GREATVIEW

Greatview Aseptic Packaging Company Limited

Annual Report 2015

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

CONTENTS

GREATVIEW IS THE FIRST PAPER-BASED ASEPTIC PACKAGING COMPANY THAT DEVELOPED ONE CODE PER PACK TECHNOLOGY

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)

JOINT COMPANY SECRETARIES

Mr. CHANG Fuquan
Ms. MOK Ming Wai

AUTHORIZED REPRESENTATIVES

Mr. ZHU Jia
Ms. MOK Ming Wai

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

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

LEGAL ADVISERS

Norton Rose Fulbright Hong Kong
Tian Yuan Law Firm

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

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

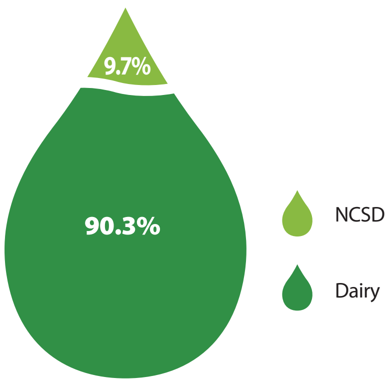
COMPANY WEBSITE

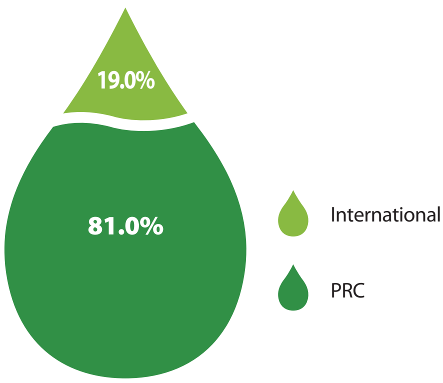
www.greatviewpack.com

FINANCIAL SUMMARY

	Year ended 31 December		
	2015	2014	Percentage
	RMB million	RMB million	%
Revenue	**2,218.9**	2,231.5	(0.6%)
Gross profit	**617.5**	545.3	13.2%
Net profit	**316.5**	279.7	13.2%
Profit attributable to shareholders	**316.5**	279.7	13.2%
Earnings per share — basic and diluted (RMB)	**0.24**	0.21	14.3%
Proposed dividend per share (HKD)	**0.11**	0.10	10.0%

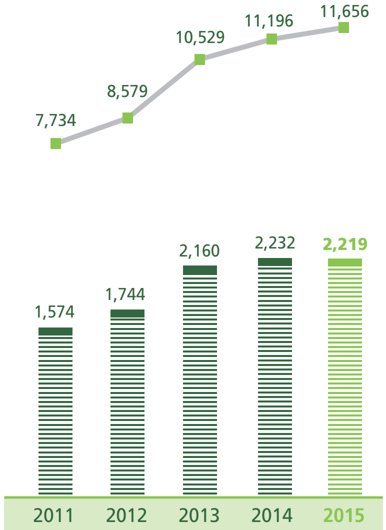
REVENUE ANALYSIS





FIVE YEARS FINANCIAL SUMMARY

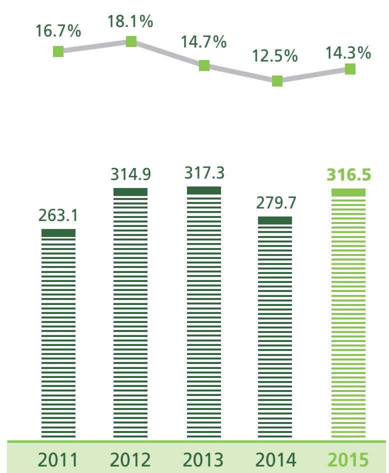
REVENUE TREND



Volume (in million packs)

Revenue
(in RMB million)

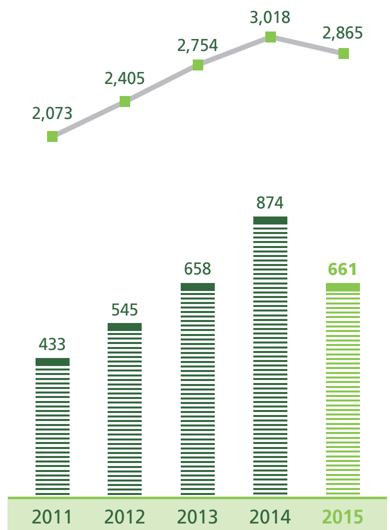
PROFIT TREND



% of Revenue

Net Profit
(in RMB million)

ASSET AND LIABILITY TRENDS



Total Assets
(in RMB million)

Total Liabilities
(in RMB million)

	2015 RMB'000	2014 RMB'000	2013 RMB'000	2012 RMB'000	2011 RMB'000
Assets					
Non-current assets	**1,338,094**	1,345,667	1,349,541	1,211,735	985,311
Current assets	**1,527,300**	1,672,141	1,404,770	1,193,531	1,088,153
Total assets	**2,865,394**	3,017,808	2,754,311	2,405,266	2,073,464
Liabilities					
Non-current liabilities	**95,876**	111,682	110,615	85,089	46,230
Current liabilities	**564,877**	761,855	546,914	460,333	386,955
Total liabilities	**660,753**	873,537	657,529	545,422	433,185
Total equity	**2,204,641**	2,144,271	2,096,782	1,859,844	1,640,279

CEO'S STATEMENT

INNOVATION & ACCELERATION

In 2015, as the PRC economy entered a new stage, aseptic packaging industry in the PRC was under continuous pressure on development, resulting from the sustained low production growth in liquid milk of the downstream dairy industry. Against this backdrop, our domestic segment, accounting for approximately 81% of Greaview's turnover, remained stable, benefitting from cost reduction and efficiency improvement. Our international segment kept its growth momentum and achieved profitable in 2015.

Nothing turns a situation bad, yet a company can possibly go bad. However, great hopes make great man. Despite the recent slackened dairy market, we are well positioned to identify substantial opportunities if we keep our eyes open and see farther. Mobile and internet technology not only has fundamentally changed our life in the global village, but also presents historic opportunities to the PRC to surpass others. A new and exciting era has come. Under the Free Trade Agreement (FTA) and the "One Belt, One Road" scheme, the PRC dairy industry has tightly and closely connected to the world's stage ever than before. Traditional manufacturing sector must embrace the new generation with innovation. We, Greatview, have been pursuing innovation for new business opportunities.

Greatview is the world's first paper-based aseptic packaging company that has adopted the technology of item-level traceable carton with Quick Reflex (QR) code to print at a speed of 450 metres per minute. This revolutionary digital technology not only enables the carton package to serve the informative and media function on top of its traditional protective function, but also delivers to our customers opportunities for sales and marketing innovation and value creation in future. On 18 July 2015, Greatview jointly with our customers held a press conference, symbolizing a start of the new era for the world's aseptic packaging industry to use QR code printing.

In 2015, Greatview developed 5 innovations and filed 15 patent applications. At the same time, our strengths deriving from filling machines and spare parts and technical services were rapidly enhanced and reinforced. International segment made significant breakthrough in product types, packaged food types and business with key customers, with extended, deepened and closer customer relations. With respect to internal organization and culture, we launched corporate cultural activities under the highlight of "Find Your Value", emphasising quick execution and environment for innovation, encouraging employees to break all boundaries, and ultimately achieving "win-win" situation for building personal and corporate values.

Choices create value. In the past 12 years, we strived to become the most excellent alternative supplier. In the next 12 years, we will use our best endeavor to become a leader in the business segments and create maximized value for customers. Reform and transformation practices have never been paused since Greatview's listing in Hong Kong in 2010, particularly our new initiatives on international operation, digitalization and product innovation. At the same time, our strict compliance with laws and corporate responsibilities, together with customers' trust, our branding and innovation capabilities, are Greatview's valuable assets and momentum for development.

We will continue to be a better Greatview for our customers and the community and look forward to a bright future.

Thank you.

BI Hua, Jeff
CEO and Executive Director

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", "Greatview Pillow", "Greatview Blank-Fed" and "Greatview Crown". Our aseptic packs are fully compatible with roll-fed and blank-fed filling machines which enabled us to secure most of the dairy and non-carbonated soft drink ("NCSD") producers in the PRC as well as numbers of international producers as our clients.

In 2015, Greatview grew sales volume and net profit by 4.1% and 13.2% respectively despite the revenue was maintained at 2014 level. In the PRC, the dairy industry recorded a slower growth and the customers' product mix development put higher pressure on Greatview's domestic business. As a result, the Group's domestic sales revenue declined by 2.5% compared with 2014. Our international business continued to perform well with 25.9% and 8.6% growth in volume and revenue respectively, and the gross margin has significantly improved to 18.2% from 1.4% in 2014, thanks to the sales volume growth, product mix improvement and production cost reduction.

To meet growing customer demand and to improve our competitiveness, the Company undertook new product and technologies development successfully in 2015. We filed a total of fifteen patent applications and were granted with four patent rights, standing out among domestic peers. We are the first and the only company so far in the aseptic carton packaging industry commenced the production of item-level traceable packaging material with Quick Reflex (QR) code identification, which could help our customers to improve their supply chain and traceability management and equip them with a new tool to conduct on-line and off-line marketing campaign.

Greatview's breakthrough new QR code printing technology for cartons boosts Mengniu's Traceable+ strategy

Management Discussion and Analysis

We launched "Greatview Crown" packaging product, equivalent to a product model of a leading aseptic packaging producer, establishing us as an alternative supplier in the chilled yogurt market. We also launched the Pre-Laminated Hole technology which we believe will enhance our competitiveness in family-size package, the main sector in the developed markets.

