

Interim Report 2015



**Greatview Aseptic Packaging
Company Limited**

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



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

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

Mr. LIU Jun (*Chief Operating Officer*)

Non-Executive Directors

Mr. HONG Gang (*Chairman*)

Mr. ZHU Jia

Mr. LEE Lap, Danny (*Resigned on 27 March 2015*)

Independent Non-Executive Directors

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

Mr. DANG Xinhua (*appointed on 29 May 2015*)

Mr. CHEN Weishu (*retired on 29 May 2015*)

AUDIT COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)

Mr. BEHRENS Ernst Hermann

Mr. DANG Xinhua

REMUNERATION COMMITTEE

Mr. DANG Xinhua (*Chairman*)

Mr. BI Hua, Jeff

Mr. ZHU Jia

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

NOMINATION COMMITTEE

Mr. HONG Gang (*Chairman*)

Mr. BEHRENS Ernst Hermann

Mr. DANG Xinhua

JOINT COMPANY SECRETARIES

Mr. CHANG Fuquan

Ms. MOK Ming Wai

AUTHORIZED REPRESENTATIVES

Mr. ZHU Jia

Ms. MOK Ming Wai

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

36/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

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

14 Jiuxianqiao Road

Chaoyang District

Beijing 100015

The PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

LEGAL ADVISORS

Norton Rose Fulbright Hong Kong

Tian Yuan Law Firm

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Commerzbank AG

The Hongkong and Shanghai Banking Corporation Limited

Citi Bank

China Construction Bank

Industrial and Commercial Bank of China

China Merchants Bank

COMPANY WEBSITE

www.greatviewpack.com

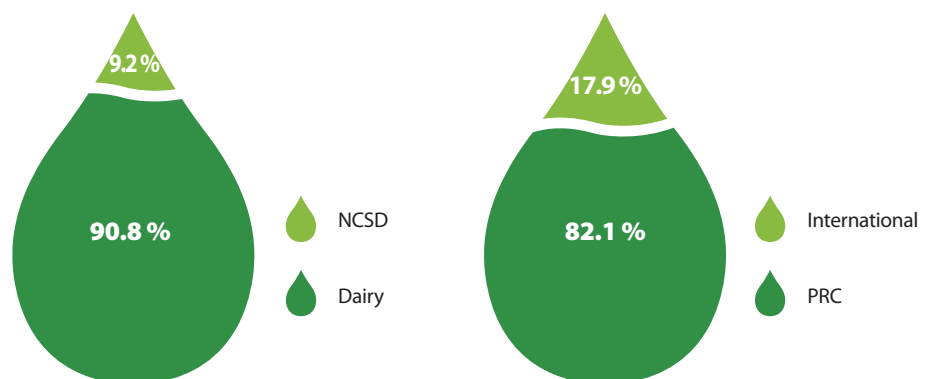
CHOICE
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VALUE

FINANCIAL SUMMARY

For the six months ended 30 June

	2015 RMB million (Unaudited)	2014 RMB million (Unaudited)	Percentage %
Revenue	1,008.3	1,181.7	-14.7%
Gross Profit	277.8	296.2	-6.2%
Net Profit	150.8	156.7	-3.8%
Profit attributable to shareholders	150.8	156.7	-3.8%
Earnings per share — basic and diluted (RMB)	0.112	0.116	-3.4%
Proposed dividend per share (HK\$)	0.1	0.1	—

REVENUE ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

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

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

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



Greatview’s German production factory in Halle, Saale

Management Discussion and Analysis

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

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

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



Greatview's complete product portfolio

Products

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

Production Capacity and Utilization

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

Management Discussion and Analysis

Suppliers and Raw Materials

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

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

Sales and Marketing

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

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

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

In March 2015, we exhibited our entire series of products, including aseptic packaging materials, filling machine and spare parts, at Chengdu's 92nd Food and Drinks Fair, the PRC. This included the unveiling of Greatview's latest aseptic carton range, Greatview Blank-Fed, which enables owners of applicable blank-fed filling machines to choose an alternative carton supplier for their ambient dairy and NCS D products.



