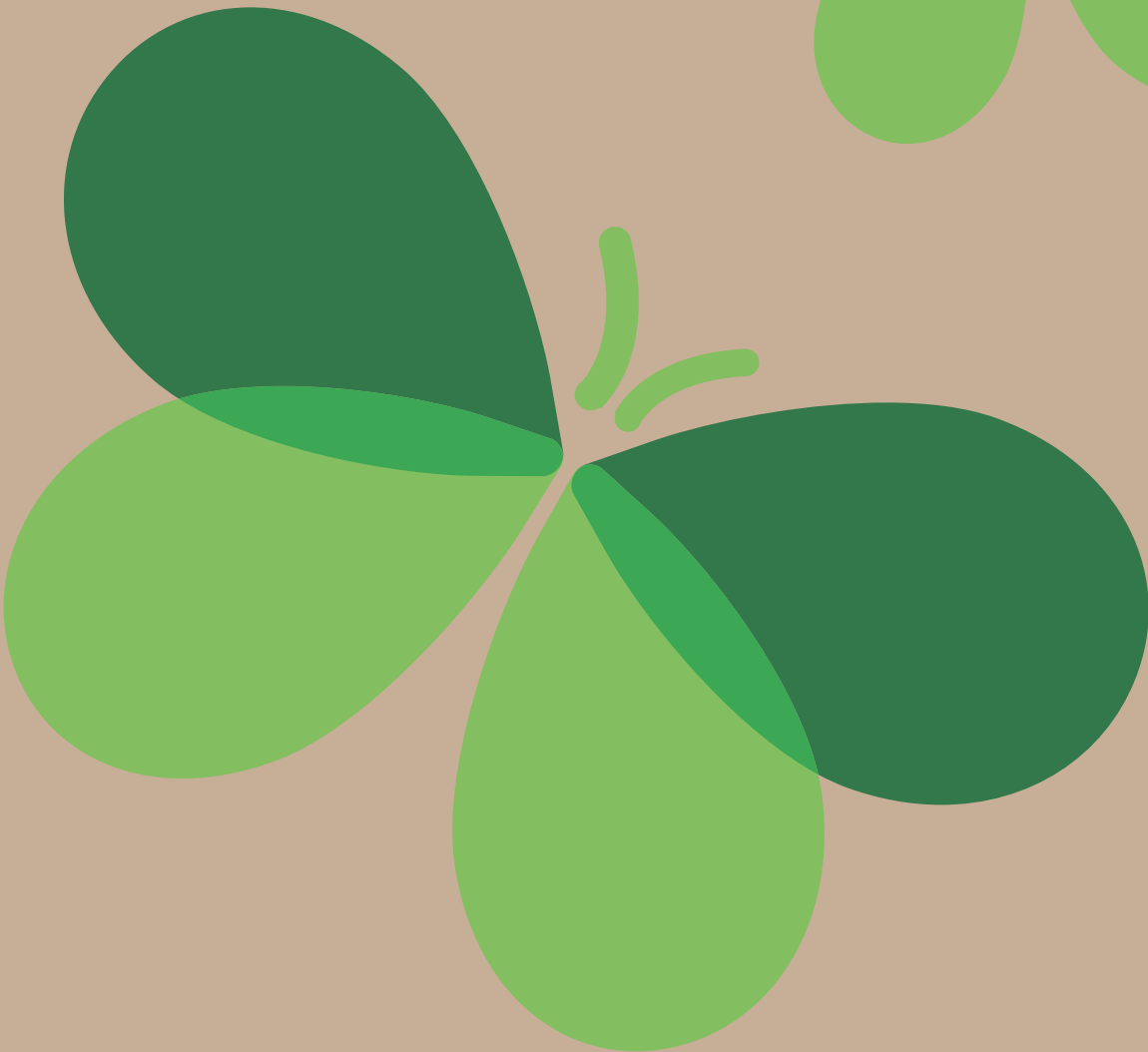
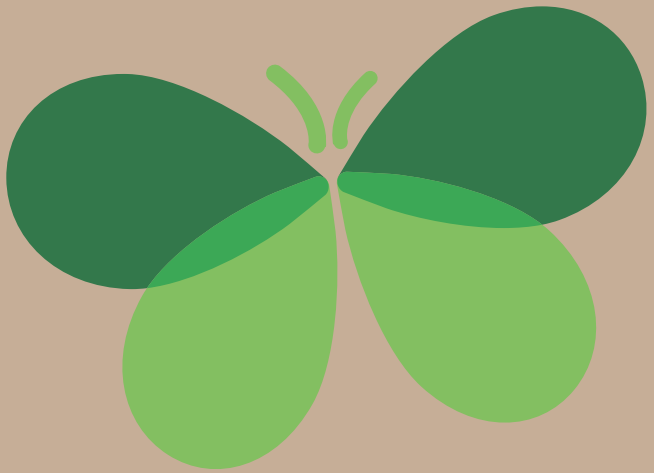


Greatview Aseptic Packaging Company Limited

Interim Report 2014

(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*) (*Appointed on 29 August 2014*)

Non-Executive Directors

Mr. HONG Gang (*Chairman*) (*Redesignated on 29 August 2014*)

Mr. HILDEBRANDT James Henry (*Resigned on 27 March 2014*)

