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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 ANNUAL RESULTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

The board of directors (the “Board”) of Greatview Aseptic Packaging Company Limited (the “Company”) is pleased to announce the consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2011 together with comparative figures for the year ended 31 December 2010 as follows:

The figures in respect of this announcement of the Group’s consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes (“financial information”) does not constitute the Group’s statutory financial statements for the year ended 31 December 2011, but represents an extract from those financial statements. The following financial information, including the comparative figures has been reviewed by the Audit Committee of the Company (the “Audit Committee”) and agreed by the Group’s external auditors, PricewaterhouseCoopers (“PwC”), Certified Public Accountants in Hong Kong, to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2011. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Federation of Accountants and consequently no assurance has been expressed by PwC on the announcement.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

		Year ended 31 December	
		2011	2010
	Note	RMB'000	RMB'000
Revenue	3	1,574,096	1,160,298
Cost of sales	5	<u>(1,099,060)</u>	<u>(791,150)</u>
<b>Gross profit</b>		<b>475,036</b>	<b>369,148</b>
Other income — net	3	19,468	11,545
Distribution costs	5	(80,518)	(65,380)
Administrative expenses	5	<u>(96,050)</u>	<u>(75,787)</u>
<b>Operating profit</b>		<b>317,936</b>	<b>239,526</b>
Finance expense — net	6	<u>(2,343)</u>	<u>(2,874)</u>
<b>Profit before income tax</b>		<b>315,593</b>	<b>236,652</b>
Taxation	7	<u>(52,449)</u>	<u>(35,441)</u>
<b>Profit for the year</b>		<b><u>263,144</u></b>	<b><u>201,211</u></b>
<b>Profit attributable to:</b>			
Equity holders of the Company		<u>263,144</u>	<u>201,211</u>
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted	8	<u>0.20</u>	<u>0.18</u>
Dividend	9	<u>—</u>	<u>23,414</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

		Year ended 31 December	
		2011	2010
		RMB'000	RMB'000
<b>Profit for the year</b>		<b>263,144</b>	<b>201,211</b>
<b>Other comprehensive income:</b>			
Currency translation differences		<u>(28,960)</u>	<u>(1,891)</u>
<b>Total comprehensive income for the year</b>		<b><u>234,184</u></b>	<b><u>199,320</u></b>
<b>Attributable to:</b>			
— Equity holders of the Company		<u>234,184</u>	<u>199,320</u>
<b>Total comprehensive income for the year</b>		<b><u>234,184</u></b>	<b><u>199,320</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

		As at 31 December	
		2011	2010
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		791,509	461,602
Land use rights		2,647	2,705
Intangible assets		51,816	52,065
Deferred income tax assets		22,026	15,706
Long-term prepayment		117,313	37,577
		<u>985,311</u>	<u>569,655</u>
<b>Current assets</b>			
Inventories		354,634	203,624
Trade receivables, other receivables and prepayments	10	459,913	326,594
Cash and bank balances		273,606	548,286
		<u>1,088,153</u>	<u>1,078,504</u>
<b>Total assets</b>		<u><b>2,073,464</b></u>	<u><b>1,648,159</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital, share premium and capital reserve		930,861	916,207
Statutory reserve		85,490	52,146
Exchange reserve		(30,838)	(1,878)
Retained earnings		654,766	424,966
		<u>1,640,279</u>	<u>1,391,441</u>
<b>Total equity</b>		<u><b>1,640,279</b></u>	<u><b>1,391,441</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		32,800	59,040
Deferred government grants		9,000	9,334
Deferred income tax liabilities		4,430	—
		<u>46,230</u>	<u>68,374</u>
<b>Current liabilities</b>			
Trade payables, other payables and accruals	11	195,548	132,569
Income tax liabilities		19,829	9,525
Borrowings		171,578	46,250
		<u>386,955</u>	<u>188,344</u>
<b>Total liabilities</b>		<u><b>433,185</b></u>	<u><b>256,718</b></u>
<b>Total equity and liabilities</b>		<u><b>2,073,464</b></u>	<u><b>1,648,159</b></u>
<b>Net current assets</b>		<u><b>701,198</b></u>	<u><b>890,160</b></u>
<b>Total assets less current liabilities</b>		<u><b>1,686,509</b></u>	<u><b>1,459,815</b></u>

