enable us to foray into a new area of the industry. However, we may possibly adjust the investment plan and project schedule according to both market trend and customer demand which we will monitor closely and regularly. Further disclosure of the aforesaid investment will be made in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as and when appropriate.

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

Halle Factory

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

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

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2013, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the six months ended 30 June 2013.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2013.

INTERIM DIVIDEND

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

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

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

The Audit Committee has adopted the terms of reference which are in line with the Code. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company. The Group's unaudited consolidated interim financial statements for the six months ended 30 June 2013 have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM REPORT

The Company's interim report containing all the relevant information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (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, 30 August 2013

As at the date of this announcement, the Board comprises two executive directors, namely Mr. BI Hua, Jeff and Mr. HONG Gang; four non-executive directors, namely Mr. HILDEBRANDT James Henry, Mr. ZHU Jia, Mr. LEE Lap, Danny and Ms. SHANG Xiaojun; and three independent non-executive directors, namely Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. CHEN Weishu.