Mr. ZHU Jia

Mr. LEE LAP, Danny

Ms. SHANG Xiaojun (*Resigned on 27 March 2014*)

Independent Non-Executive Directors

Mr. LUETH Allen Warren

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

AUDIT COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)

Mr. BEHRENS Ernst Hermann

Mr. CHEN Weishu

REMUNERATION COMMITTEE

Mr. CHEN Weishu (*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. CHEN Weishu

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

8th Floor, Gloucester Tower

The Landmark

15 Queen's Road Central

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

Tricolor 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

The Hongkong and Shanghai Banking Corporation Limited

China Construction Bank

Industrial and Commercial Bank of China

Commerzbank AG

China Merchants Bank

COMPANY WEBSITE

www.greatviewpack.com

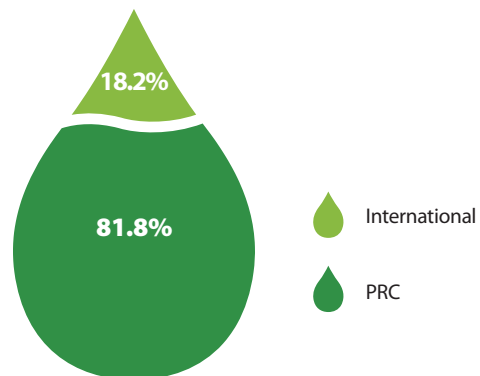
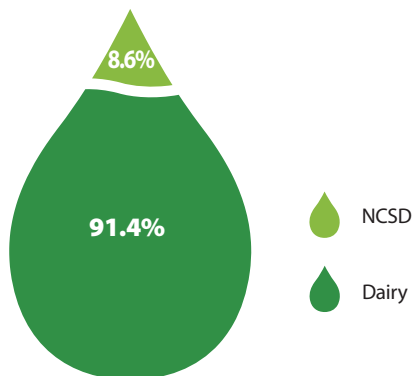


FINANCIAL SUMMARY

For the six months ended 30 June

	2014 RMB million (Unaudited)	2013 RMB million (Unaudited)	Percentage %
Revenue	1,181.7	983.5	+20.2%
Gross Profit	296.2	269.9	+9.7%
Net Profit	156.7	142.4	+10.0%
Profit attributable to shareholders	156.7	142.4	+10.0%
Earnings per share — basic and diluted (RMB)	0.12	0.11	+9.1%
Proposed dividend per share (HKD)	0.1	Nil	

REVENUE ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS



Greatview CEO Jeff Bi spoke at PwC's 27th Annual Global Forest & Paper Industry Conference to promote sustainable development packaging.

BUSINESS REVIEW

Overview

Our Group (Greatview Aseptic Packaging Company Limited, our "Company" or "Greatview" and its subsidiaries) is the second largest roll-fed supplier of aseptic packaging globally and the leading alternative supplier in the People's Republic of China (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. We supply customized, high-quality and competitively priced aseptic packs that are fully compatible with standard roll-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 a number of international producers as our clients.

During the six months ended 30 June 2014, Greatview continued to enjoy steady growth and outperformed the market with an overall revenue growth of 20.2%. Our

domestic business continued to expand our customer base and grow volume with our existing key customers. Our international business kept growing and improved operating efficiency, which narrowed the loss of international sales.

The third production line of our Gaotang factory commenced commercial production in April 2014. Furthermore, in our Hellingeer factory, the construction of production line for producing SIG CombiBloc compatible product was on schedule, which we expect to achieve 2.0 billion packs design capacity by the end of 2014. With the implementation of the production line, we expect to broaden our product portfolio in the market.

In order to improve quality and efficiency of management and operation of our Group, an enterprise resource planning (ERP) system was implemented during the first half of 2014. We will continue to optimize and standardize the process in stages to suit our business demand.

Products

We sold a total of 5.9 billion packs during the six months ended 30 June 2014 which represented an increase of 24.1% compared with the same period in 2013. GA Brick aseptic 250ml Base remained as the top selling product, followed by GA Brick aseptic 250ml Slim as the second most popular selling product of our Group.

In the first half of 2014, in order to cater for the demand of premium and portion size products, Greatview introduced two new pack types in the PRC market. The new pack types, which include the 125ml aseptic brick carton and aseptic metallized board carton, offer more choices to customers and help diversify our products portfolio. In addition, we have also continued to ensure our products are of high quality in order to further strengthen our brand name and reputation in the international market. We believe that our emphasis on quality will help solidify our customer confidence and provide a strong selling point for our products.

Production Capacity and Utilization

The Group has a total annual production capacity of 21.4 billion packs as at 30 June 2014. Our Group produced approximately 5.9 billion packs for the six months ended 30 June 2014. The utilization rate for the six months ended 30 June 2014 was 60% which was higher than the corresponding period in 2013, which was attributable to our volume growth with existing dairy customers and improved operating efficiency in our European plant.

Management Discussion and Analysis

Suppliers and Raw Materials

During the six months ended 30 June 2014, the price of our major raw materials, including liquid paper board and polyethylene, maintained relatively stable with a slight increase. The price for water-based ink and aluminum foil decreased slightly. The cost of raw materials increased due to growth in production volume.

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

In March 2014, Greatview exhibited its all-new ABM 125N filling machine and metallized board carton at Chengdu's 90th Food and Drinks Fair, PRC. The ABM 125N filling machine and 125 ml aseptic brick carton form an integrated packaging solution and received a positive reaction from the market.