**STATEMENT OF FINANCIAL POSITION***As at 31 December 2011*

	<b>As at 31 December</b>	
	<b>2011</b>	<b>2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	<b>195,598</b>	195,598
Amounts due from a subsidiary	<b>700,700</b>	774,089
	<b>896,298</b>	969,687
<b>Current assets</b>		
Prepayments	<b>161</b>	—
Amounts due from a subsidiary	<b>30,000</b>	—
	<b>30,161</b>	—
<b>Total assets</b>	<b>926,459</b>	969,687
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders of the Company</b>		
Share capital, share premium and capital reserve	<b>984,460</b>	984,460
Accumulated losses	<b>(58,001)</b>	(14,773)
<b>Total equity</b>	<b>926,459</b>	969,687
<b>Total equity and liabilities</b>	<b>926,459</b>	969,687
<b>Net current assets</b>	<b>30,161</b>	—
<b>Total assets less current liabilities</b>	<b>926,459</b>	969,687

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Attributable to equity owners				
	Share capital, share premium and capital reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 31 December 2009</b>	461,777	30,899	13	268,416	761,105
<b>Comprehensive income:</b>					
Profit for the year	—	—	—	201,211	201,211
<b>Other comprehensive income:</b>					
Currency translation differences	—	—	(1,891)	—	(1,891)
<b>Transactions with owners:</b>					
Shares issued	798,280	—	—	—	798,280
Deemed distribution	(334,430)	—	—	—	(334,430)
Capitalisation as issued shares as part of the Reorganisation	(9,420)	—	—	—	(9,420)
Transfer to statutory reserve	—	21,247	—	(21,247)	—
Dividend	—	—	—	(23,414)	(23,414)
<b>As at 31 December 2010</b>	<u>916,207</u>	<u>52,146</u>	<u>(1,878)</u>	<u>424,966</u>	<u>1,391,441</u>
<b>Comprehensive income:</b>					
Profit for the year	—	—	—	263,144	263,144
<b>Other comprehensive income:</b>					
Currency translation differences	—	—	(28,960)	—	(28,960)
<b>Transactions with owners:</b>					
Employee share options	14,654	—	—	—	14,654
Transfer to statutory reserve	—	33,344	—	(33,344)	—
<b>As at 31 December 2011</b>	<u><u>930,861</u></u>	<u><u>85,490</u></u>	<u><u>(30,838)</u></u>	<u><u>654,766</u></u>	<u><u>1,640,279</u></u>

## CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31 December 2011

	Year ended 31 December	
	2011	2010
Note	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	159,824	77,455
Interest paid	(6,246)	(5,388)
Income tax paid	(44,035)	(30,279)
	<hr/>	<hr/>
Net cash generated from operating activities	109,543	41,788
<b>Cash flows from investing activities</b>		
Property, plant and equipment (“PPE”)		
— Additions	(380,236)	(64,670)
— Prepayment	(79,736)	(37,577)
— Interest paid — capitalised	(1,588)	(2,086)
— Value added tax paid	(23,476)	(6,783)
Proceeds from disposal of PPE	227	1,199
Purchase of intangible assets	(835)	(4,422)
Entrusted loan repaid by an affiliate of a former shareholder	—	50,000
Interest received	3,988	1,935
	<hr/>	<hr/>
Net cash used in investing activities	(481,656)	(62,404)
<b>Cash flows from financing activities</b>		
Net proceeds from initial public offering	—	780,328
Proceeds from borrowings	281,708	396,454
Repayments of borrowings	(180,163)	(393,880)
Repayments of shareholder loan	—	(334,430)
Dividends paid to equity holders	—	(23,414)
	<hr/>	<hr/>
Net cash generated from financing activities	101,545	425,058
<b>Net (decrease)/increase in cash and cash equivalents</b>	(270,568)	404,442
Cash and cash equivalents at the beginning of the year	526,970	124,233
Exchange loss on cash and cash equivalents	(2,542)	(1,705)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<u>253,860</u>	<u>526,970</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

*For the year ended 31 December 2011*

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 (the “Group”) are principally engaged in the business of manufacturing, distribution and selling of paper packaging for soft drinks and beverages, and filling machines (the “Listing Business”).

The Company’s ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 9 December 2010.

In preparation for the listing of the shares of the Company on the Main Board of the Stock Exchange, the Company underwent a Group reorganisation (“the Reorganisation”).