Greatview's exhibit booth at the 92nd China Food & Drinks Fair

Management Discussion and Analysis

FINANCIAL REVIEW

Overview

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

Revenue

We primarily derived revenue from domestic and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group decreased by 14.7% from RMB1,181.7 million for the six months ended 30 June 2014 to RMB1,008.3 million for the six months ended 30 June 2015.

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

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

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

Cost of Sales

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

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

Management Discussion and Analysis

Gross Profit and Gross Margin

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

Other Income

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

Distribution Expenses

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



Greatview organizes a social responsibility course for UIBE students at its Inner Mongolia factory

Administrative Expenses

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

Management Discussion and Analysis

Taxation

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

Profit for the Period and Net Profit Margin

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

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2015, we had RMB488.4 million (31 December 2014: RMB489.6 million) in cash and bank balances. Our cash and bank balances consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials. Turnover days for inventory (inventories/cost of sales) increased from 100.8 days as at 31 December 2014 to 132.9 days as at 30 June 2015. Turnover days for trade receivables (trade receivables/revenue) decreased from 57 days as at 31 December 2014 to 52.1 days as at 30 June 2015. Turnover days for trade payables (trade payables/cost of sales) increased from 44.8 days as at 31 December 2014 to 55.7 days as at 30 June 2015.

Borrowings and Net Finance Income/Cost

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

Gearing Ratio

As at 30 June 2015, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group was 0.16 (31 December 2014: 0.16) which was in line with the growth of outstanding loans.

Working Capital

Our working capital (calculated as the difference between the current assets and current liabilities) as of 30 June 2015 was RMB1,074.4 million (31 December 2014: RMB910.3 million).

Foreign Exchange Exposure

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

Management Discussion and Analysis

Capital Expenditure

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

Charge on Assets

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

Contingent Liabilities

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

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "Judgment"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. As at 30 June 2015, the appeal was pending decision of the opposition proceedings.

On 20 October 2010, we commenced opposition proceedings before the European Patent Office ("EPO") to invalidate the subject patent in question in Tetra Pak's infringement claim, with effect throughout all EPO member states. On 27 November 2012, the opposition division of EPO revoked the subject patent in its entirety; however, Tetra Pak filed an appeal on 17 April 2013 against the first instance decision. On 23 December 2013, the Company filed a reply in response to Tetra Pak's appeal. As at 30 June 2015, the appeal was under process at EPO. Based on the communication with our legal advisor on German law, the Company made its assessment that the Group may prevail in the defense against Tetra Pak's appeal. Further disclosure will be made as and when appropriate.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, our Group employed approximately 1,228 employees (31 December 2014: 1,234 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to its employees. In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. Share option schemes have also been adopted for employees of our Group. In order to ensure that our Group's employees remain competitive in the industry, the Company has adopted training schemes for our employees managed by our human resources department.

Management Discussion and Analysis

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

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

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

PROSPECTS

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

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



Greatview offers courses in social responsibility for German secondary school students

OTHER INFORMATION

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

As at 30 June 2015, interests and short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the directors of the Company (the "Directors") and chief executive of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") are as follows:

Interests and short position in the Shares and underlying Shares

Name of Director/chief executive	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 4)
Hong Gang	78,141,966	1	Interest of controlled corporation	Long position	5.80%
	2,673,000	2	Interest of controlled corporation	Long position	0.20%
Total long position	80,814,966				6.00%
Bi Hua, Jeff	129,000,000	3	Founder of a discretionary trust	Long position	9.57%

Notes:

- (1) Phanron Holdings Limited ("Phanron") is wholly-owned by Hong Gang and he is therefore deemed to be interested in the 78,141,966 Shares held by Phanron.
- (2) Liwei Holdings (PTC) Limited ("Liwei") is 50% owned by each of Hong Gang and Gao Wei. Therefore, Hong Gang and Gao Wei are deemed to be interested in all of the underlying Shares to be issued pursuant to the options granted to Liwei under the pre-IPO share option scheme of the Company adopted by the Company on 15 November 2010 (the "Pre-IPO Share Option Scheme").