Tremendous achievement was made in the Group's business operation during 2015. With the successful and stable progress in informatization development and the smooth online operation of the ERP (Enterprise Resources Planning) system, the Group could better apply refined management for the supply chain, cost control, planning, production, quality control and logistics areas.

Our production functions have become more in line with globally-accepted standards, meeting the stringent quality and safety requirements of customers around the world. In addition to the ISO 9001:2008 and ISO 14001:2004 certification of our domestic factories, 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) in an audit by an accredited German auditing authority in April 2015. The BRC/IOP standard is the globally accepted hygiene and safety standard applying to packaging materials 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.

Products

We sold a total of 11.7 billion packs during the year ended 31 December 2015 which represents an increase of 4.1%. The domestic sales volume remained stable amid adverse market conditions, while the sales volume of the international segment maintained the high growth trend of the previous year.

Although the dairy industry in the PRC is experiencing a slower growth, 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, given our relatively low global market share, we believe there are plenty of opportunities to be explored.

In order to cater for the growing market demand of aseptic packaging product, we will work hard to enrich our product portfolio, such as diversification in packs sizes and categories, and to broaden customer base as well as to ensure the production of high quality products at all of our production plants in order to strengthen our brand name in the market.

Production Capacity and Utilization

The Group has a total annual production capacity of 21.4 billion packs as at 31 December 2015. Our Group produced approximately 11.8 billion packs for the year ended 31 December 2015. The utilization rate for the year ended 31 December 2015 was 55%.

Suppliers and Raw Materials

During the year ended 31 December 2015, the cost of raw materials decreased due to the lower commodity prices and broader supplier base of our major raw materials.

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 production plants.

Management Discussion and Analysis

Sales and Marketing

Greatview provides aseptic packaging materials and services to leading dairy and NCSD producers across the world, with a primary focus on the PRC and European markets.

Our domestic sales team added more resources to enhance sales services and strengthen our partnership with customers in 2015. We organized and hosted 3 seminars in Gaotang, Shandong Province, Chengdu, Sichuan Province and Hohhot, Inner Mongolia to exchange views with customers on the latest technology development and the PRC dairy industry trends. Up to 100 representatives from nearly 50 customers participated in these events.

Greatview organized its second customer engagement summit in 2015

In addition, we custom-made 11 training courses targeting at the different needs of specific customers to help improve the on-site operation, maintenance and production skills of our customers. A total of 133 attendees received the training, and we won positive feedback from our customers.

Our international sales team continued to implement the Company's strategy, optimizing our product mix, and expanding further to new markets while sustaining the growth of current markets in 2015. This effort, coupled with lowered raw material prices and a boost in production efficiency at our Halle factory, enabled our international business to achieve positive profits. By the end of 2015, we were serving customers in more than 40 countries.

Management Discussion and Analysis

In March and October 2015, we successively exhibited our entire series of products, including aseptic packaging materials, filling machine and spare parts, at the Food and Drinks Fair, the PRC. At the fair in March 2015, we exhibited for the first time our latest series of aseptic packaging products — Greatview Blank-Fed. This product offers more choices to liquid food production enterprises and achieves enhancement of value.

Greatview's all-new blank-fed product range

FINANCIAL REVIEW

Overview

For the year ended 31 December 2015, the Company achieved net profit increase by 13.2% as a result of sales volume growth and production cost reduction despite the main market growth was slow and became more competitive. We still attained free cash and propose for dividend for the year ended 31 December 2015. Our management will continue to capture growth in the aseptic packaging industry as well as explore potential business development opportunities to further enhance return to our shareholders.

Revenue

We primarily derive revenue from domestic and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group decreased by 0.6% from RMB2,231.5 million for the year ended 31 December 2014 to RMB2,218.9 million for the year under review. The decrease was primarily driven by price depression and Euro depreciation.

With respect to the domestic segment, our revenue decreased by RMB45.8 million, or 2.5%, to RMB1,798.2 million for the year ended 31 December 2015 from RMB1,844.0 million for the year ended 31 December 2014. It was mainly impacted by the average selling price decline.

Management Discussion and Analysis

With respect to the international segment, our revenue increased by RMB33.3 million, or 8.6%, to RMB420.8 million for the year ended 31 December 2015 from RMB387.5 million for the year ended 31 December 2014. It was mainly due to the increase in sales orders from existing customers and the customers in new markets, despite of substantial Euro depreciation.

Our revenue from dairy customers decreased by RMB33.6 million, or 1.6%, to RMB2,004.0 million for the year ended 31 December 2015 from RMB2,037.6 million for the year ended 31 December 2014, and our revenue from NCSD customers increased by RMB20.9 million, or 10.8%, to RMB214.9 million for the year ended 31 December 2015 from RMB194.0 million for the year ended 31 December 2014. The decrease in dairy revenue was mainly due to the decline of selling price and the increase in NCSD revenue was mainly due to the increase of sales volume of NCSD in international market.

Cost of Sales

Our cost of sales decreased by RMB84.8 million, or 5.0%, to RMB1,601.4 million for the year ended 31 December 2015 from RMB1,686.2 million for the year ended 31 December 2014. It was mainly due to the main material replacement with lower cost supply and improvement of production efficiency in European plant.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit increased by RMB72.2 million, or 13.2% from RMB545.3 million for the year ended 31 December 2014 to RMB617.5 million for the year under review. Our gross margin increased by 3.4 percentage points to 27.8% for the year ended 31 December 2015 from 24.4% for the year ended 31 December 2014. It was primarily due to the improvement of product mix and the reduction of production cost.

Other Income

Our other income decreased by RMB4.6 million, or 12.2%, to RMB33.2 million for the year ended 31 December 2015 from RMB37.8 million for the year ended 31 December 2014. It was primarily due to the decrease in government subsidy.

Distribution Expenses

Our distribution expenses increased by RMB0.4 million, or 0.4%, to RMB99.6 million for the year ended 31 December 2015 from RMB99.2 million for the year ended 31 December 2014. It was primarily due to the increase in salary and welfare and well control of transportation expenses. The percentage of distribution expenses over total revenue was 4.5%, which represents 0.1 percentage point increase compared with last year.

Management Discussion and Analysis

Administrative Expenses

Our administrative expenses increased by RMB16.4 million, or 14.3%, to RMB130.7 million for the year ended 31 December 2015 from RMB114.3 million for the year ended 31 December 2014, which was a result of the prudent accruals of certain impairment accounts. The percentage of administrative expenses over total revenue was 5.9%, which represents 0.8 percentage point increase compared with last year.

Taxation

Our tax expenses increased by RMB6.9 million to RMB95.9 million for the year ended 31 December 2015 from RMB89.0 million for the year ended 31 December 2014. Effective tax rate decreased by 0.8 percentage points to 23.3% for the year ended 31 December 2015 from 24.1% for the previous financial year.

Profit for the Year and Net Profit Margin

Our net profit increased by RMB36.8 million, or 13.2%, to RMB316.5 million for the year ended 31 December 2015 from RMB279.7 million for the year ended 31 December 2014. Our net profit margin increased by 1.8 percentage points to 14.3% for the year ended 31 December 2015 from 12.5% for the year ended 31 December 2014. It was primarily due to increase in gross margin.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, we had RMB267.9 million (31 December 2014: RMB489.6 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials. Turnover days for inventory (inventories/cost of sales) was 120.9 days as at 31 December 2015 as compared to 100.8 days as at 31 December 2014. Turnover days for trade receivables (trade receivables/revenue) decreased from 57 days as at 31 December 2014 to 50.5 days as at 31 December 2015. Turnover days for trade payables (trade payables/cost of sales) increased from 44.8 days as at 31 December 2014 to 60.3 days as at 31 December 2015.

Borrowings and Finance Cost

Total borrowings of our Group as at 31 December 2015 were RMB87.4 million (31 December 2014: RMB336.0 million) and denominated in Euro. For the year under review, net finance income of our Group was approximately RMB6.7 million (31 December 2014: RMB4.3 million).

Gearing Ratio

As at 31 December 2015, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group was 0.04 (31 December 2014: 0.16). It was mainly contributed by the decrease in short-term loan.

Management Discussion and Analysis

Working Capital

Our working capital (calculated by the difference between the current assets and current liabilities) as of 31 December 2015 was RMB962.4 million (31 December 2014: RMB910.3 million).

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB. During the year under review, our Group recorded exchange loss of RMB18.5 million (31 December 2014: RMB9.6 million loss).

Capital Expenditure

As at 31 December 2015, our Group's total capital expenditure amounted to approximately RMB125.1 million (31 December 2014: RMB167.0 million), which was mainly used for building up new factory and purchasing production machines and equipment for the Group.

Charge on Assets

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

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

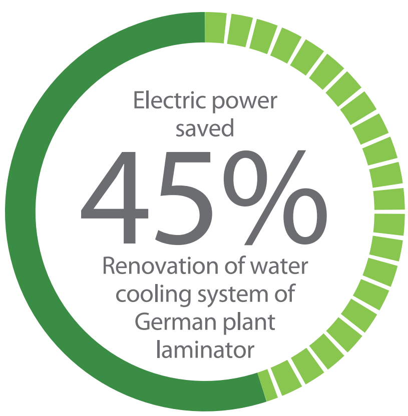
As at 31 December 2015, our Group employed approximately 1,219 employees (31 December 2014: 1,234 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to its employees. In general, we determine employee salaries 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 its employees managed by its human resources department.