In the first half of 2014, Greatview focused public relation efforts on building its brand name and enhancing communication with interested parties. In March 2014, Mr. Bi Hua, Jeff, our Chief Executive Officer ("CEO") joined a Sino-German economic cooperation reception in Düsseldorf, which was also attended by Chinese Premier Xi Jinping. In addition, our Company received a Supply Chain Contribution Award from one of our key customers. We also attracted the attention of media as Mr. Bi Hua, Jeff, our CEO was interviewed by a number of Swiss national media relating to the launch of the Sino-Swiss Free Trade Agreement.

FINANCIAL REVIEW

Overview

The first half of 2014 was a good start of the year. Our Company managed to maintain a steady growth, despite the slide of PRC dairy market and increased raw material cost. We continued to adjust our customer mix and control the production cost and expenses. As a result, we achieved an increase in profit for the six months ended 30 June 2014. We have also attained free cash flow to propose for dividend for the six months ended 30 June 2014. Our management is pleased with the financial results and will continue to capture growth in the aseptic packaging industry as well as explore potential business development opportunities to further enhance return to shareholders.

Revenue

We primarily derived revenue from domestic and international sales of aseptic packaging and related services to dairy and NCS D producers. Revenue of our Group increased by 20.2% from RMB983.5 million for the six months ended 30 June 2013 to RMB1,181.7 million for the six months ended 30 June 2014.

With respect to the domestic segment, our revenue increased by RMB137.2 million, or 16.6%, to RMB966.2 million for the six months ended 30 June 2014 from RMB829.0 million for the six months ended 30 June 2013. It was contributed by the increase in sales orders from existing dairy customers and new NCS D customers.

With respect to the international segment, our revenue increased by RMB61.1 million, or 39.6%, to RMB215.5 million for the six months ended 30 June 2014 from RMB154.4 million for the six months ended 30 June 2013. It was mainly contributed by the support of production capacity of our European plant, the increase in sales order from existing customers and the new customers in new market regions.

Our revenue from dairy customers increased by RMB150.8 million, or 16.2%, to RMB1,080.3 million for the six months ended 30 June 2014 from RMB929.5 million



Management Discussion and Analysis

for the six months ended 30 June 2013, and our revenue from NCSD customers increased by RMB47.4 million, or 87.8%, to RMB101.4 million for the six months ended 30 June 2014 from RMB54.0 million for the six months ended 30 June 2013 which is primarily as a result of increased sales volume of international business after the construction of production base in Europe.

Cost of Sales

Our cost of sales increased by RMB172.0 million, or 24.1%, to RMB885.6 million for the six months ended 30 June 2014 from RMB713.6 million for the six months ended 30 June 2013. The growth in cost of sales was in line with the growth in total sales volume as a result of proper control on operating cost, despite the increase in price of some of the raw materials.

Raw material costs, which make up the largest portion of our cost of production, increased by RMB158.0 million, or 27.8%, to RMB725.7 million for the six months ended 30 June 2014 from RMB567.7 million for the six months ended 30 June 2013. The growth in raw material costs was in line with the increase of production volume and higher purchase price of some raw materials.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit increased by RMB26.3 million, or 9.7% from RMB269.9 million for the six months ended 30 June 2013 to RMB296.2

million for the six months ended 30 June 2014. Our gross margin decreased by 2.3 percentage points to 25.1% for the six months ended 30 June 2014 from 27.4% for the six months ended 30 June 2013, primarily due to the significant price rebate on volume gains.

Other Income

Our other income increased by RMB0.8 million, or 4.1%, to RMB20.4 million for the six months ended 30 June 2014 from RMB19.6 million for the six months ended 30 June 2013, primarily due to sales of scrap materials and the subsidy from government.

Distribution Expenses

Our distribution expenses increased by RMB4.3 million, or 9.1%, to RMB51.8 million for the six months ended 30 June 2014 from RMB47.5 million for the six months ended 30 June 2013. The increase was primarily due to the increase in transportation expenses and advertising and promotion expenses. The increase in distribution expenses was consistent with the growth in sales volume.

Administrative Expenses

Our administrative expenses increased by RMB6.1 million, or 12.0%, to RMB57.1 million for the six months ended 30 June 2014 from RMB51.0 million for the six months ended 30 June 2013, it was primarily due to the increase in provision of account receivables and inventory.



Taxation

Our tax expenses increased by RMB7.6 million to RMB49.7 million for the six months ended 30 June 2014 from RMB42.1 million for the six months ended 30 June 2013. Effective tax rate increased by 1.3 percentage points to 24.1% for the six months ended 30 June 2014 from 22.8% for the corresponding period in 2013. Both increases were primarily due to the withholding tax of interim dividend.

Profit for the Period and Net Profit Margin

Driven by the factors described above, our net profit increased by RMB14.3 million, or 10.0%, to RMB156.7 million for the six months ended 30 June 2014 from RMB142.4 million for the six months ended 30 June 2013. Our net profit margin decreased by 1.2 percentage points to 13.3% for the six months ended 30 June 2014 from 14.5% for the six months ended 30 June 2013 primarily due to decrease in average selling price.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2014, we had RMB530.6 million (31 December 2013: RMB294.6 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) decreased from 105.3 days as at 31 December 2013 to 86.6 days as at 30 June 2014. Turnover days for trade receivables (trade receivables/revenue) decreased from 60.5 days as at 31 December 2013 to 55.5 days as at 30 June 2014. Turnover days for trade payables (trade payables/cost of sales) decreased from 40.5 days as at 31 December 2013 to 34.2 days as at 30 June 2014.