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Group has adopted the following new and amended IFRS for the first time to the financial year beginning 1 January 2011:

<i>IAS 24 (Revised)</i>	<i>Related party disclosures</i>
<i>IFRS 7 (Amendment)</i>	<i>Financial instruments: Disclosure</i>
<i>IAS 1 (Amendment)</i>	<i>Presentation of financial statements</i>
<i>IAS 27 (Amendments)</i>	<i>Consolidated and separate financial statements</i>

The adoption of these standards, amendments and interpretations has no significant impact on the results and financial position of the Group.

The following standards, amendments and interpretations which have been issued and are not yet effective have not been early adopted by the Group:

<i>IFRS 1 (Amendment)</i>	<i>First time adoption of International Financial Reporting Standards</i>
<i>IAS 12 (Amendment)</i>	<i>Income taxes</i>
<i>IFRS 10</i>	<i>Consolidated financial statements</i>
<i>IFRS 11</i>	<i>Joint arrangements</i>
<i>IAS 28 (Revised)</i>	<i>Investments in Associates</i>
<i>IFRS 12</i>	<i>Disclosure of interests in other entities</i>
<i>IFRS 13</i>	<i>Fair value measurements</i>
<i>IAS 19 (Amendment)</i>	<i>Employee Benefits</i>
<i>IFRIC — Int 20</i>	<i>Stripping costs in the production phase of a surface mine</i>
<i>IAS 32 (Amendment)</i>	<i>Financial instruments: Presentation</i>
<i>IFRS 9</i>	<i>Financial instruments</i>

The Group is in the process of making an assessment of the impact of these standards, amendments and interpretations on the financial statements of the Group upon their initial application.

## 3 REVENUE AND OTHER INCOME — NET

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Sales of products	<u>1,574,096</u>	<u>1,160,298</u>
Other income — net:		
— Income from sales of scrap materials	8,394	10,779
— Subsidy income from government	21,440	3,371
— Foreign exchange loss	<u>(10,366)</u>	<u>(2,605)</u>
	<u>19,468</u>	<u>11,545</u>



#### 4 SEGMENT INFORMATION

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 are as follows:

	<b>PRC</b> <i>RMB'000</i>	<b>International</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>2011</b>			
Sales — Revenue from external customers	1,439,987	134,109	1,574,096
Cost	(999,296)	(99,764)	(1,099,060)
Segment result	<u>440,691</u>	<u>34,345</u>	<u>475,036</u>
<b>Other segment items</b>			
Depreciation and amortisation	—	—	(51,173)
Interest income	—	—	3,988
Interest expense	—	—	(6,246)
<b>2010</b>			
Sales — Revenue from external customers	1,082,605	77,693	1,160,298
Cost	(732,933)	(58,217)	(791,150)
Segment result	<u>349,672</u>	<u>19,476</u>	<u>369,148</u>
<b>Other segment items</b>			
Depreciation and amortisation	—	—	(40,692)
Interest income	—	—	1,935
Interest expense	—	—	(5,388)

A reconciliation of total segment result to total profit for the year is provided as follows:

	<b>Year ended 31 December</b>	
	<b>2011</b>	<b>2010</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Segment result for reportable segments	475,036	369,148
Other income — net	19,468	11,545
Distribution costs	(80,518)	(65,380)
Administrative expenses	(96,050)	(75,787)
Operating profit	<u>317,936</u>	239,526
Finance expense — net	(2,343)	(2,874)
<b>Profit before income tax</b>	<b>315,593</b>	236,652
Income tax expense	(52,449)	(35,441)
<b>Profit for the year</b>	<u><u>263,144</u></u>	<u><u>201,211</u></u>

Although the international segment does not meet the quantitative thresholds required by IFRS8, management has concluded that this segment should be reported, as it is closely monitored by the board as a potential growth region.

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 RMB963,285,000 (2010: RMB553,949,000).

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

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Dairy	1,364,059	908,133
Non-carbonated soft drink (“NCSD”)	210,037	252,165
	<u>1,574,096</u>	<u>1,160,298</u>

Revenue of approximately RMB972,152,000 (2010: RMB762,177,000) was derived from 2 (2010: 3) single external customers. Each of the external customers contributes more than 10% of the Group’s revenue. These revenues are attributable to the PRC segment.