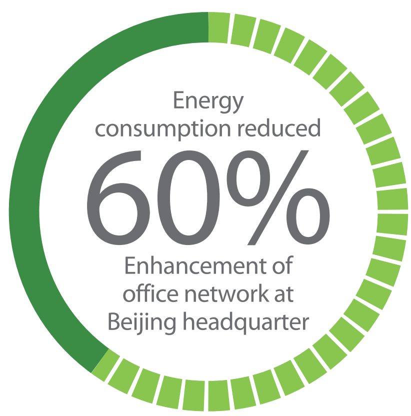
ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

In terms of sustainable production, we have always been a leader in the industry. We have obtained all the certifications for production and sales chain supervision from the three global certification systems for sustainable forest management (i.e. PEFC™, SFI™ and FSC™). All the paper used for production at our Halle factory is sourced from forests under sustainable management since the opening of the factory, and 75% of the paper used for production at all of our factories for the year of 2015 comes from sustainably managed forests.

In terms of energy use, Greatview upholds its tradition of operating green factories and low-carbon offices, and continues to carry out improvement works for energy conservation. The renovation of the water cooling system of the laminator at our German factory has been completed, saving electric power by around 45% and office network enhancement at our Beijing headquarter reduces energy consumption by 60%. The two initiatives can save nearly 200,000 kWh of electricity in total each year.





Management Discussion and Analysis

In 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 Labor Day holiday in 2015, we organized a tour of our Helingeer factory for students of the University of International Business and Economics in the PRC, during which we shared our expertise in aseptic production and knowledge of the PRC's dairy industry. Our Halle factory also received and trained senior students from Institute of Junior Engineers in Germany about production process of packaging material.

We also actively participated in public causes, including the Fourteenth Central Germany Marathon and the charity running activity "A cup of hot milk to warm a pair of hands" hosted by Mengniu. Moreover, Greatview also donated 1,400 sets of new uniforms to students at Ludian Yunnan.

Greatview employees took part in a Mengniu-organized charity run for impoverished children despite wintry conditions

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.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. BI Hua, Jeff (畢樺)

Mr. BI Hua, Jeff (畢樺), aged 52, joined the Group as Chief Executive Officer in March 2003 and was appointed as an executive director of the Company (the "Director") on 29 July 2010. He is primarily responsible for our overall business strategy formulation, execution and organizational development. Mr. Bi is also a director of our subsidiaries, namely Partner One Enterprises Limited ("Partner One"), Greatview Holdings Limited ("Greatview Holdings"), Greatview Aseptic Packaging (Shandong) Co. Ltd. ("Shandong Greatview Aseptic"), Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. ("Inner Mongolia Greatview Aseptic"), Greatview Beijing Trading Co. Ltd. ("Beijing Greatview"), Greatview Aseptic Packaging Europe GmbH (formerly known as Tralin Pak Europe GmbH and GA Pack Europe GmbH), and Greatview Aseptic Packaging Manufacturing GmbH (formerly known as GA Pack Property GmbH and GA Pack Manufacturing GmbH). Mr. Bi has more than 19 years of experience in marketing development in the aseptic packaging industry as well as company management. From 1997 to 2003, he was a sales and marketing manager at a leading aseptic packaging producer. From 1992 to 1997, Mr. Bi was the Greater China manager of Echostar Corporation, a software and service provider for television companies worldwide. Mr. Bi graduated from the University of Denver with a Master of Arts degree in 1991. He did not hold any directorship in other listed public companies in the last three years. For the interests of Mr. Bi in the shares of the Company (the "Shares") or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") as at 31 December 2015, please refer to the paragraph headed "Interests and Short positions of the Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" of page 25 of this annual report for details.

Mr. LIU Jun (劉鈞)

Mr. LIU Jun (劉鈞), aged 54, is our Chief Operating Officer. Mr. Liu joined the Group in October 2009 and was appointed as executive Director on 29 August 2014. He is primarily responsible for management and operations. Mr. Liu is also a director of our subsidiaries, namely Partner One, Greatview Holdings, Shandong Greatview Aseptic, Inner Mongolia Greatview Aseptic, Beijing Greatview, Greatview Aseptic Packaging Europe GmbH (formerly known as Tralin Pak Europe GmbH and GA Pack Europe GmbH), and a supervisor of Greatview Beijing Packaging Equipment Co. Ltd. Mr. Liu has nearly 24 years of experience in management and technology, including many years in high-tech industries. Mr. Liu was the general manager of the China branch of an international process control product producer for the semiconductor, mask, and related industries from 2006 to 2009. Prior to joining the aforesaid company, Mr. Liu was with an international producer of chemical vapor deposition (CVD), physical vapor deposition (PVD), electrochemical deposition (ECD), and surface preparation equipment used in the manufacturing of semiconductors. Mr. Liu graduated from Peking University in the PRC with a Bachelor of Science in Physics in 1983. He obtained a Doctor of Philosophy (Ph.D) in Materials Science from Cornell University in 1992 and an Executive MBA from the China Europe International Business School in the PRC in 2008. He did not hold any directorship in other listed public companies in the last three years.

Non-executive Directors

Mr. HONG Gang (洪鋼)

Mr. HONG Gang (洪鋼), aged 57, is our co-founder and Chairman. Mr. Hong joined the Group in March 2003. He was appointed as an executive Director on 29 July 2010 and was re-designated as non-executive Director on 29 August 2014. He is primarily responsible for the strategic development and supervision of investor relations of our Group. Mr. Hong has more than 28 years of experience in the packaging industry. From 1993 to 2002, he held various executive positions with a leading aseptic packaging producer. Mr. Hong graduated from Zhejiang University in China with a Bachelor of Science degree in 1982 and obtained a Master of Philosophy (Development Studies) degree from Sussex University in the United Kingdom in 1987. He did not hold any directorship in other listed public companies in the last three years. For the interests of Mr. Hong in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO as at 31 December 2015, please refer to the paragraph headed "Interests and Short positions of the Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" of page 25 of this annual report for details.

Board of Directors and Senior Management

Mr. ZHU Jia (竺稼)

Mr. ZHU Jia (竺稼), aged 53, is a non-executive Director. Mr. Zhu joined the Group in 2006 and was appointed as a non-executive Director on 29 July 2010. Mr. Zhu is also a director of our subsidiaries, namely Partner One, Greatview Holdings, Shandong Greatview Aseptic, Inner Mongolia Greatview Aseptic, and Beijing Greatview. Mr. Zhu is primarily responsible for the development and monitoring of the overall business strategy of our Group. He is currently a managing director of Bain Capital Asia. From 1996 to 2006, Mr. Zhu was a managing director of Morgan Stanley Asia Limited and the chief executive officer of its China business. Mr. Zhu is currently non-executive director of Clear Media Limited (stock code: 100), and Sunac China Holdings Limited (stock code: 1918), all are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Zhu is also an independent non-executive director of Youku Tudou Inc. (a company listed on New York Stock Exchange). He served as a non-executive director of SinoMedia Holding Limited (stock code: 623) from November 2006 to May 2013 and GOME Electrical Appliances Holding Limited (stock code: 493) from August 2009 to January 2015, the shares of which are listed on the Main Board of the Stock Exchange. Mr. Zhu graduated from Zhengzhou University with a Bachelor of Arts degree in 1982 and obtained a Master of Arts degree from Nanjing University in 1984. He obtained a Juris Doctor Degree from Cornell Law School in 1992. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

Independent Non-executive Directors

Mr. LUETH Allen Warren

Mr. LUETH Allen Warren, aged 47, was appointed as an independent non-executive Director on 15 November 2010. Mr. Lueth is primarily responsible for scrutinizing and monitoring the performance of the Group. Mr. Lueth is currently an independent director of CNinsure Inc. (CISG NASDAQ), one of the largest independent insurance agencies in the PRC. Mr. Lueth is also vice president of finance of Cardinal Health China (formerly owned by Zuellig Pharma), a company focused on pharmaceutical distribution. He has worked for the company since 2005, previously in the position of chief financial officer. Previously Mr. Lueth worked for GE Capital from 1998 to 2004 in a variety of roles, including chief financial officer and chief executive officer for the Taiwan operations, and representative for China. Earlier, he served with Coopers & Lybrand as an auditor. Mr. Lueth received his Bachelor of Science in business degree from the University of Minnesota and an MBA degree from the Kellogg School of Management at Northwestern University. Mr. Lueth obtained his certificate as a certified public accountant in 1991 and certified management accountant in 1994. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

Mr. BEHRENS Ernst Hermann

Mr. BEHRENS Ernst Hermann, aged 68, was appointed as an independent non-executive Director on 15 November 2010. Mr. Behrens is primarily responsible for scrutinizing and monitoring the performance of our Group. Mr. Behrens is currently a senior adviser on China business of Vermilion Partners Limited which is a private equity and investment advisory firm based in China offering a range of merchant banking and corporate advisory services to leading multinationals, Chinese companies and investors. Mr. Behrens was the non-executive chairman of EADS China from 2007 to 2009 and president and chief executive officer of EADS China from 2005 to 2006. From 1997 to 2004, Mr. Behrens served as president and chief executive officer of Siemens Ltd., China and from 1992 to 1997, he served as president and chief executive officer of Siemens Inc. Philippines. Prior to joining Siemens Inc. Philippines, Mr. Behrens was an executive vice president of Electronic Telephone Systems, Industries Inc., Philippines from 1984 to 1992; a country representative for Siemens in Jebsen and Co. PRC, from 1981 to 1984; a technical and administration manager of Nixdorf Computers, Hong Kong from 1976 to 1981; head of field engineering of Nixdorf Computers, Germany from 1972 to 1976 and an electronics engineer of German Naval Air Force, Germany from 1968 to 1971. Mr. Behrens was the chairman of the Executive Committee of Foreign Investment Companies (ECIFC) in China from 2002 to 2005; president of European Union Chamber of Commerce in China from 2002 to 2004; president of German Chamber of Commerce in China from 1999 to 2001; president of European Chamber of Commerce in Philippines from 1995 to 1997 and its treasurer from 1993 to 1994. Mr. Behrens was honored by Beijing Municipality with the Great Wall Friendship Award in 2004; awarded by Shanghai Municipality with the Magnolia Award Gold level in 2003 and decorated by the German government with the cross of the Order of Merit in 1993. In April 2011, Mr. Behrens was appointed as independent non-executive director by Deutsche Bank (China) Co. Ltd. and non-executive director by Nordex (Beijing) Wind Power Engineering & Technology Co. in the first half year of 2011. He did not hold any directorship in other listed public companies in the last three years.