Borrowings and Finance Cost

Total borrowings of our Group as at 30 June 2014 were RMB333.2 million (31 December 2013: RMB177.1 million) and denominated in United States Dollars. For the period under review, net finance costs of our Group were approximately RMB(2.5) million (30 June 2013: RMB0.1 million).

Gearing Ratio

As at 30 June 2014, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group has increased to 0.15 (31 December 2013: 0.08). It was mainly contributed by the increase of short-term loan.

Working Capital

Our working capital (calculated as the difference between the current assets and current liabilities) as of 30 June 2014 was RMB942.6 million (31 December 2013: RMB857.9 million).

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB. During the period under review, our Group recorded exchange loss of RMB5.8 million (30 June 2013: exchange loss of RMB5.1 million).

Capital Expenditure

As at 30 June 2014, our Group's total capital expenditure amounted to approximately RMB53.3 million (31 December 2013: RMB209.4 million), which was used to build up new factory and production machines and equipment for the Group.



Management Discussion and Analysis



Greatview exhibited its new metallic board packaging materials and filling machine at the 90th China Food & Drinks Fair.

Charge on Assets

As at 30 June 2014, our Group neither pledged any property, plant and equipment (31 December 2013: nil) nor land use right (31 December 2013: 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 2014, 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 has filed an appeal on 17 April 2013 against

the first instance decision. As at 30 June 2014, the appeal was under process at the Düsseldorf Higher Regional Court. Based on the communication with its 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 2014, our Group employed approximately 1,239 employees (31 December 2013: 1,250 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

CORPORATE SOCIAL RESPONSIBILITY

In May 2014, Mr. Bi Hua, Jeff, our CEO spoke at PricewaterhouseCooper's 27th Annual Global Forest & Paper Industry Conference in Vancouver on Greatview's role in promoting paper sustainability in China. In his speech, Mr. Bi Hua, Jeff called for increased supply chain collaboration and emphasized the need to educate consumers on the benefits of purchasing sustainably certified paper products.

Greatview is currently building a staff dormitory at its Helingeer factory in Inner Mongolia, PRC. The design incorporates numerous energy-saving features and up-to-date environmental technologies, which help to minimize the environmental impact on the surrounding area and retain the site's ecological diversity. Key energy-saving features include an east-west floor plan to capitalize on the use of natural light as well as heat-saving technology for use in winter months, such as the solar-powered domestic hot water system and heat retention technology applied on the building's double-glazed glass windows and walls.

PROSPECTS

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

- expanding our PRC market share through increasing sales to our key customers and broadening our customer mix;
- improving performance of our international business team;
- strengthening the centralization of our Group's management functions in order to achieve a more efficient "plug & play" system for future capacity expansion projects in markets outside the PRC;
- broadening our product portfolio, for example blank-fed packaging material and other sizes products; and
- strategically increasing our investment of resources to upgrade the productivity and quality of our filling equipment.



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 2014, 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	5.81%
	2,673,000	2	Interest of controlled corporation	Long position	0.20%
	<u>80,814,966</u>				<u>6.01%</u>
Bi Jeff Hua	129,000,000	3	Founder of a discretionary trust	Long position	9.59%

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 subscribe for up to 20,010,000 Shares 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 upon vesting. 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. As at 30 June 2014, 1,259,000 options were lapsed after vesting. For the six months ended 30 June 2014, 160,000 share options were lapsed before the vesting periods and remained with Liwei. For the six months ended 30 June 2014, 6,712,500 options have been exercised under the Pre-IPO Share Option Scheme. Liwei is therefore deemed to be interested in 2,673,000 Shares in a long position.

Other Information

- (3) Wiseland Holdings Limited ("Wiseland") has a direct interest in 128,321,534 Shares. Foxing Development Limited ("Foxing") is interested in 100% of Wiseland and has a direct interest in 678,466 Shares. Therefore, Foxing is deemed to be 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 Jeff Hua is the founder of the trust that wholly-owns Hill Garden. Bi Jeff Hua, therefore, is deemed to be interested in the same 129,000,000 Shares.
- (4) There were 1,345,629,800 Shares in issue as at 30 June 2014.

Save as disclosed above, as at 30 June 2014, 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 2014, 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 (%) (Note 4)
Madam Xu Zhen	80,814,966	1	Interest of spouse	Long position	6.01%
Wiseland	128,321,534	2	Beneficial owner	Long position	9.54%
Hill Garden	129,000,000	2	Interest of controlled corporation	Long position	9.59%
Foxing	128,321,534	2	Interest of controlled corporation	Long position	9.54%
	678,466	2	Beneficial owner	Long position	0.05%
Total long position	129,000,000				9.59%
Phanron	78,141,966		Beneficial owner	Long position	5.81%
Wellington Management Company, LLP	173,070,122		Investment manager	Long position	12.86%
Bi Wei Li	129,000,000	3	Interest of spouse	Long position	9.59%
GIC Private Limited	93,179,700		Investment manager	Long position	6.92%
FMR LLC	133,549,000		Investment manager	Long position	9.92%
Matthews International Capital Management, LLC	133,897,000		Investment manager	Long position	9.95%