On 22 November 2010, 22,000,000 options were granted to Liwei under the Pre-IPO Share Option Scheme. On 17 March 2011, 284 employees were granted (by way of transfer) by Liwei the rights to take up to the 20,010,000 options granted to Liwei under the Pre-IPO Share Option Scheme upon vesting of their options. On 12 April 2013, 3,236,000 options which were previously granted by Liwei to the aforesaid employees but which lapsed prior to transfer to such employees were reallocated to 193 employees of the Group. First installment of these options vested on 1 June 2013 and the second installment vested on 1 June 2014. On 1 September 2011, 1 June 2012, 1 June 2013 and 1 June 2014, 3,546,000 options, 4,616,000 options, 5,800,000 options and 5,365,000 options were vested respectively. Liwei is therefore deemed to be interested in 2,673,000 Shares in a long position.

- (3) Foxing Development Limited ("Foxing") is directly interested in 129,000,000 Shares. Foxing is wholly-owned by Hill Garden Limited ("Hill Garden") and is therefore deemed to be interested in the same 129,000,000 Shares. Bi Hua, Jeff is the founder of the trust that wholly-owns Hill Garden. Bi Hua, Jeff, therefore, is deemed to be interested in the same 129,000,000 Shares.
- (4) There were 1,348,421,000 Shares in issue as at 30 June 2015.

Other Information

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2015, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interests and short position in the Shares and underlying Shares

Name of substantial shareholder	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%)
Wellington Management Group, LLP	188,522,482	1	Interest of controlled corporation	Long position	13.98%
Wellington Group Holdings LLP	188,522,482	1	Interest of controlled corporation	Long position	13.98%
Wellington Investment Advisors Holdings LLP	188,522,482	1	Interest of controlled corporation	Long position	13.98%
Wellington Management Global Holdings, Ltd.	88,785,152	1	Interest of controlled corporation	Long position	6.58%
Wellington Management Company LLP	99,737,330	1	Beneficial owner	Long position	7.40%
Wellington Management International Ltd	51,424,438	1	Beneficial owner	Long position	3.81%
Wellington Management Singapore Pte Ltd	37,360,714	1	Beneficial owner	Long position	2.77%
Matthews International Capital Management, LLC	148,689,000		Investment manager	Long position	11.03%
Prudential plc	136,549,000	2	Interest of controlled corporation	Long position	10.13%
Hill Garden	129,000,000	3	Interest of controlled corporation	Long position	9.57%
Foxing	129,000,000	3	Beneficial owner	Long position	9.57%
Madam Bi Wei Li	129,000,000	4	Interest of spouse	Long position	9.57%
Dominion Assets Limited	128,045,000	5	Beneficial owner	Long position	9.50%
Fiduco Trust Management AG	128,045,000	5	Interest of controlled corporation	Long position	9.50%
Tanoto Sukanto	128,045,000	5	Founder of discretionary trust	Long position	9.50%
Madam Xu Zhen	78,141,966	6	Interest of spouse	Long position	5.80%
	2,673,000	6	Interest of spouse	Long position	0.20%
	80,814,966				6.00%
Phanron	78,141,966		Beneficial owner	Long position	5.80%

Other Information

Notes:

- (1) Wellington Management Singapore Pte Ltd and Wellington Management International Ltd, which are 100% owned by Wellington Management Global Holdings, Ltd., are directly interested in 37,360,714 Shares and 51,424,438 Shares, respectively. Wellington Management Company LLP is directly interested in 99,737,330 Shares. Wellington Management Global Holdings, Ltd. and Wellington Management Company LLP are in turn owned by Wellington Investment Advisors Holdings LLP of 94.1% and 99.99%, respectively. Wellington Investment Advisors Holdings LLP is 99.99% owned by Wellington Group Holdings LLP which is 99.70% owned by Wellington Management Group LLP. Therefore Wellington Management Group LLP is deemed to be interested in 188,522,482 Shares.
- (2) Prudential plc, M&G Group Ltd. and M&G Ltd. all had an indirect interest in 136,549,000 Shares as at 30 June 2015. M&G Investment Management Ltd. ("MAGIM") was the fund manager for all 136,549,000 Shares. Of these Shares, the power to vote on 26,093,000 Shares has been retained by external clients. M&G Securities Ltd. is the authorised corporate director for a number of M&G open-ended investment companies ("OEICs") and was therefore interested in 110,456,000 Shares. M&G Investment Funds (7) held 77,940,000 Shares managed by MAGIM. Other OEICs held a combined total of 32,516,000 Shares.
- (3) Foxing has a direct interest in 129,000,000 Shares. Hill Garden is interested in 100% of Foxing. Therefore, Hill Garden is deemed to be interested in 129,000,000 Shares. Bi Hua, Jeff is the founder of the Trust that wholly-owns Hill Garden.
- (4) Madam Bi Wei Li is interested in a long position of 129,000,000 Shares by virtue of her being the spouse of Bi Hua, Jeff.
- (5) Dominion Assets Limited ("Dominion Assets") is directly interested in 128,045,000 Shares. Fiduco Trust Management AG ("Fiduco Trust") is interested in 100% of Dominion Assets and is deemed to be interested in 128,045,000 Shares. Tanoto Sukanto is the owner of a discretionary trust which in turn owns 100% of Fiduco Trust and therefore is deemed to be interested in 128,045,000 Shares.
- (6) Madam Xu Zhen is interested in a long position of 80,814,966 Shares by virtue of her being the spouse of Hong Gang.
- (7) There were 1,348,421,000 Shares in issue as at 30 June 2015.

Save as disclosed above, and as at 30 June 2015, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

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

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

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

During the six months ended 30 June 2015, there was no material acquisition and disposal of subsidiaries and associated companies by the Company. As at the date of this report, the Group has no plan to make any significant investment or acquisition of capital assets.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the six months ended 30 June 2015.

SHARE OPTION SCHEMES Pre-IPO Share Option Scheme

On 15 November 2010, the 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 the employees of the Group with regard to their services and employment. Pursuant to the Pre-IPO Share Option Scheme, Liwei was granted options ("Pre-IPO Options") to subscribe for up to 22,000,000 Shares for a consideration of HK\$1.00, and Liwei will grant (by way of transfer) the Pre-IPO Options to eligible participants. Prior approval from the board of Directors (the "Board") of the Company is required for Liwei to grant the Pre-IPO Options. Such approval covers key terms of the Pre-IPO Options including eligibility, performance target and share subscription price.

The exercise price per Share under the Pre-IPO Share Option Scheme is HK\$4.30, being the price per Share at the global offering of the Shares in December 2010. No further option was granted under the Pre-IPO Share Option Scheme on or after the day of the listing of the Shares on the Stock Exchange on 9 December 2010 ("Listing Date"). All options granted under the Pre-IPO Share Option Scheme may be exercised during the option period after the Listing Date to the date falling 10 years from the Listing Date subject to conditions imposed by the Board to the respective employees. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Pre-IPO Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

Set out below are the details of the outstanding options granted under the Pre-IPO Share Option Scheme:

Name of Grantees	Notes	Date of grant/ vesting	Exercise period	Exercise price (HK\$)	Pre-IPO	Pre-IPO	Pre-IPO	Pre-IPO	Pre-IPO	Pre-IPO
					Options outstanding as at 1 January 2015	Options vested during the period	Options exercised during the period	Options lapsed/ expired during the period	Options cancelled during the period	Options outstanding as at 30 June 2015
Liwei	1	22/11/2010	09/12/2010– 22/11/2020	4.30	2,673,000	–	–	–	–	2,673,000
Employees in aggregate	2	01/09/2011, 01/06/2012, 01/06/2013 and 01/06/2014	01/09/2011– 01/06/2016	4.30	3,985,700	–	(774,700)	(615,000)	–	2,596,000
Total					6,658,700	–	(774,700)	(615,000)	–	5,269,000

Notes:

- (1) The Board approved Liwei to grant (by way of transfer) the Pre-IPO Options on 17 March 2011. Pursuant to the Pre-IPO Option Scheme, 284 employees were granted the Pre-IPO Options to subscribe for up to 20,010,000 Shares. Such 20,010,000 Pre-IPO Options will only be transferred to the employees upon vesting. The Pre-IPO Options vested in four installments on 1 September 2011, 1 June 2012, 1 June 2013, and 1 June 2014. On 12 April 2013, 3,236,000 Pre-IPO Options which were previously lapsed were taken back by Liwei and were reallocated to 193 employees of the Group. These Pre-IPO Options vested in two installments on 1 June 2013 and 1 June 2014, respectively.
- (2) During the six months ended 30 June 2015, no Pre-IPO Options were vested and 615,000 Pre-IPO Options were lapsed/expired after vesting.