## 5 EXPENSES BY NATURE

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Raw materials and consumables used	989,280	682,898
Changes in inventories of finished goods and work in progress	(32,184)	(3,083)
Provision for obsolescence on inventories	3,740	964
Depreciation and amortisation charges:	51,173	40,692
— Depreciation of property, plant and equipment	50,031	40,298
— Amortisation of intangible assets	1,084	336
— Amortisation of land use right	58	58
Provision for impairment of receivables and prepayment	353	3,010
Employee benefit expenses	98,540	65,913
Auditors’ remuneration	1,860	1,530
Transportation expenses	50,334	39,404
Repair and maintenance expenses	14,384	14,135
Electricity and utilities	20,409	14,460
Rental expenses	5,605	3,334
Plating expenses	10,835	9,572
Professional fees	8,863	4,753
Travelling expenses	10,311	7,997
Advertising and promotional expenses	3,192	10,673
Other expenses	38,933	36,065
Total cost of goods sold, distribution costs and administrative expenses	<u>1,275,628</u>	<u>932,317</u>

## 6 FINANCE EXPENSE — NET

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Interest expense — bank borrowings	(6,246)	(5,388)
Exchange loss on cash and cash equivalents	(85)	—
<b>Finance expense</b>	<b>(6,331)</b>	<b>(5,388)</b>
Interest income — cash and cash equivalents	3,988	994
— entrusted loan receivable to an affiliate of a former shareholder	—	941
Exchange gain on cash and cash equivalents	—	579
<b>Finance income</b>	<b>3,988</b>	<b>2,514</b>
<b>Finance expense — net</b>	<b>(2,343)</b>	<b>(2,874)</b>

Interest expense of RMB1,588,000 (2010: RMB2,086,000) has been capitalised into cost of property, plant and equipment.

## 7 INCOME TAX EXPENSE

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Current income tax:		
Enterprise income tax (“EIT”)	54,339	34,502
Deferred tax:		
Origination and reversal of temporary differences	(1,890)	939
Taxation	<b>52,449</b>	<b>35,441</b>

The Group’s subsidiaries established in the PRC are subject to the PRC statutory EIT of 25% (2010: 25%) on the assessable income for the year. The profit arising from Hong Kong profits tax has been provided at rate of 16.5% for the current year (2010: No assessable profits in Hong Kong).

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

Another subsidiary, Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd., is located in a special economic zone with the applicable tax rate of 15%, which subject to annual approval from the local tax bureau. The local tax bureau has approved this preferential tax rate of 15% for this subsidiary in year 2011.

## 8 EARNINGS PER SHARE

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

	Year ended 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to equity holders of the Company	263,144	201,211
Weighted average number of ordinary shares in issue ( <i>thousand</i> )	1,333,600	1,114,080
Earnings per share ( <i>RMB per share</i> )	<u>0.20</u>	<u>0.18</u>

## 9 DIVIDEND

No dividend was declared by the Board for the year ended 31 December 2011.

## 10 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	353,852	244,391
Less: Provision for impairment	(4,619)	(11,197)
Trade receivables — net	349,233	233,194
Notes receivable	65,225	34,972
Value added tax deductible	20,352	26,663
Prepayments	25,341	32,962
Less: Provision for impairment	(7,002)	(7,002)
Prepayments — net	18,339	25,960
Other receivables	6,764	5,805
	<u>459,913</u>	<u>326,594</u>

The credit terms granted to customers by the Group were usually 10 to 90 days (2010: 15 to 90 days) during the year.

The ageing analysis of trade receivables as at 31 December 2011 and 2010 is as follows:

	As at 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables, gross		
0–30 days	172,818	102,668
31–90 days	147,151	119,567
91–365 days	24,792	12,569
Over 1 year	9,091	9,587
	<u>353,852</u>	<u>244,391</u>

## 11 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	110,850	62,329
Advances from customers	16,116	12,006
Accrued expenses	27,642	18,729
Salary and welfare payable	14,455	13,476
Other payables	26,485	26,029
	<u>195,548</u>	<u>132,569</u>

The ageing analysis of the Group's trade payables at each year end is as follows:

	As at 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	87,086	56,624
31–90 days	20,735	4,860
91–365 days	2,101	194
Over 365 days	928	651
	<u>110,850</u>	<u>62,329</u>

## **BUSINESS REVIEW**

### **Overview**

We 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.

During the year ended 31 December 2011, our European production facility in Halle, Germany (our “European Plant”) has commenced construction and has been progressing very well. This new factory, estimated at a total investment of around Euro 50 million, marks an important milestone in our Group’s international growth strategy by penetrating one of the largest aseptic packaging markets in the world. Our European plant is expected to ramp up production and extend its geographical coverage to reach across the European region once completed.