Mr. DANG Xinhua (黨新華)

Mr. DANG Xinhua (黨新華), aged 62, was appointed as an independent non-executive Director on 29 May 2015. Mr. Dang is the chairman and founding partner of the China business of a global executive search firm, Odgers Berndtson. Prior to that, he was with Russell Reynolds Associates in Hong Kong for over eight years. He was one of the first Chinese nationals to enter the executive search business in China in 1994. Mr. Dang was formerly an independent director of Beijing Double-Crane Pharmaceutical Co., Ltd. (now known as China Resources Double-Crane Pharmaceutical Co., Ltd.), which is listed on the Shanghai Stock Exchange (stock code: 600062), until 31 May 2012. He is currently an advisor to the United States Business Council for Sustainable Development in their activities in China. Mr. Dang graduated from Hunan University, China and received his Master's degree in International Business from Columbia University in the United States. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

SENIOR MANAGEMENT

Mr. BI Hua, Jeff (畢樺)

Biographical details of Mr. BI are set out on page 19 of this annual report.

Mr. LIU Jun (劉鈞)

Biographical details of Mr. LIU are set out on page 19 of this annual report.

Mr. CHANG Fuquan (常福泉)

Mr. CHANG Fuquan (常福泉), aged 58, is our Chief Financial Officer and one of our joint company secretaries. Mr. Chang joined our Group in June 2005. He is primarily responsible for the overall accounting, financial management and treasury of our Group. Mr. Chang has over 27 years of experience in financial management. Prior to joining us, Mr. Chang was the chief finance officer of Fujian Nanping Nanfu Battery Co., Ltd. from 2002 to 2005, the finance controller of John Deere Jialian Harvester Co. Ltd. from 1999 to 2001, the deputy finance controller of China Automotive Components Corporation from 1997 to 1999, the chief financial officer of San Miguel Bada (Baoding) Brewery Co., Ltd. from 1995 to 1996 and the financial director of China Enterprise Culture Group from 1992 to 1994. Mr. Chang has also worked as the financial supervisor at 北京麥當勞食品有限公司 (Beijing McDonald's Food Co Ltd.) from 1994 to 1995 and as an accountant in each of Bohai Oil Corporation and Oil Drilling Service Co, both being subsidiaries of China National Offshore Oil Corporation from 1985 to 1992. Mr. Chang graduated from Xiamen University in the PRC in 1985, major in International Accounting. He completed a Master of Accounting Class in Xiamen University in the PRC in 1998.

Mr. CHEN Guining (陳桂寧)

Mr. CHEN Guining (陳桂寧), aged 60, is our Chief Technical Officer. Mr. Chen joined our Group in May 2003. He is primarily responsible for technical project of aseptic packaging and filling machine. Mr. Chen has over 24 years of experience in the aseptic packaging industry. Prior to joining us, Mr. Chen was a technical service engineer of a leading aseptic packaging materials producer from 1988 to 2001 and its field service manager from 2001 to 2003, respectively. Mr. Chen graduated from the Beijing Open University with a Bachelor of Science in Machinery Science in 1983.

Mr. LAN Qintang (藍欽棠)

Mr. LAN Qintang (藍欽棠), aged 58, is our Converting Director. Mr. Lan, joined our Group in April 2012, is responsible for all converting plants in the Group. Mr. Lan has 28 years of experience in converting of aseptic packaging material industry. Before joining the Group, he had been working as a factory director in Great China area at a leading aseptic packaging producer. Mr. Lan graduated from Si Xin University in Taiwan, majored in Printing Engineering.

Board of Directors and Senior Management

Mr. YANG Jiuxian (楊久賢)

Mr. YANG Jiuxian (楊久賢), aged 52, is our Sales Director. Mr. Yang joined our Group in September 2003. He is primarily responsible for domestic sales. Mr. Yang has over 17 years of experience in dairy industry management and sales. Mr. Yang was the general manager of NIUMAMA Dairy Co., Ltd. in 2003. Prior to joining NIUMAMA Dairy Co., Ltd., Mr. Yang was a key account manager of Northeast China and Inner Mongolia for a leading aseptic packaging materials producer in Beijing from 2000 to 2003 and a key account manager of six provinces in southwest China for the aforesaid company's Shanghai office from 1998 to 2000. Mr. Yang graduated from the Beijing Union University with a Bachelor of Chinese Language and Literature degree in 1986.

Mr. CHEN Zuqing (陳祖慶)

Mr. CHEN Zuqing (陳祖慶), aged 47, is the Technical Services Director of our Group and serves concurrently as the Plant Manager of Greatview Beijing Packaging Equipment Co., Ltd. Mr. Chen joined our Group in April 2014. He is primarily responsible for after-sales service and technical support for aseptic packaging materials and aseptic filling equipment. Mr. Chen has 17 years of experience in the aseptic packaging industry. Prior to joining our Group, Mr. Chen worked for a leading aseptic packaging materials producer in several positions in the area of technical services from 1997 to 2014. From 1991 to 1997, he worked in Sichuan Airlines and was engaged in management of electronic and electrical maintenance for aircraft. Mr. Chen graduated from the Department of Electrical Engineering of Harbin Institute of Technology in 1991, with a major in micro-motor and electrical control, and a Bachelor of Engineering.

Mr. CHEN Nan (陳南)

Mr. CHEN Nan (陳南), aged 45, is our Investor Relations and Strategic Business Development Director. Mr. Chen joined our Group in May 2015. He is primarily responsible for investor relations management and Company's strategy development. Prior to joining us, Mr. Chen worked for Ingredion Inc. a global leading food ingredients company, in charge of their marketing, technology, supply chain and agriculture business function in greater China region successively. Mr. Chen also worked for a leading aseptic packaging materials producer in Guangzhou, Foshan and Shanghai for more than 9 years, responsible for key account management, strategic business development, and company's overall pricing strategy respectively. Mr. Chen graduated from South China College of Tropical Crops with a Bachelor of Food Science degree in 1994.

REPORT OF THE DIRECTORS

The board of directors of the Company (the "Board") presents its report together with the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 29 to the consolidated financial statements. There were no significant changes in nature of Group's activities during the year.

RESULTS

The results of the Group for the year ended 31 December 2015 are set out in the consolidated income statement.

BUSINESS REVIEW AND OUTLOOK

The business review and outlook of the Group for the year ended 31 December 2015 are set out in the section headed "Management Discussion and Analysis" on pages 10 to 18 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group:

(i) Foreign exchange and interest rate risk

The Group's exposure to foreign exchange and interest rate risk mainly arises from cash and bank balances. In order to tackle the foreign exchange and interest rate risk, the Group has taken measures on risk management and control. The Group has established stringent capital flow management policy such as reducing foreign exchange exposure by lowering USD/HKD debt. The Group has also made reasonable arrangements to minimize adverse effects from intra-group transactions and continued to manage and monitor the need of daily purchasing fund by adjusting foreign capital based on the trend of interest rate change.

(ii) Customer concentration

The customer concentration of Greatview's business is resulted from the fact that the top two dairy companies, both are our customers, represent over 50% of the dairy market in the PRC, which is our main market. The Group has strengthened the partnership with top customers via project collaboration, such as QR Code project with our leading customers and diversification of customer base by international and domestic customer expansion.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2015, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for 20.3% and 62.8% respectively of the Group's total purchases for the year. Revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for 43.8% and 67.8% respectively of the Group's total revenue for the year.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any material beneficial interest in the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 6 to the consolidated financial statements.

Report of the Directors

SHARE CAPITAL

During the year ended 31 December 2015, the Company purchased a total of 7,833,000 ordinary Shares at an aggregate purchase price of HK$28,595,330 on the Stock Exchange. All Shares bought-back were cancelled during the year under review. Further details of the purchase by the Company of its ordinary Shares during the year under review are disclosed under the section headed "Purchase, Sale or Redemption of the Shares" in the Report of the Directors.

Details of movements during the year under review in the share capital of the Company are also set out in note 12 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year under review are set out in the consolidated statement of changes in equity.

As at 31 December 2015, the Company had reserves available for distribution of RMB788.7 million (2014: RMB765.1 million).

DIRECTORS

The Directors during the year under review and up to the date of this annual report were:

Executive Directors

Mr. BI Hua, Jeff
Mr. LIU Jun

Non-Executive Directors

Mr. HONG Gang
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)

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 19 to 22 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") from each of the independent non-executive Directors and the Company considers such Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and non-executive Directors has entered into a service contract and letter of appointment respectively with the Company for an initial fixed term of two years unless terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has renewed the letter of appointment with the Company for a term of two years unless terminated by not less than three months' notice in writing served by either party on the other.

None of the Directors, including those to be re-elected at the forthcoming annual general meeting, has a service contract which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Company has adopted share option schemes as incentive to eligible employees, details of the schemes are set out in the section headed "Share Option Schemes" below.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 34 and note 23 to the consolidated financial statements respectively.

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

As at 31 December 2015, interests and 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) held by the Directors and chief executives of the Company which have been notified to the Company and 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 positions 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	5.83%
	2,673,000	2	Interest of controlled corporation	Long position	0.20%
Total Long position	80,814,966				6.03%
BI Hua, Jeff	129,000,000	3	Founder of a discretionary trust	Long position	9.62%

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 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. For the year ended 31 December 2015, 348,000 options lapsed after vesting and 418,000 options expired; 774,700 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.