Other Information

Notes:

- (1) Madam Xu Zhen is interested in a long position of 80,814,966 Shares by virtue of her being the spouse of Hong Gang.
- (2) Wiseland has a direct interest in 128,321,534 Shares. Foxing is interested in 100% of Wiseland and has a direct interest in 678,466 Shares. Therefore, Foxing is deemed to be interested in 129,000,000 Shares. Foxing is wholly-owned by Hill Garden and is therefore deemed to be interested in same 129,000,000 Shares.
- (3) Bi Wei Li is interested in a long position of 129,000,000 Shares by virtue of her being the spouse of Bi Jeff Hua.
- (4) There were 1,345,629,800 Shares in issue as at 30 June 2014.

Save as disclosed above, and as at 30 June 2014, 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 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2014, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers under the 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 2014.

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

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

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

Other Information

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

Name of grantees	Notes	Date of grant/ vesting	Exercise period	Exercise price (HK\$)	Pre-IPO	Pre-IPO	Pre-IPO	Pre-IPO	Pre-IPO
					Options outstanding as at 1 January 2014	Options vested during the period	Options exercised during the period	Options cancelled/ lapsed during the period	Options outstanding as at 30 June 2014
Liwei	1	22/01/2010	09/12/2010– 22/11/2020	4.30	8,038,000	(5,365,000)	–	–	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	7,570,700	5,365,000	(6,712,500)	(185,000)	6,038,200
Total					15,608,700	–	(6,712,500)	(185,000)	8,711,200

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.
- (2) During the six months ended 30 June 2014, 5,365,000 Pre-IPO Options were vested and 185,000 Pre-IPO Options were lapsed after vesting.

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 are or may be beneficial to the growth and development of the Group.

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

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

Other Information

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 2014.

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 2014.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.1 per share (30 June 2013: Nil), amounting to a total of approximately HK135,000,000 (30 June 2013: Nil) for the six months ended 30 June 2014 which shall be payable on or about 15 October 2014 to shareholders whose names appear on the register of members of the Company ("Register of Members") on 8 October 2014.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 6 October 2014 to 8 October 2014, 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 pm on 3 October 2014.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

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

The Audit Committee has adopted the terms of reference which are in line with the Code. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company. The Group's unaudited consolidated interim financial statements for the six months ended 30 June 2014 have been reviewed by the Audit Committee.

CHANGE OF INFORMATION IN RESPECT OF DIRECTORS

Mr. HONG Gang, an executive Director has been redesignated as a non-executive Director with effect from 29 August 2014 and remained as the chairman of the Board and the chairman of the nomination committee of the Company. Mr. LIU Jun, our COO, has been appointed as an executive Director with effect from 29 August 2014. Please refer to the Company's announcement dated 29 August 2014 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 2013 annual report of the Company.

On behalf of the Board

Mr. HONG Gang

Chairman

Beijing, the PRC, 29 August 2014

Condensed Consolidated Income Statement

For the six months ended 30 June 2014

	Note	Six months ended 30 June	
		2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Revenue	4	1,181,734	983,463
Cost of sales	5	(885,556)	(713,610)
Gross profit		296,178	269,853
Other income		20,449	19,648
Other gains — net		(3,819)	(6,423)
Distribution expenses		(51,832)	(47,500)
Administrative expenses		(57,108)	(50,988)
Operating profit		203,868	184,590
Finance income (expenses) — net	6	2,514	(99)
Profit before income tax		206,382	184,491
Taxation	7	(49,699)	(42,055)
Profit for the period		156,683	142,436
Profit attributable to: Equity holders of the Company		156,683	142,436
Earnings per share for profit attributable to equity holders of the Company — Basic and diluted	8	RMB0.12	RMB0.11

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	156,683	142,436
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	214	(18,752)
Total comprehensive income for the period	156,897	123,684
Attributable to:		
— Equity holders of the Company	156,897	123,684
Total comprehensive income for the period	156,897	123,684

Condensed Consolidated Statement of Financial Position

As at 30 June 2014

	Note	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,248,090	1,251,395
Land use rights	10	14,771	4,926
Intangible assets		54,545	54,214
Deferred income tax assets		27,613	29,455
Long-term prepayment		1,206	9,551
		1,346,225	1,349,541
Current assets			
Inventories	11	403,833	436,773
Trade and other receivables	12	448,229	582,027
Cash and bank balances		530,624	294,606
Restricted Cash		165,094	91,364
		1,547,780	1,404,770
Total assets		2,894,005	2,754,311
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital, share premium and capital reserve	13	986,940	962,369
Statutory reserve		147,732	145,445
Exchange reserve		(22,470)	(22,684)
Retained earnings		1,058,957	1,011,652
Total equity		2,171,159	2,096,782

Condensed Consolidated Statement of Financial Position

As at 30 June 2014

	Note	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred government grants		117,629	107,615
Deferred income tax liabilities		–	3,000
		117,629	110,615
Current liabilities			
Trade payables, other payables and accruals	16	246,282	337,684
Income tax liabilities		25,752	32,098
Borrowings	15	333,183	177,132
		605,217	546,914
Total liabilities		722,846	657,529
Total equity and liabilities		2,894,005	2,754,311
Net current assets		942,563	857,856
Total assets less current liabilities		2,288,788	2,207,397