Our second production line of the Helingeer factory in Inner Mongolia has been completed as at the end of 2011. This production line is expected to commence trial production in early 2012. With increasing number of production lines, the Helingeer factory is expected to contribute an increasingly significant portion of the Group’s production volume.

As disclosed in the prospectus of the Company dated 26 November 2010 (the “Prospectus”), the Company will construct a third production line in the PRC. We plan to start construction of this factory in 2012 and expect that the third production line will contribute a significant increase in the Group’s production capacity.

In order to streamline and improve efficiencies of the Group, centralization of the Group’s management function was put in place during the year ended 31 December 2011. Operations of some of the departments have been successfully centralized from individual factories to our head office in Beijing. The Group, in the long term, hopes to benefit from these cost saving and operational efficiency.

### **Products**

We sold a total of 7.73 billion packs during the year ended 31 December 2011, with GA Brick aseptic 250ml Base remained as the top selling product and followed by GA Brick aseptic 1000ml as the second most popular selling product of our Group.

Driven by the increasing consumer affluence and concern with health, fitness and well-being in the PRC, the increased demand of dairy and NCSD products have brought forward to the growth of sales volume.

The completion of the second production line of the Helingeer factory, the implementation of our European development plan together with the expansion project of introducing the third production line in Gaotang, will help us meet our growing demands, strengthen our position in key markets, and capture additional market opportunities around the world.

## **Production Capacity and Utilisation**

Due to the introduction of the second production line in the Helingeer factory during the year ended 31 December 2011, the annual production capacity of our Group increased to 13.4 billion packs as at the end of 2011.

During the year ended 31 December 2011, we have commenced construction of our European Plant, being our first overseas production facility, dedicated to produce high quality roll-fed aseptic packaging for dairy and NCSD customers in the overseas markets. Our European Plant is expected to be commissioned in the second quarter of 2012 and is expected to facilitate the growth of our Group's annual production capacity by 4 billion packs.

Furthermore, the development of the third production line in Gaotang is expected to bring an additional annual production capacity of 4 billion packs to the Group in 2013.

During the year ended 31 December 2011, our Group was operating at a high utilisation rate, whereby we produced approximately 7.83 billion packs. In 2012, we estimate the utilisation rate of our Group will be affected to a reasonable extent, due to the of the ramp up period of the second production line of Helingeer factory and the first production line of the European plant.

## **Suppliers and Raw Materials**

With the depreciation of the US dollar but the inflationary pressure on the price of raw materials, our cost of raw materials increased slightly in 2011 compared to 2010. It was mainly contributed by the prices increase of polyethylene and liquid paper board ("LPB").

As a significant portion of our raw materials are customised, their prices are generally less volatile than their commodity counterparts. As a result, we managed to contain the increase in raw materials prices within a reasonable range. Furthermore, we are continuously expanding our supplier base to manage and control the raw materials prices more efficiently.

## **Sales and Marketing**

We sell our aseptic packs and services to leading dairy and NCSD producers across the world, with a primary focus on the PRC and European markets. For the year ended 31 December 2011, we have continuously expanded our customer base in the PRC and continued to grow volume with our key dairy customers.

During the year ended 31 December 2011, our sales and marketing team have penetrated selected international markets such as Italy, Slovakia, Oman and Kazakhstan. Meanwhile, we have also expanded our technical support capability to customers, and continued to build a dedicated team of international sales and marketing professionals to provide greater emphasis and better services to our customers in the international markets.

During the year ended 31 December 2011, our Group has actively conducted marketing activities tailor-made for our customers and geared towards supporting the activities of our sales team by keeping abreast of industry trends, interacting with existing customers, cultivating new relationships and building brand awareness.

In order to enhance the position of our products in the market, we managed to obtain United States Food and Drug Administration certification that our GA Brick aseptic packaging material complies with their regulations during the year. We believe this will provide a strong selling point for our products, particularly in the international market.

## FINANCIAL REVIEW

### Overview

2011 has been a fruitful year for our Group. Following the domestic and international expansions of our business, we have attained an impressive result during the year of 2011. Our management is pleased with the financial results and strives towards an even higher target in 2012.