(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 1,340,588,000 Shares in issue as at 31 December 2015.

Save as disclosed above, as at 31 December 2015, none of the Directors or chief executives 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 31 December 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 (%) (Note 7)
Phanron	78,141,966		Beneficial owner	Long position	5.83%
Madam XU Zhen	78,141,966	1	Interest of spouse	Long position	5.83%
	2,673,000	1	Interest of spouse	Long position	0.20%
	80,814,966				6.03%
Hill Garden	129,000,000	2	Interest of controlled corporation	Long position	9.62%
Foxing	129,000,000	2	Beneficial owner	Long position	9.62%
Madam BI Wei Li	129,000,000	3	Interest of spouse	Long position	9.62%
Wellington Management Group, LLP	157,644,371	4	Interest of controlled corporation	Long position	11.76%
Wellington Group Holdings LLP	157,644,371	4	Interest of controlled corporation	Long position	11.76%
Wellington Investment Advisors Holdings LLP	157,644,371	4	Interest of controlled corporation	Long position	11.76%
Wellington Management Global Holdings, Ltd.	125,568,551	4	Interest of controlled corporation	Long position	9.37%
Wellington Management Company LLP	32,075,820	4	Beneficial owner	Long position	2.39%
Wellington Management International Ltd	68,648,438	4	Beneficial owner	Long position	5.12%

Name of substantial shareholder	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 7)
Wellington Management Singapore Pte Ltd	56,920,113	4	Beneficial owner	Long position	4.25%
Matthews International Capital Management, LLC	148,689,000		Investment manager	Long position	11.09%
Prudential plc	136,549,000	5	Interest of controlled corporation	Long position	10.19%
Dominion Assets Limited	128,045,000	6	Beneficial owner	Long position	9.55%
Fiduco Trust Management AG	128,045,000	6	Interest of controlled corporation	Long position	9.55%
Tanoto Sukanto	128,045,000	6	Founder of discretionary trust	Long position	9.55%

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) 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.

(3) 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.

(4) Wellington Management Singapore Pte Ltd and Wellington Management International Ltd, which are 100% owned by Wellington Management Global Holdings, Ltd., are directly interested in 56,920,113 Shares and 68,648,438 Shares, respectively. Wellington Management Company LLP is directly interested in 32,075,820 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 157,644,371 Shares.

(5) Prudential plc, M&G Group Ltd. and M&G Ltd. all had an indirect interest in 136,549,000 Shares as at 31 December 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 authorized 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.

(6) 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.

(7) There were 1,340,588,000 Shares in issue as at 31 December 2015.

Save as disclosed above, and as at 31 December 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 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which the Director had a material interest (direct or indirect), subsisted at the end of the financial year or at any time during the year ended 31 December 2015.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year under review were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

DIRECTORS' INDEMNITIES

Pursuant to article 164 of the article of association of the Company, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

CONNECTED TRANSACTIONS

During the year ended 31 December 2015, there were no connected transaction or continuing connected transaction of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. Details of significant related party transactions undertaken in the usual course of business are set out in note 31 to the consolidated financial statement. None of these related party transactions constitute a discloseable connected transaction as defined under the Listing Rules.

PURCHASE, SALES OR REDEMPTION OF THE SHARES

During the year ended 31 December 2015, the Company purchased a total of 7,833,000 Shares at an aggregate purchase price before expenses of HK$28,595,330 on the Stock Exchange. Details of the purchases of such Shares were as follows:

Month of purchase	**Number of Shares purchased**	**Price per Share**		**Aggregate purchase price**
		Highest	**Lowest**	
		(HK$)	(HK$)	(HK$)
August 2015	244,000	3.50	3.38	837,940
September 2015	5,071,000	4.00	3.39	19,021,790
December 2015	2,518,000	3.64	3.29	8,735,600
Total	7,833,000			28,595,330

All the 7,833,000 purchased Shares were cancelled during the year under review. The above repurchases were effected by the Directors pursuant to the mandate from shareholders, with a view to benefit shareholders as a whole in enhancing the net assets and earnings per Share of the Company. Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year under review.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2015, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

During the year ended 31 December 2015, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2015 are set out in note 18 to the consolidated financial statements.

RETIREMENT SCHEMES

Information of the retirement schemes of the Group are set out in note 23 to the consolidated financial statements.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the year ended 31 December 2015.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2015.

DONATIONS

During the year ended 31 December 2015, the Group made donations to charity amounted to RMB36,000.

EQUITY-LINKED AGREEMENTS

Save for the share option schemes of the Company as disclosed in the section headed "Share Option Schemes" of this Report of the Directors, the Company has not entered into any equity-linked agreement for the year ended 31 December 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, 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 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 Options outstanding as at 1 January 2015	Pre-IPO Options vested during the period	Pre-IPO Options exercised during the period	Pre-IPO Options lapsed/ expired during the period	Pre-IPO Options outstanding as at 31 December 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)	(766,000)	2,445,000
Total					6,658,700	–	(774,700)	(766,000)	5,118,000

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 Share Option Scheme, 284 employees were granted the Pre-IPO Options to subscribe for up to 20,010,000 Shares on 17 March 2011. Such 20,010,000 Pre-IPO Options will only be transferred to the employees upon vesting. The Pre-IPO Options vested in four instalments 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 will be reallocated to 193 employees of the Group upon vesting. These Pre-IPO Options vested in two installments on 1 June 2013 and 1 June 2014, respectively.

2. During the year ended 31 December 2015, no Pre-IPO Options were vested, 766,000 Pre-IPO Options were lapsed/expired after vesting.

3. During the year ended 31 December 2015, no Pre-IPO Options were granted and no Pre-IPO Options were cancelled.

4. In respect of the Pre-IPO Options exercised during the year ended 31 December 2015, the weighted average closing share price of the Shares immediately before the exercise dates is HK$4.33.

Share Option Scheme

Pursuant to the disclosure requirement under Listing Rules 17.09, particulars in relation to the share option scheme of the Company are shown below.

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), any non-executive director of 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, and therefore is currently capped at 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 prior to the date ended 31 December 2015. No option has been cancelled or lapsed during the year ended 31 December 2015.

PUBLIC FLOAT

During the year ended 31 December 2015, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the articles of association of the Company (the "Articles") and the laws of the Cayman Islands.

DIVIDEND

The Board recommends the payment of a final dividend amounting to HK$147.1 million (HK$0.11 per Share, approximately RMB123.3 million in total) to be paid out of the share premium account of the Company for the year ended 31 December 2015 (2014: HK$0.10 per Share, approximately RMB106.0 million in total). The proposed final dividend, if approved by shareholders at the forthcoming annual general meeting, shall be paid on or around 7 July 2016 to shareholders whose names appear on the register of members of the Company on 17 June 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 27 May 2016 to 31 May 2016, both days inclusive, during which period no share transfers in Hong Kong can be registered. In order to be eligible for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 26 May 2016.

In addition, the register of members of the Company will be closed from 15 June 2016 to 17 June 2016, both days inclusive, during which period no transfer of Shares will be registered in order to ascertain shareholders' entitlement to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 14 June 2016.

AUDITOR

PricewaterhouseCoopers has acted as auditor of the Company for the year ended 31 December 2015.

PricewaterhouseCoopers shall retire in the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Mr. HONG Gang
Chairman
Beijing, the PRC, 29 March 2016

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended 31 December 2015.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

During the year under review, the Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the CG Code during the year ended 31 December 2015.

The following is a summary of work performed by the Board in determining the policy for the corporate governance of the Company during the year ended 31 December 2015:

(1) developed and reviewed the Company's policies and practices on corporate governance;

(2) reviewed and monitored the training and continuous professional development of Directors and senior management;

(3) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;

(4) developed, reviewed and monitored the code of conduct and compliance manual applicable to employees and Directors; and

(5) reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report.

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

BUSINESS MODEL AND STRATEGY

Our mission is to create and add value to the liquid food industry and benefit consumers around the world. We committed to provide to our customers with customized, high quality and competitively priced products. The Group always endeavours to enhance its enterprise value, ensure the Company's long-term and stable development and benefit its shareholders and other stakeholders. These were demonstrated by putting resources on innovation and research and development in order to continue improving the quality of products and services. The discussion and analysis of the Group's performance and the business review for the year ended 31 December 2015 are set out on pages 10 to 13 under Management Discussion and Analysis and page 23 under the Report of the Directors respectively.

Corporate Governance Report

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") (together, the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Board Composition

As of 31 December 2015, the Board comprises seven members, consisting of two executive Directors, two non-executive Directors and three independent non-executive Directors.

The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Board comprises the following 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)

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

None of the members of the Board is related to one another.

During the year under review and up to the date of this annual report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors have represented at least one-third of the Board, which complies with the Rule 3.10A of the Listing Rules.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

Board Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into account factors based on its own business model and specific needs from time to time in designing the optimum Board's composition.

The Nomination Committee monitors, from time to time, the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy. The Nomination Committee will continue to give adequate consideration to these measurable objectives when making recommendations of candidates for appointment to the Board.

Chairman and Chief Executive Officer

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority. The positions of Chairman and Chief Executive Officer are held by Mr. HONG Gang and Mr. BI Hua, Jeff respectively. Their respective responsibilities are clearly defined and set out in writing. The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board.