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	Attributable to equity owners (Unaudited)				
	Share capital, share premium and capital reserve RMB'000 (Note 13)	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000
As at 31 December 2012 (Audited)	937,797	113,079	(24,090)	833,058	1,859,844
Comprehensive income:					
Profit for the period	–	–	–	142,436	142,436
Other comprehensive income:					
Currency translation differences	–	–	(18,752)	–	(18,752)
Transactions with owners:					
Capitalisation as issued shares as part of the Reorganisation	232	–	–	–	232
Employee share option scheme	4,766	–	–	–	4,766
Dividend	–	–	–	(98,368)	(98,368)
Share premium	6,811	–	–	–	6,811
As at 30 June 2013 (Unaudited)	949,606	113,079	(42,842)	877,126	1,896,969
	Attributable to equity owners (unaudited)				
	Share capital, share premium and capital reserve RMB'000 (Note 13)	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000
As at 31 December 2013 (Audited)	962,369	145,445	(22,684)	1,011,652	2,096,782
Comprehensive income					
Profit for the period	–	–	–	156,683	156,683
Other comprehensive income					
Currency translation differences	–	–	214	–	214
Transactions with owners					
Employee share option					
— Value of employee services	1,648	–	–	–	1,648
— Share options exercised	22,923	–	–	–	22,923
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

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	252,039	236,765
Interest paid	(1,891)	(1,518)
Income tax paid	(49,523)	(32,388)
Net cash generated from operating activities	200,625	202,859
Cash flows from investing activities		
Property, plant and equipment ("PPE")		
— Additions	(38,326)	(99,509)
— Prepayment	(3,518)	(3,347)
— Interest paid capitalised	—	(4,289)
Government grants received related to PPE	12,441	14,900
Proceeds from disposal of PPE	98	—
Acquisition of land use rights	(9,965)	—
Purchase of intangible assets	(1,626)	(880)
Interest received	4,380	1,620
Net cash used in investing activities	(36,516)	(91,505)
Cash flows from financing activities		
Proceeds from issuance of shares	22,924	7,042
Proceeds from borrowings	616,153	387,321
Repayments of borrowings	(460,102)	(337,849)
Dividends paid to equity holders	(107,091)	(98,368)
Net cash generated from/(used in) financing activities	71,884	(41,854)
Net increase/(decrease) in cash and cash equivalents	235,993	69,500
Cash and cash equivalents at beginning of the period	294,606	301,126
Exchange gains/(loss) on cash and cash equivalents	25	(201)
Cash and cash equivalents at end of the period	530,624	370,425

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

1 GENERAL INFORMATION

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

The Company is an investment holding company and together with its subsidiaries are principally engaged in manufacturing, distribution and sale of paper packaging for soft drinks and beverages, and filling machines, principally in the PRC.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2014 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 2013.

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 2013 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 2014. 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 2014

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 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)
For the six months ended 30 June 2013			
Sales-Revenue from external customers	829,027	154,436	983,463
Cost	(551,264)	(162,346)	(713,610)
Segment result	277,763	(7,910)	269,853
Other segment items			
Depreciation and amortisation	–	–	(45,310)
Interest income	–	–	1,620
Interest expense	–	–	(1,518)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

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	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Segment result for reportable segments	296,178	269,853
Other income	20,449	19,648
Other gains — net	(3,819)	(6,423)
Distribution expenses	(51,832)	(47,500)
Administrative expenses	(57,108)	(50,988)
Operating profit	203,868	184,590
Finance (expense)/income-net	2,514	(99)
Profit before income tax	206,382	184,491
Income tax expenses	(49,699)	(42,055)
Profit for the period	156,683	142,436

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board as they do not assess performance of reportable segments using information on assets and liabilities. The non-current assets excluding financial instruments, deferred tax assets (there is no employment benefit assets and rights arising under insurance contracts) amount to RMB1,318,612,000 (31 December 2013: RMB1,320,086,000).

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

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Dairy	1,080,308	929,513
Non-carbonated soft drink ("NCSD")	101,426	53,950
	1,181,734	983,463

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

4 REVENUE, OTHER INCOME AND OTHER GAINS — NET

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Sales of products	1,181,734	983,463
Other income:		
— Income from sales of scrap materials	8,137	9,194
— Subsidy income from government	12,312	10,454
	20,449	19,648
Other gains — net:		
— Gain/(loss) on disposal of assets	(16)	—
— Foreign exchange loss	(5,829)	(5,109)
— Others	2,026	(1,314)
	(3,819)	(6,423)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Raw materials and consumables used	725,692	567,709
Changes in inventories of finished goods and work in progress	22,236	24,439
Provision for obsolescence on inventories	67	(779)
Depreciation and amortisation charges	50,034	45,310
— Depreciation of property, plant and equipment	48,657	44,368
— Amortisation of intangible assets	1,257	913
— Amortisation of land use right	120	29
Provision for impairment of receivables and prepayment	2,523	(751)
Employee benefit expenses	84,918	81,277
Auditor's remuneration	1,000	1,000
Transportation expenses	28,463	27,726
Repair and maintenance expenses	12,880	8,491
Electricity and utilities	16,090	15,127
Rental expenses	3,801	3,985
Plating expenses	4,837	4,395
Professional fees	1,640	2,228
Travelling expenses	5,337	6,946
Advertising and promotional expenses	5,399	2,988
Other expenses	29,579	22,007
Total cost of sales, distribution expenses and administrative expenses	994,496	812,098