### Revenue

We primarily derive revenue from domestic and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by 35.7% from RMB1,160.3 million for the year ended 31 December 2010 to RMB1,574.1 million for the year under review. The increase was primarily driven by volume growth of aseptic packaging sold as a result of production capacity expansion and additional orders from existing customers.

With respect to the domestic segment, our revenue increased by RMB357.4 million, or 33.0%, to RMB1,440.0 million for the year ended 31 December 2011 from RMB1,082.6 million for the year ended 31 December 2010.

With respect to the international segment, our revenue increased by RMB56.4 million, or 72.6%, to RMB134.1 million for the year ended 31 December 2011 from RMB77.7 million for the year ended 31 December 2010.

Our revenue from dairy customers increased by RMB456.0 million, or 50.2%, to RMB1,364.1 million for the year ended 31 December 2011 from RMB908.1 million for the year ended 31 December 2010, while our revenue from NCSD customers decreased slightly by RMB42.1 million, or 16.7%, to RMB210.0 million for the year ended 31 December 2011 from RMB252.2 million for the year ended 31 December 2010.

### Cost of Sales

Our cost of sales increased by RMB 307.9 million, or 38.9%, to RMB1,099.1 million for the year ended 31 December 2011 from RMB791.2 million for the year ended 31 December 2010. The growth in cost of sales was in line with the growth in total sales volume.

Raw material costs, which make up the largest portion of our cost of production, increased by RMB306.4 million, or 44.9%, to RMB989.3 million for the year ended 31 December 2011 from RMB682.9 million for the year ended 31 December 2010. The growth in raw material costs was related to the increase in production volume and work in progress.

### Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit increased by RMB 105.9 million, or 28.7% from RMB369.1 million for the year ended 31 December 2010 to RMB475.0 million for the year under review. Our gross margin decreased by 1.6 percentage points to 30.2% for the year ended 31 December 2011 from 31.8% for the year ended 31 December 2010, primarily due to the slight decrease in average selling price (“ASP”).



## **Other Income — Net**

Our other income – net increased by RMB7.9 million, or 68.6%, to RMB19.5 million for the year ended 31 December 2011 from RMB11.5 million for the year ended 31 December 2010, primarily due to the tax refund from local government.

## **Distribution Costs**

Our distribution costs increased by RMB15.1 million, or 23.2%, to RMB80.5 million for the year ended 31 December 2011 from RMB65.4 million for the year ended 31 December 2010. The increase was primarily due to the sales volume growth of our aseptic packaging, which results in subsequent increase in shipping and transportation costs.

## **Administrative Expenses**

Our administrative expenses increased by RMB20.3 million, or 26.7%, to RMB96.1 million for the year ended 31 December 2011 from RMB75.8 million for the year ended 31 December 2010, primarily due to the expenses of share option scheme for employees.

## **Taxation**

Our tax expenses increased by RMB17.0 million to RMB52.4 million for the year ended 31 December 2011 from RMB35.4 million for the year ended 31 December 2010. Effective tax rate increased 1.6% to 16.6% for the year ended 31 December 2011 from 15.0% for the previous financial year.

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

Driven by the factors described above, our net profit increased by RMB61.9 million, or 30.8%, to RMB263.1 million for the year ended 31 December 2011 from RMB201.2 million for the year ended 31 December 2010. Our net profit margin decreased by 0.6 percentage points to 16.7% for the year ended 31 December 2011 from 17.3 % for the year ended 31 December 2010 primarily due to the decrease of ASP and the increase of raw material cost.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As of 31 December 2011, we had RMB273.6 million (31 December 2010: RMB548.3 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are 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 finished packaging products. Inventory turnover days (inventories/cost of sales) was 92.7 days as at 31 December 2011 as compared to 83.3 days as at 31 December 2010. Turnover days for trade receivables (trade receivables/revenue) increased from 49.4 days as at 31 December 2010 to 69.4 days as at 31 December 2011. Turnover days for trade payables (trade payables/cost of sales) increased from 21.4 days as at 31 December 2010 to 27.3 days as at 31 December 2011.

## **Borrowings and Finance Cost**

Total borrowings of our Group as at 31 December 2011 were RMB204.4 million (31 December 2010: RMB105.3 million) and denominated in RMB. For the year under review, net finance costs of our Group were approximately RMB2.3 million (31 December 2010: RMB2.9 million).

## **Gearing Ratio**

As at 31 December 2011, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group has increased to 0.125 (31 December 2010: 0.076). It was mainly contributed by the increased of short-term borrowing.