Appointment and Re-Election of Directors

Mr. BI Hua, Jeff, Mr. ZHU Jia and Mr. BEHRENS Ernst Hermann were re-appointed as executive Director, non-executive Director and independent non-executive Director respectively for a term of two years commencing from 9 December 2014, terminable by not less than three months' written notice and is subject to retirement in accordance with the Articles. Mr. LIU Jun and Mr. HONG Gang were appointed as executive Director and non-executive Director respectively for a term of two years commencing from 29 August 2014, terminable by not less than three months' written notice and is subject to retirement in accordance with the Articles. Mr. LUETH Allen Warren was re-appointed as independent non-executive Director for a term of two year commencing from 9 December 2015, terminable by not less than three months' written notice and is subject to retirement in accordance with the Articles. Mr. DANG Xinhua was appointed as independent non-executive Director for a term of two years commencing from 29 May 2015 and is subject to the retirement in accordance with the Articles.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting of the Company after appointment and new Directors appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

Nomination Committee

The Nomination Committee comprises three members, namely Mr. HONG Gang (chairman of the Nomination Committee), Mr. BEHRENS Ernst Hermann and Mr. DANG Xinhua (who replaced Mr. CHEN Weishu as committee member on 29 May 2015), the majority of them are independent non-executive Directors.

The following is a summary of work performed by the Nomination Committee during the year ended 31 December 2015:

(1) reviewed the structure, size and composition of the Board, reviewed the Company's policies on nomination of Directors and make recommendations regarding any proposed changes;

(2) made recommendations to the Board on appointment or re-appointment of and succession planning for Directors; and

(3) assessed the independence of independent non-executive Directors.

There was one meeting of the Nomination Committee held during the year ended 31 December 2015. The attendance records of each member of the Nomination Committee are set out below:

Members	**Attendance/ Number of meetings held**
Mr. HONG Gang *(Chairman)*	1/1
Mr. BEHRENS Ernst Hermann	1/1
Mr. DANG Xinhua (appointed on 29 May 2015)	0/0
Mr. CHEN Weishu (retired on 29 May 2015)	0/1

Induction and Continuing Development of Directors

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Pursuant to the provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

During the year ended 31 December 2015 and up to the date of this annual report, all Directors namely Mr. BI Hua, Jeff, Mr. LIU Jun, Mr. HONG Gang, Mr. ZHU Jia, Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann, and Mr. DANG Xinhua have participated in continuous professional development to develop and refresh their knowledge and skills in relation to their contribution to the Board.

Corporate Governance Report

Board Meetings

Board Practices and Conduct of Meetings

Provision A.1.3 of the CG Code stipulates that at least 14 days' notice should be given for a regular Board meeting.

Certain regular Board meetings held during the year ended 31 December 2015 were convened with at least 14 days' notice. The Company adopted a flexible approach in convening Board meetings and ensuring that sufficient time and adequate information were given to Directors in advance.

Agenda and board papers together with all necessary information are sent to all Directors at least three days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company in order to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The senior management attended all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The board secretary and the joint company secretaries are responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and final versions are open for Directors' inspection.

The Articles contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Directors' Attendance Records

There were six Board meetings and one general meeting held during the year ended 31 December 2015. The attendance records of each Director at the Board meetings and general meeting during the year of 2015 are set out below:

	Attendance/Number of meetings held	
Name of Director	**General meeting**	**Board meeting**
Executive Directors		
Mr. BI Hua, Jeff	1/1	6/6
Mr. LIU Jun	1/1	6/6
Non-Executive Directors		
Mr. HONG Gang	1/1	6/6
Mr. ZHU Jia	1/1	6/6
Mr. LEE Lap, Danny (resigned on 27 March 2015)	0/0	0/1
Independent Non-Executive Directors		
Mr. LUETH Allen Warren	1/1	6/6
Mr. BEHRENS Ernst Hermann	1/1	6/6
Mr. DANG Xinhua (appointed on 29 May 2015)	1/1	3/3
Mr. CHEN Weishu (retired on 29 May 2015)	0/1	1/3

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he has complied with the Model Code during the year under review and up to the date of this annual report.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2015.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. All Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director may seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

The Board has established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board Committees are established with defined written terms of reference which are available on both the Company's website and the website of the Stock Exchange.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

The Remuneration Committee comprises five members, namely, Mr. DANG Xinhua (chairman of the Remuneration Committee, who replaced Mr. CHEN Weishu as chairman of the Remuneration Committee on 29 May 2015), Mr. BI Hua, Jeff, Mr. ZHU Jia, Mr. LUETH Allen Warren and Mr. BEHRENS Ernst Hermann. The majority of the Remuneration Committee are the independent non-executive Directors which complied with the Rule 3.25 of the Listing Rules.

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for formulating such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The following is a summary of work performed by the Remuneration Committee during the year ended 31 December 2015:

(1) Assessed performance, reviewed and approved the remuneration packages (including year-end bonuses) and service contracts of our executive Directors and senior management; and

(2) Reviewed the remuneration of non-executive Directors and made proposal regarding Director's fees to the Board for shareholder approval at the 2015 annual general meeting.

There was one meeting of the Remuneration Committee held during the year ended 31 December 2015. The attendance records of each member of the Remuneration Committee are set out below:

Members	**Attendance/ Number of meetings held**
Mr. DANG Xinhua *(Chairman)*	0/0
Mr. BI Hua, Jeff	1/1
Mr. ZHU Jia	1/1
Mr. LUETH Allen Warren	1/1
Mr. BEHRENS Ernst Hermann	1/1
Mr. CHEN Weishu (retired on 29 May 2015)	0/1

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2015.

The Board, with support of the finance and legal teams, is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other applicable statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

Risk Management and Internal Control

Risk Management and Internal Control Systems of the Group

The Board acknowledges that it is the responsibility of the Board for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and maintaining adequate risk management and internal control systems to safeguard shareholders' investments and the Company's assets and reviewing the effectiveness of those systems on an annual basis.

The Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems, and the management provides confirmation to the Board on the effectiveness of these systems.

The management allocates resources for internal control and risk management systems by reference to the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standards to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, though not absolute, assurance against material misstatement and loss. Risk management and internal control systems are under the oversight of the Audit Committee.

Risks management review in 2015

The internal audit department of the Group (the "Internal Audit Department") has conducted assessment and appraisal on risks management in 2015 in accordance with the procedures for risk assessment of the Company and reviewed the efficiency of the management of the risks identified. The risk assessment covered all stages and levels in operation management, including corporate strategy, finance, compliance and operation, and extended to external main business chain of the Company.

The Audit Committee evaluates the efficiency of the risks management and internal control on behalf of the Board through reviewing the work and results of review of the Internal Audit Department.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget.

The risks assessment and results of the review have indicated that members of the Group have established and continuously implemented and improved the comprehensive risks management and internal control mechanism, which can help effectively eliminate or reduce a majority of risks. For those individual risks that cannot be eliminated through management and control, they have been controlled within the acceptable level.

No material weaknesses of risk monitoring or adverse consequences or emergencies that are unpredictable have been identified during the reporting period. The overall risk management and internal control systems have been effective.

Audit Committee

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 (who replaced Mr. CHEN Weishu as committee member on 29 May 2015). In compliance with Rule 3.21 of the Listing Rules, Mr. LUETH Allen Warren possesses the appropriate professional qualifications or accounting or related financial management expertise. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee include the following:

(1) To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;

(2) To review the relationship with the external auditor by reference to the work performed by the auditor, its fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and

(3) To review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures.

During the year under review and up to the date of this annual report, the Audit Committee reviewed the Group's interim results and interim report for the six months ended 30 June 2015, the annual results and annual report for the year ended 31 December 2015, the financial reporting and compliance procedures, the Company's risk management and internal control systems and processes, and the re-appointment of the external auditor.

The Audit Committee held two meetings during the year of 2015 the attendance records of each member of the Audit Committee are set out below:

Members	Attendance/ Number of meetings held
Mr. LUETH Allen Warren *(Chairman)*	2/2
Mr. BEHRENS Ernst Hermann	2/2
Mr. DANG Xinhua (appointed on 29 May 2015)	1/1
Mr. CHEN Weishu (retired on 29 May 2015)	0/1

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities for the consolidated financial statements is set out in the "Independent Auditor's Report" on page 44.

Annual audit fees of the financial statements of the Group for the year ended 31 December 2015 payable to the external auditor are approximately RMB2.2 million (2014: RMB2.1 million). In addition, approximately RMB0.18 million (2014: RMB0.12 million) was incurred for other non-audit services.

COMPANY SECRETARY

The Company engages Ms. MOK Ming Wai, director of KCS Hong Kong Limited, as one of its joint company secretaries. Her primary contact person at the Company is Mr. CHANG Fuquan, the chief financial officer and joint company secretary of the Company.

In compliance with Rule 3.29 of the Listing Rules, each of Mr. CHANG Fuquan and Ms. MOK Ming Wai has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2015.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

To promote effective communication, the Company maintains the website at www.greatviewpack.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Latest information on the Group including annual and interim reports, announcements and press releases are updated on the Company's website in a timely fashion.

The 2016 annual general meeting of the Company ("AGM") will be held on 31 May 2016. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an Extraordinary General Meeting ("EGM")

Pursuant to article 58 of the Articles, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Such a requisition must be signed by the shareholders.

Procedures for putting forward proposals at shareholders' meeting

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at shareholders' meeting. Proposal shall be sent to the Board or the company secretary by written requisition to the company secretary at the Company's principal place of business in Hong Kong at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or at the Company's headquarters in the PRC at 14 Jiuxianqiao Road, Chaoyang District, Beijing 100015, the PRC.

Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the Company's share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent that such information is publically available. Shareholders may also make enquiries to the Board by writing to the company secretary at the Company's principal place of business office in Hong Kong at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or at the Company's headquarters in the PRC at 14 Jiuxianqiao Road, Chaoyang District, Beijing 100015, the PRC.

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents during the year ended 31 December 2015.