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

6 FINANCE (EXPENSE)/INCOME — NET

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Interest expense — bank borrowings	(1,891)	(1,518)
Exchange loss on cash and cash equivalents	—	(201)
Finance expense	(1,891)	(1,719)
Interest income — cash and cash equivalents	4,380	1,620
Exchange gain on cash and cash equivalents	25	—
Finance income	4,405	1,620
Finance (expense)/income — net	2,514	(99)

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Current income tax:		
Enterprise income tax ("EIT")	56,223	44,481
Deferred tax:		
Origination and reversal of temporary differences	(6,524)	(2,426)
Taxation	49,699	42,055

The Group's subsidiaries established in the PRC are subjected to the PRC statutory EIT of 25% (2013: 25%) on the assessable income for the period. The profit arising from Hong Kong profits tax has been provided for at the rate of 16.5% for the period (2013: 16.5%). Switzerland profits tax has been provided at the rate of 10.18% (2013: 10.18%) on the estimated assessable profit for the current year.

The applicable EIT rate of the Group's principal subsidiary Greatview Aseptic Packaging (Shandong) Co., Ltd for the current year is 25% (2013: 25%).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

7 INCOME TAX EXPENSE (continued)

Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd., a subsidiary of the Company, is located in a special economic zone with the applicable tax rate of 15%. This preferential tax rate has been approved by the local tax bureau for the six month ended 30 June 2014.

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	206,381	184,491
Tax calculated at domestic tax rates applicable to profits in the respective countries	56,186	34,836
Preferential tax treatment for subsidiaries	(10,651)	–
Expenses not deductible for taxation purposes	(86)	–
Tax losses for which no deferred tax asset was recognised	4,600	7,219
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	(414)	–
Others	64	–
Tax charge	49,699	42,055

8 EARNINGS PER SHARE

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company	156,683	142,436
Weighted average number of ordinary shares in issue (thousand)	1,345,630	1,335,582

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 2014

9 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Vehicles and office equipment	Construction in progress	Leasehold Improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
As at 31 December 2012 (Audited)	314,523	918,050	46,631	56,309	2,404	1,337,917
Additions	815	1,713	5,305	295,825	–	303,658
Transfer upon completion	330	25,561	1,822	(27,713)	–	–
Disposals	–	–	(184)	–	–	(184)
Exchange adjustment	2,246	2,870	230	–	26	5,372
As at 31 December 2013 (Audited)	317,914	948,194	53,804	324,421	2,430	1,646,763
Additions	–	620	2,038	45,688	–	48,346
Transfer upon completion	66,861	226,591	4,226	(297,678)	–	–
Disposals	–	(108)	(460)	–	–	(568)
Exchange adjustment	(1,007)	13,284	(14,100)	(55)	(549)	(2,427)
As at 30 June 2014 (Unaudited)	383,768	1,188,581	45,508	72,376	1,881	1,692,114
Accumulated depreciation						
As at 31 December 2012 (Audited)	(15,437)	(279,488)	(11,296)	–	(60)	(306,281)
Current year depreciation	(11,525)	(69,601)	(7,134)	–	(334)	(88,594)
Current year disposals	–	–	176	–	–	176
Exchange adjustment	(186)	(428)	(45)	–	(10)	(669)
As at 31 December 2013 (Audited)	(27,148)	(349,517)	(18,299)	–	(404)	(395,368)
Current year depreciation	(5,801)	(41,481)	(1,749)	(95)	–	(49,126)
Current year disposals	–	–	470	–	–	470
As at 30 June 2014 (Unaudited)	(32,949)	(390,998)	(19,578)	(95)	(404)	(444,024)
Net book value						
As at 31 December 2013 (Audited)	290,766	598,677	35,505	324,421	2,026	1,251,395
As at 30 June 2014 (Unaudited)	350,819	797,583	25,930	72,281	1,477	1,248,090

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

10 LAND USE RIGHTS

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Cost		
At the beginning of the period/year	5,360	2,920
Additions	9,965	2,440
At the end of the period/year	15,325	5,360
Accumulated amortisation		
At the beginning of the period/year	(434)	(332)
Current period/year amortisation	(120)	(102)
At the end of the period/year	(554)	(434)
Net book amount	14,771	4,926

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 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Raw materials	302,067	318,247
Work in progress	29,362	26,746
Finished goods	81,934	101,334
	413,363	446,327
Less: Provision for obsolescence	(9,530)	(9,554)
	403,833	436,773

The cost of inventories recognized as expense and included in cost of sales amounted to approximately RMB885,556,000 (30 June 2013: RMB713,610,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Trade receivables	285,607	433,038
Less: Provision for impairment	(6,340)	(3,827)
Trade receivables — net	279,267	429,211
Notes receivable	115,655	100,866
Value added tax deductible	32,324	22,357
Prepayments	22,262	34,377
Less: Provision for impairment	(8,681)	(8,681)
Prepayments — net	13,581	25,696
Other receivables	7,402	3,897
	448,229	582,027

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2013: 0 to 90 days).