## **Working Capital**

Our working capital (calculated by the difference between the current assets and current liabilities) as of 31 December 2011 was RMB701.2 million (31 December 2010: RMB890.2 million).

## **Foreign Exchange Exposure**

Our Group's sales were primarily denominated in RMB. During the year under review, our Group recorded exchange loss of RMB10.4 million (31 December 2010: RMB2.6 million).

## **Capital Expenditure**

As at 31 December 2011, our Group's total capital expenditure amounted to approximately RMB460.0 million (31 December 2010: RMB102.2 million), which is used in the construction of our new factory and the acquisition machinery and fittings for the said factory.

## **Charge on Assets**

As at 31 December 2011, our Group had pledged certain property, plant and equipment of a subsidiary with an aggregate net book value of RMB86.0 million (2010: RMB103 million) and an aggregate net book value of approximately RMB1.34 million (2010: RMB1.37 million) of land use right for the purpose of securing a loan with carrying value of RMB59.0 million.

## **Contingent Liabilities**

As disclosed in the Prospectus, 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 "Judgement"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgement. 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.

## HUMAN RESOURCES

As at 31 December 2011, our Group employed approximately 940 employees (31 December 2010: 838 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to its employees. In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary review, 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 Group has adopted training schemes for our employees managed by our human resources department.

## PROSPECTS

With slightly over one year since the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2010, the Company has implemented most of the proposed expansion as discussed in our Prospectus. They include:

- Construction of an additional production line at the Helinger factory,
- Construction of our European Plant which enable us to further expand to the European market,
- Construction of an additional production line in the PRC, which resulted in our current third line proposed to be in Gaotang,

With the expansion of factories in place, the Company can now focus on other areas of business to ensure the capacity of these factories will be fully utilised. In this regard, the Company will continue to:

- grow market share with our key customers while broadening customer mix in the PRC market;
- further expand and penetrate selected international markets;
- expand our own roll-fed filling machine support services;
- strengthen the centralization of the 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,
- continue to optimise products and production processes and accelerate research and development in roll-fed filing machine business.

As our products are essential part of fast moving consumer goods, we do not expect significant impact from economic turmoil around the globe. Furthermore, the Company has positioned itself well in the PRC market, which is expected to become one of the world's largest consumer market.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2011.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members will be closed from Monday, 28 May 2012 to Wednesday, 30 May 2012, both days inclusive, during which period no share transfers in Hong Kong can be registered. In order to be eligible for attending and voting at the forthcoming annual general meeting, all transfers in Hong Kong accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 25 May 2012.

## **COMPLIANCE WITH THE CODE PROVISIONS IN THE CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CG CODE")**

Our Group strives to maintain high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions as set out in the CG Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance.

During the year ended 31 December 2011, the Company has met the code provisions as set out in the CG Code.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made of all the directors of the Company (the "Directors") and the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the financial year ended 31 December 2011. No incident of non-compliance of the Model Code was noted by the Company.

## **PURCHASE, SALES OR REDEMPTION OF THE SHARES**

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **PRE-EMPTIVE RIGHT**

There are no provisions for pre-emptive rights under the Articles of Association of the Company and the laws of the Cayman Islands.

## **REVIEW BY THE AUDIT COMMITTEE**

The Audit Committee consists of all of the existing independent non-executive Directors, namely, Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. CHEN Weishu, and is chaired by Mr. LUETH Allen Warren, who has professional qualifications in accountancy. The primary duties of the Audit Committee are to assist the Board to provide an independent view of the

effectiveness of the financial reporting process, internal control and risk management system of our Company, to review the overall audit process and to perform other duties and responsibilities as assigned by our Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company, the annual results of our Group during the year ended 31 December 2011 as well as auditing, internal control and financial reporting matters, including the consolidated financial statements for the year ended 31 December 2011. The Audit Committee is of the view that our Group's consolidated financial statements for the year under review are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

#### **ANNUAL GENERAL MEETING AND PUBLICATION OF ANNUAL REPORT**

The annual general meeting of the Company is expected to be held at 10:00 a.m., on Wednesday, 30 May 2012. The annual report together with the notice of the annual general meeting will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ga-pack.com> and [www.greatviewpack.com](http://www.greatviewpack.com)), and dispatched to the shareholders in or around the second half of April 2012.

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

Beijing, the PRC, 28 March 2012

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