Other Information

Share Option Scheme

The Company adopted a share option scheme ("Share Option Scheme") with the purpose of providing an incentive for Qualified Participants (as defined below) to work with commitment towards enhancing the value of the Company and the Shares for the benefit of our shareholders, to compensate such employees for their contribution based on their individual performance and that of the Group and to retain and attract high calibre working partners whose contribution is or may be beneficial to the growth and development of the Group.

There is no minimum period for which an option must be held before it can be exercised under the Share Option Scheme, provided that in granting options under the Share Option Scheme, the Board can determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the Share Option Scheme can be exercised. The Board will also determine the price per Share upon the exercise of an option according to the terms of the Share Option Scheme, provided that it shall be at the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the options; and (iii) the nominal value of the Shares on the date of grant of the options.

The Board may from time to time grant options to (i) any executive Director, or employee (whether full time or part time) of our Company, any member of our Group or any entity in which any member of our Group holds an equity interest ("Invested Entity"); (ii) any non-executive Director (including independent non-executive Directors), any member of our Group or any Invested Entity; and (iii) any such other person as the Board may consider appropriate (collectively "Qualified Participants").

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 15 November 2010. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK\$1.00. An option may be exercised at any time during a period which shall not exceed ten years from the date of grant subject to the provisions of early termination under the Share Option Scheme.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all outstanding options to be granted under the Share Option Scheme and any other share option scheme of the Company does not exceed 10% of the Shares in issue at the Listing Date, which is 133,360,000 Shares. The Company may at any time refresh such limit, subject to compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Company does not exceed 30% of the Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

No option has been granted pursuant to the Share Option Scheme during the six months ended 30 June 2015 and prior periods since the adoption of the Share Option Scheme.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2015.

INTERIM DIVIDEND

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

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 23 September 2015 to 25 September 2015, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 22 September 2015.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee comprises all the three independent non-executive Directors namely, Mr. LUETH Allen Warren (chairman of the Audit Committee), Mr. BEHRENS Ernst Hermann and Mr. DANG Xinhua.

The Audit Committee has adopted the terms of reference which are in line with the Code. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company. The Group's unaudited consolidated interim financial statements for the six months ended 30 June 2015 have been reviewed by the Audit Committee.

CHANGE OF INFORMATION IN RESPECT OF DIRECTORS

Mr. CHEN Weishu has retired as an independent non-executive Director with effect from 29 May 2015. Mr. DANG Xinhua has been appointed as an independent non-executive Director with effect from 29 May 2015. Please refer to the Company's announcement dated 11 May 2015 for further details.

Save as mentioned above, there is no change of information of each Director that is required to be disclosed under Rules 13.51(2) and 13.51B(1) of the Listing Rules since the publication of the 2014 annual report of the Company.

On behalf of the Board

Mr. HONG Gang

Chairman

Beijing, the PRC, 28 August 2015

Condensed Consolidated Income Statement

For the six months ended 30 June 2015

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

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

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

Condensed Consolidated Statement of Financial Position

As at 30 June 2015

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

Condensed Consolidated Statement of Financial Position

As at 30 June 2015

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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to equity owners (unaudited)				
	Share capital, share premium and capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2013 (Audited)	962,369	145,445	(22,684)	1,011,652	2,096,782
Comprehensive income					
Profit for the year	–	–	–	156,683	156,683
Other comprehensive income					
Currency translation differences	–	–	214	–	214
Transactions with owners					
Employee share option	1,648	–	–	–	1,648
Share options issued	22,923	–	–	–	22,923
Share issuance costs	–	–	–	–	–
Transfer to statutory reserve	–	2,287	–	(2,287)	–
Dividend	–	–	–	(107,091)	(107,091)
As at 30 June 2014 (Unaudited)	986,940	147,732	(22,470)	1,058,957	2,171,159