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

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
0–30 days	155,604	303,133
31–90 days	69,317	105,098
91–365 days	54,077	21,106
Over 1 year	6,609	3,701
	285,607	433,038

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Share capital	11,518	11,465
Share premium	836,287	813,417
Capital reserve	139,135	137,487
	986,940	962,369

(a) Share capital and share premium

Share capital

As at the 30 June 2014, the total authorized number of ordinary shares is 3,000,000,000 shares (31 December 2013: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2013: HK\$0.01 per share). The number of ordinary shares issued is 1,345,629,800 (31 December 2013: 1,338,917,300) with nominal value of HK\$0.01 per share (31 December 2013: 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 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
As at 1 January	813,417	786,857
Share options exercised	22,870	26,560
As at the end of the period/year	836,287	813,417

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For the six months ended 30 June 2014

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

(b) Capital reserve

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
As at 1 January	137,487	139,517
Issued employee share options	1,648	6,365
Share option exercised	–	(8,395)
As at the end of the period/year	139,135	137,487

14 SHARE BASED PAYMENTS

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

On 28 March 2013, as approved by resolution of shareholders of the Company, total 3,236,000 options (3,164,000 among which are forfeit from options granted on 17 March 2011, together with 72,000 options, out of the remaining 1,990,000 options granted to Liwei in the Pre-IPO Share Option Scheme) were granted to eligible participants. The Board approved Liwei to grant the options on 12 April 2013. Pursuant to the Pre-IPO Option Scheme, 193 employees were granted the Pre-IPO Options to subscribe for up to 3,236,000 shares of the Company. The options vested in two instalments on 1 June 2013 and 1 June 2014, respectively, with the exercise price of HK\$4.30.

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

14 SHARE BASED PAYMENTS (continued)

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

	As at 30 June 2014 Options (in thousand)	As at 31 December 2013 Options (in thousand)
As at 1 January	13,096	16,251
Granted to employees	–	3,236
Forfeit	(160)	(695)
Lapsed	(185)	(379)
Exercised	(6,713)	(5,317)
Outstanding options granted to employees	6,038	13,096

Out of the 6,038,000 outstanding options, 6,038,000 options were exercisable as at 30 June 2014. Share options outstanding at the end of the period have the following expiry dates:

Expiry Date	Vested Date	Options (thousands)
1 September 2013	1 September 2011	–
1 June 2014	1 June 2012	–
1 June 2015	1 June 2013	2,104
1 June 2016	1 June 2014	3,934
		6,038

The fair value of the options granted during the period was determined using the binomial valuation model. The significant inputs into the model were spot price of HK\$4.9 at the grant date; vesting period based on the terms stipulated in the Pre-IPO Option Scheme, dividend yield of 2.04% volatility of 48.04% to 48.14% post forfeiture rate of the staff is 7% per annum, and risk free of 0.18% to 0.20%.

The total expense recognized in the consolidated income statement for the year ended 30 June 2014 in relation to the share options amounted to RMB1,648,000 (31 December 2013: RMB6,365,000), with the corresponding amount credit in capital reserve.

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For the six months ended 30 June 2014

15 BORROWINGS

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Current		
Unsecured bank borrowing — US\$	154,062	109,632
— EUR	23,824	50,800
— HK\$	47,634	—
Secured bank borrowing — US\$	95,094	16,700
— EUR	12,569	—
Total current borrowing	333,183	177,132
Total borrowing	333,183	177,132

Unsecured borrowing of RMB154,062,000, RMB23,824,000 and RMB47,634,000 are denominated in US\$, EUR and HK\$, respectively with a maturity date of 120 days from the date of each drawdown. It bears the interest rate of higher of 1.32% per annum over LIBOR (London interbank Offered Rate) or the Bank's Cost of Fund. The effective interest rate is 1.75% per annum.

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

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Within 1 year	333,183	177,132
Between 1 and 2 years	—	—
Between 2 and 5 years	—	—
	333,183	177,132

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For the six months ended 30 June 2014

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Trade payables	140,183	191,585
Notes payment	–	4,508
Advance from customers	20,564	23,091
Accrued expenses	63,635	69,241
Salary and welfare payable	14,526	15,400
Value added tax payable	(935)	15,905
Other payables	8,309	17,954
	246,282	337,684

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

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Within 30 days	57,777	132,334
31–90 days	80,534	57,154
91–365 days	888	937
Over 365 days	984	1,160
	140,183	191,585

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For the six months ended 30 June 2014

17 DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.1 per share (30 June 2013: Nil), amounting to a total of approximately HK135,000,000 (30 June 2013: Nil) for the six months ended 30 June 2014.

18 COMMITMENTS

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

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Contracted but not provided for property, plant and equipment	46,045	25,303

(b) Operating leases commitments

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

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

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Not later than 1 year	6,677	1,548
Later than 1 year and not later than 5 years	14,961	4,464
Later than 5 years	382	303
Total	22,020	6,315

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

19 RELATED-PARTY TRANSACTION

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

Key management compensation

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

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employees benefits	3,852	4,395
Social security cost	684	804
	4,536	5,199

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 2014, 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 has filed an appeal on 17 April 2013 against the first instance decision. As at 30 June 2014, the appeal was under process at the Düsseldorf Higher Regional Court. Based on the communication with its 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 29 August 2014.