On behalf of the Board

Mr. HONG Gang
Chairman
Beijing, the PRC, 29 March 2016

Independent Auditor's Report

羅兵咸永道

To the shareholders of Greatview Aseptic Packaging Company Limited
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Greatview Aseptic Packaging Company Limited (the "Company") and its subsidiaries set out on pages 46 to 96, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
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To the shareholders of Greatview Aseptic Packaging Company Limited *(Continued)*
(incorporated in the Cayman Islands with limited liability)

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2016

Consolidated Statement of Financial Position

As at 31 December 2015
Amounts expressed in thousands of RMB except for share data

	Note	As at 31 December 2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	6	**1,235,060**	1,239,701
Land use rights	7	**14,305**	14,615
Intangible assets	8	**57,519**	57,141
Deferred income tax assets	19	**22,646**	32,906
Long-term prepayments	20	**8,564**	1,304
		1,338,094	1,345,667
Current assets			
Inventories	9	**566,388**	494,886
Trade and other receivables	10	**504,045**	408,972
Cash and cash equivalents	11	**267,885**	489,561
Restricted cash	11	**188,982**	278,722
		1,527,300	1,672,141
Total assets		**2,865,394**	3,017,808
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	12	**969,776**	990,771
Statutory reserve	13	**207,667**	175,117
Retained earnings	14	**1,114,642**	1,047,691
Exchange reserve		**(87,444)**	(69,308)
Total equity		**2,204,641**	2,144,271

Consolidated Statement of Financial Position

As at 31 December 2015
Amounts expressed in thousands of RMB except for share data

	Note	As at 31 December 2015	2014
LIABILITIES			
Non-current liabilities			
Deferred government grants	16	**91,238**	105,282
Deferred income tax liabilities	19	**4,638**	6,400
		95,876	111,682
Current liabilities			
Deferred government grants	16	**5,918**	–
Trade payables, other payables and accruals	17	**441,739**	395,788
Income tax liabilities		**29,824**	30,028
Borrowings	18	**87,396**	336,039
		564,877	761,855
Total liabilities		**660,753**	873,537
Total equity and liabilities		**2,865,394**	3,017,808

The notes on pages 52 to 96 are an integral part of these consolidated financial statements.

The financial statements on pages 46 to 96 were approved by the Board on 29 March 2016 and were signed on its behalf.

Director
Bi Hua, Jeff

Director
Liu Jun

Consolidated Income Statement

For the year ended 31 December 2015
Amounts expressed in thousands of RMB except for share data

	Note	Year ended 31 December 2015	2014
Revenue	21	**2,218,934**	2,231,545
Cost of sales	22	**(1,601,413)**	(1,686,219)
Gross profit		**617,521**	545,326
Other income	21	**33,154**	37,841
Other losses — net	21	**(14,680)**	(5,225)
Distribution expenses	22	**(99,591)**	(99,238)
Administrative expenses	22	**(130,656)**	(114,306)
Operating profit		**405,748**	364,398
Finance income	24	**13,977**	11,875
Finance expenses	24	**(7,272)**	(7,552)
Finance income — net		**6,705**	4,323
Profit before income tax		**412,453**	368,721
Taxation	25	**(95,923)**	(89,024)
Profit for the year		**316,530**	279,697
Profit attributable to:			
Equity holders of the Company		**316,530**	279,697
Earnings per share for profit attributable to equity holders of the Company			
— Basic earnings per share(RMB)	26	**0.24**	0.21
— Diluted earnings per share(RMB)	26	**0.24**	0.21

The notes on pages 52 to 96 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015
Amounts expressed in thousands of RMB except for share data

	Year ended 31 December	
	2015	2014
Profit for the year	**316,530**	279,697
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Currency translation differences	**(18,136)**	(46,624)
Total comprehensive income for the year	**298,394**	233,073
Attributable to:		
— Equity holders of the Company	**298,394**	233,073
Total comprehensive income for the year	**298,394**	233,073

The notes on pages 52 to 96 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015
Amounts expressed in thousands of RMB except for share data

	Attributable to equity owners						
	Share capital (Note 12)	Share premium (Note 12)	Capital reserve (Note 12)	Statutory reserve (Note 13)	Exchange Reserve	Retained earnings (Note 14)	Total
As at 31 December 2013	11,465	813,417	137,487	145,445	(22,684)	1,011,652	2,096,782
Comprehensive income:							
Profit for the year	–	–	–	–	–	279,697	279,697
Other comprehensive income:							
Currency translation differences	–	–	–	–	(46,624)	–	(46,624)
Transactions with owners:							
Employee share options							
— Value of employee services	–	–	(1,751)	–	–	–	(1,751)
— Share options exercised	69	41,616	(11,532)	–	–	–	30,153
Transfer to statutory reserve	–	–	–	29,672	–	(29,672)	–
Dividends	–	–	–	–	–	(213,986)	(213,986)
Total transactions with owners:	69	41,616	(13,283)	29,672	–	(243,658)	(185,584)
As at 31 December 2014	11,534	855,033	124,204	175,117	(69,308)	1,047,691	2,144,271
Comprehensive income:							
Profit for the year	–	–	–	–	–	316,530	316,530
Other comprehensive income:							
Currency translation differences	–	–	–	–	(18,136)	–	(18,136)
Transactions with owners:							
Shares repurchased	(64)	(23,572)	–	–	–	–	(23,636)
Employee share options							
— Share options exercised	6	3,991	(1,356)	–	–	–	2,641
Transfer to statutory reserve	–	–	–	32,550	–	(32,550)	–
Dividends	–	–	–	–	–	(217,029)	(217,029)
Total transactions with owners:	(58)	(19,581)	(1,356)	32,550	–	(249,579)	(238,024)
As at 31 December 2015	**11,476**	**835,452**	**122,848**	**207,667**	**(87,444)**	**1,114,642**	**2,204,641**

The notes on pages 52 to 96 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2015
Amounts expressed in thousands of RMB unless otherwise stated

	Note	Year ended 31 December 2015	2014
Cash flows from operating activities			
Cash generated from operations	28	**466,346**	462,544
Interest paid		**(3,580)**	(4,326)
Income tax paid		**(87,629)**	(91,145)
Net cash generated from operating activities		**375,137**	367,073
Cash flows from investing activities			
Purchase of property, plant and equipment ("PPE")		**(122,479)**	(151,303)
Government grants received related to PPE		**3,684**	13,229
Proceeds from disposal of PPE		**945**	555
Purchase of land use rights		**–**	(9,965)
Purchase of intangible assets		**(2,581)**	(5,762)
Interest received		**13,977**	9,280
Net cash used in investing activities		**(106,454)**	(143,966)
Cash flows from financing activities			
Proceeds from issuance of shares		**2,641**	30,153
Proceeds from borrowings		**1,021,955**	252,066
Repayments of borrowings		**(1,270,598)**	(94,308)
Payments for shares repurchased		**(23,636)**	–
Dividends paid to equity holders		**(217,029)**	(213,986)
Net cash used in financing activities		**(486,667)**	(26,075)
Net (decrease)/increase in cash and cash equivalents		**(217,984)**	197,032
Cash and cash equivalents at beginning of year		**489,561**	294,606
Exchange loss on cash and cash equivalents		**(3,692)**	(2,077)
Cash and cash equivalents at end of year		**267,885**	489,561

The notes on pages 52 to 96 are an integral part of these consolidated financial statements.

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 (the "Group") are principally engaged in the business of manufacturing, distribution and selling of paper packaging and filling machines to dairy and non-carbonated soft drink producers.

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

These financial statements have been approved for issue by the Board of Directors on 29 March 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

Amendment to IAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to IFRSs — 2010–2012 Cycle, on IFRS 8, 'Operating segments', IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' and IAS 24, 'Related party disclosures'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

Changes in accounting policy and disclosures *(continued)*

(a) New and amended standards adopted by the Group (continued)

Amendments from annual improvements to IFRSs — 2011–2013 Cycle, on IFRS 3, 'Business combinations', IFRS 13, 'Fair value measurement'.

These amendments are not material to the Group.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

Changes in accounting policy and disclosures *(continued)*

(c) New standards and interpretations not yet adopted (continued)

IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted subject to the entity adoption IFRS 15 'Revenue from contracts with customers' at the same time. The Group is currently assessing the impact of IFRS 16.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Subsidiaries

Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Subsidiaries *(continued)*

Consolidation *(continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company (the "Executive Directors") that make strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB") which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other (losses)/gains — net'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Foreign currency translation *(continued)*

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.6 Property, plant and equipment

Buildings comprise mainly factories and offices. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual value over their estimated useful lives, as follows:

Leasehold improvements	Shorter of remaining lease term or useful life
Buildings	15–33 years
Machinery	5–15 years
Vehicles and office equipment	4–8 years

Depreciation on construction in progress will not commence until the relevant assets are ready for their intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains — net' in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.7 Land use rights

All land in the PRC is state-owned and no individual land ownership right exists. Land use rights represent upfront operating lease payments made for the land and are stated at payments less amount written off on a straight-line basis described below and impairment loss.

Upfront operating lease payments less impairment, if any, are written off to the income statement on a straight-line basis over the lease period of 50 years.

2.8 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4–10 years.

(c) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 10 years.

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'restricted cash' in the statement of financial position (Note 2.14 and 2.15).

2.10.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.12 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Impairment of financial assets *(continued)*

(a) Assets carried at amortised cost *(continued)*

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

Cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Current and deferred income tax *(continued)*

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

2.21 Employee benefits

All eligible employees of the Group's subsidiaries which operate in the People's Republic of China ("PRC") participate in a central pension scheme operated by the local municipal government. The Group recognises employee benefits as liabilities during the accounting period when employees render services and allocates to related cost of assets and expenses based on different beneficiaries.