	Attributable to equity owners (unaudited)				
	Share capital, share premium and capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2014 (Audited)	990,771	175,117	(69,308)	1,047,691	2,144,271
Comprehensive income					
Profit for the year	–	–	–	150,833	150,833
Other comprehensive income					
Currency translation differences	–	–	(27,840)	–	(27,840)
Transactions with owners					
Employee share option	–	–	–	–	–
Share options issued	2,347	–	–	–	2,347
Share issuance costs	–	–	–	–	–
Transfer to statutory reserve	–	–	–	–	–
Dividend	–	–	–	–	–
As at 30 June 2015 (Unaudited)	993,118	175,117	(97,148)	1,198,524	2,269,611

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2015

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

1 GENERAL INFORMATION

Greatview Aseptic Packaging Company Limited (the "Company") was incorporated in the Cayman Islands on 29 July 2010 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company and together with its subsidiaries are principally engaged in manufacturing, distribution and sale of paper packaging for liquid food, and filling machines.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") 34 Interim Financial Reporting. The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

2.2 Principal accounting policies

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the financial statements contained in the 2014 annual report except for the adoption of the new standards, amendments or interpretations issued by the International Accounting Standard Board which are mandatory for the annual period beginning on or after 1 January 2015. The adoption of these standards, amendments or interpretations has no material effect on the Group's financial position or results of operations. The Group has not early adopted the new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company (the "Directors") anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

3 SEGMENT REPORT *(continued)*

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

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

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

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Dairy	915,497	1,080,308
Non-carbonated soft drink ("NCSD")	92,836	101,426
	1,008,333	1,181,734

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

4 REVENUE, OTHER INCOME AND OTHER GAINS — NET

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

5 EXPENSES BY NATURE

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

6 FINANCE (EXPENSE)/INCOME — NET

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

7 INCOME TAX EXPENSE

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

The Group's subsidiaries established in the PRC are subjected to the PRC statutory EIT of 25% (2014: 25%) on the assessable income for the period. The profit arising from Hong Kong profits tax has been provided at the rate of 16.5% for the period (2014: 16.5%). Subsidiaries in Switzerland and Germany were in aggregated loss position and no income tax has been provided.

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

7 INCOME TAX EXPENSE (continued)

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

8 EARNINGS PER SHARE

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

9 PROPERTY, PLANT AND EQUIPMENT

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

10 LAND USE RIGHT

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

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

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

11 INVENTORIES

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

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

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

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

(a) Share capital and share premium

Share capital

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

Share premium

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

(b) Capital reserve

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

14 SHARE BASED PAYMENTS

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

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

15 BORROWINGS

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

15 BORROWINGS (continued)

Payment schedule

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

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Within 1 year	357,071	336,039
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
	357,071	336,039

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

17 DIVIDEND

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

18 COMMITMENTS

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

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

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

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

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Not later than one year	2,797	6,180
Later than one year and not later than five years	12,619	12,687
Later than five years	-	-
Total	15,416	18,867

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

19 RELATED-PARTY TRANSACTIONS

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

Key management compensation

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

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

20 CONTINGENT LIABILITIES

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

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "Judgment"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. As at 30 June 2015, the appeal was pending decision of the opposition proceedings.

On 20 October 2010, we commenced opposition proceedings before the European Patent Office ("EPO") to invalidate the subject patent in question in Tetra Pak's infringement claim, with effect throughout all EPO member states. On 27 November 2012, the opposition division of EPO revoked the subject patent in its entirety; however, Tetra Pak filed an appeal on 17 April 2013 against the first instance decision. On 23 December 2013, the Company filed a reply in response to Tetra Pak's appeal. As at 30 June 2015, the appeal was under process at EPO. Based on the communication with our legal advisor on German law, the Company made its assessment that the Group may prevail in the defense against Tetra Pak's appeal. Further disclosure will be made as and when appropriate.

21 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

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