In connection with pension obligations, the Group operates defined contribution plans in accordance with the local conditions and practices in the countries and provinces in which they operate. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a publicly administered pension insurance plan. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(a) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a construction obligation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Government grants

Grant from the government is recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred revenue and are recognised in the consolidated income statement as other income on a straight-line basis over the expected lives of the related assets.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

2.23 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met, as described below.

Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, and the customer has accepted the products while there is no unfulfilled obligation that could affect the acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

2.25 Interest income

Interest income is recognised using the effective interest method.

2.26 Leases — as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's exposure to foreign exchange risk mainly arises from cash and bank balances, trade receivables, trade payables and loans that are denominated in United States Dollars ("US$"), Hong Kong Dollars ("HK$") and EURO ("EUR"). Please refer to Notes 10, 11, 17 and 18 for details.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings.

At 31 December 2015, if RMB had weakened/strengthened by 2% against US$ with all other variables held constant, net assets and post-tax profit for the year then ended would have been RMB3,493 (2014: RMB3,296) lower/higher, mainly as a result of foreign exchange losses/gains on translation of US$-denominated trade payables and borrowings.

At 31 December 2015, if RMB had weakened/strengthened by 2% against EUR with all other variables held constant, net assets and post-tax profit for the year then ended would have been RMB768 (2014: RMB(291)) lower/higher, mainly as a result of foreign exchange losses/gains on translation of EUR-denominated trade payables and borrowings.

(ii) Interest rate risk

The Group's exposure to interest rate risk arises mainly from cash and bank balances and borrowings. Cash and bank balances and borrowings at fixed rates expose the Group to fair value interest-rate risk, and those at floating rates expose the Group to cash flow interest-rate risk.

As at 31 December 2015, approximately RMB2 million (2014: RMB446 million) of the Group's cash and bank balances were at fixed rates, and approximately RMB455 million (2014: RMB322 million) of the Group's cash and bank balances was at floating rates.

As at 31 December 2015, RMB76 million (2014: RMB312 million) of the borrowings of the Group was at variable rates. The interest rates and maturities of the Group's borrowings are disclosed in Note 18.

Management monitors interest rate fluctuations to ensure that exposure to interest rate risk is within an acceptable level.

At 31 December 2015, if interest rates on cash and bank balances at floating rates had been 10 basis points higher/lower with all other variables held constant, post tax profit for the year would have been RMB211 (2014: RMB214) higher/lower, mainly as a result of higher/lower interest income on floating interest rate.

At 31 December 2015, if interest rates on the variable borrowings had been 10 basis points higher/lower with all other variables held constant, post tax profit for the year would have been RMB63 (2014: RMB263) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Amounts expressed in thousands of RMB unless otherwise stated

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(iii) Price risk

The Group is not exposed to significant price risk as they do not hold equity financial assets or financial liabilities either as available-for-sale or at fair value through profit or loss.

(b) Credit risk

Credit risk is managed on a group basis. Financial assets that potentially subject the Group to concentrations of credit risk consist principally of cash and bank balances, restricted cash (Note 11) and trade receivables (Note 10). The Group's cash and bank balances and restricted cash are mainly placed with State-owned banks in the PRC and other foreign banks and financial institutions; the former ones are believed of high credit quality, and for the latter, only independently rated parties with minimum rating of "A" are accepted.

Receivables are presented net of provision for impairment. The Group performs periodic credit evaluations of its customers and the trade credit terms granted, such as credit amount and length of payment are determined by management on case-by-case basis taking into account factors such as customers' payment history.

(c) Liquidity risk

Liquidity risk management is to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings (Note 18). The Group maintains unutilised banking facilities to manage its working capital requirements.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	**Total**
At 31 December 2014		
Borrowings	342,512	342,512
Trade and other payables	291,210	291,210
At 31 December 2015		
Borrowings	**88,808**	**88,808**
Trade and other payables	**371,511**	**371,511**

Amounts expressed in thousands of RMB unless otherwise stated

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as total debt divided by total capital. Total debt is calculated as interest bearing borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). Total capital is calculated as 'equity' as shown in the consolidated statement of financial position.

The Group's general strategy which was unchanged from 2014 is to maintain gearing ratio of less than 50%. The gearing ratio at 31 December 2015 and 2014 were as follows.

	As at 31 December	
	2015	2014
Total debt	**87,396**	336,039
Total equity	**2,204,641**	2,144,271
Gearing ratio	**4%**	16%

The decrease in the gearing ratio during 2015 was mainly due to repayments of borrowings made by the Group during the year ended 31 December 2015.

3.3 Fair value estimation

The Group's financial assets are classified as loans and receivables and are measured at amortised cost. The carrying amounts of the Group's financial assets, including cash and bank balances, trade and other receivables, notes receivables, approximate their fair values due to their short maturities.

The carrying amounts of the Group's financial liabilities are classified as other financial liabilities at amortised cost, including trade and other payables, notes payables and external borrowings are measured at amortised cost. The carrying amounts of the variable-rate borrowings approximate their fair values because the interest rates are aligned with market rates.

Valuation techniques used to measure fair value are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of cash-generating units have been determined base on value-in-use calculations. These calculations require the use of estimate (Note 8). Based on management's assessment results, there was no impairment of goodwill as at 31 December 2015 and 2014 and no reasonable change to the assumptions would lead to an impairment.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. As at 31 December 2015, the Group has derecognised deferred income tax assets amounting to approximately RMB8.5 million on these temporary differences (2014: approximately RMB0.05 million).

(c) Estimated provision for doubtful debts

The Group makes provision for doubtful debts based on an assessment of the recoverability of trade and other receivables. Provisions are applied to these receivables where events or changes in circumstance indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and doubtful debt expenses in the year in which such estimate has been charged. When previous impaired debts are recovered, both doubtful debt expenses and provision for impairment balance are reversed.

(d) Useful lives and residual values of property, plant and equipment

In determining the useful life and residual value of an item of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end based on changes in circumstances.

(e) Estimated provision for slow moving inventories

Provisions for declines in the value of inventories are determined on an item-by-item basis when the carrying value of the inventories is higher than their net realisable value. The estimation of net realisable values requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact carrying values of inventories and provisions of inventories in the period which estimate has been changed.

Amounts expressed in thousands of RMB unless otherwise stated

5 SEGMENT INFORMATION

Executive directors are the Group's chief operating decision-makers. Management has determined the operating segments based on the information reviewed by the Executive Directors which are used for making strategic decisions.

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

	PRC	International	Total
2015			
Sales	**1,798,175**	**420,759**	**2,218,934**
Cost	**(1,257,389)**	**(344,024)**	**(1,601,413)**
Segment results	**540,786**	**76,735**	**617,521**
2014			
Sales	1,843,997	387,548	2,231,545
Cost	(1,304,254)	(381,965)	(1,686,219)
Segment results	539,743	5,583	545,326

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

	Year ended 31 December	
	2015	2014
Segment results for reportable segments	**617,521**	545,326
Other income	**33,154**	37,841
Other losses — net	**(14,680)**	(5,225)
Distribution expenses	**(99,591)**	(99,238)
Administrative expenses	**(130,656)**	(114,306)
Operating profit	**405,748**	364,398
Finance income	**13,977**	11,875
Finance expense	**(7,272)**	(7,552)
Finance income — net	**6,705**	4,323
Profit before income tax	**412,453**	368,721
Income tax expense	**(95,923)**	(89,024)
Profit for the year	**316,530**	279,697
Depreciation and amortisation charges	**95,128**	107,660

Information on segment assets and liabilities are not disclosed as this information is not presented to the Executive Directors as they do not assess performance of reportable segments using information on assets and liabilities. The non-current assets excluding deferred tax assets (there is no employment benefit assets and rights arising under insurance contracts) amount to RMB1,315,448 (2014: RMB1,312,761).

Amounts expressed in thousands of RMB unless otherwise stated

5 SEGMENT INFORMATION *(continued)*

The following table presents sales generated from packaging materials:

	Year ended 31 December	
	2015	2014
Dairy products	**2,003,996**	2,037,584
Non-carbonated soft drink ("NCSD") products	**214,938**	193,961
	2,218,934	2,231,545

Revenue of approximately RMB1,355,192 or 61% (2014: RMB1,415,921 or 63%) was derived from 2 (2014: 2) single external customers. Both of the external customers contributed more than 10% of the Group's revenue. These revenues were attributable to the PRC segment.

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Vehicles and office equipment	Construction in progress	Leasehold improvements	Total
Cost						
As at 31 December 2013	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 differences	(24,216)	(17,921)	(14,970)	(1,354)	(755)	(59,216)
As at 31 December 2014	366,197	1,176,819	46,803	142,985	1,675	1,734,479
Additions	600	2,681	1,793	111,933	–	117,007
Transfer upon completion	99,379	19,894	2,734	(122,007)	–	–
Disposals	–	(2,754)	(1,767)	–	–	(4,521)
Exchange differences	(16,058)	(12,828)	(189)	(1,025)	(60)	(30,160)
As at 31 December 2015	**450,118**	**1,183,812**	**49,374**	**131,886**	**1,615**	**1,816,805**
Accumulated depreciation						
As at 31 December 2013	(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 differences	1,459	521	2,016	–	209	4,205
As at 31 December 2014	(38,356)	(433,901)	(22,156)	–	(365)	(494,778)
Current year depreciation	(13,677)	(72,120)	(6,779)	–	(162)	(92,738)
Current year disposals	–	2,200	1,219	–	–	3,419
Exchange differences	538	1,752	44	–	18	2,352
As at 31 December 2015	**(51,495)**	**(502,069)**	**(27,672)**	**–**	**(509)**	**(581,745)**
Net book value						
As at 31 December 2014	327,841	742,918	24,647	142,985	1,310	1,239,701
As at 31 December 2015	**398,623**	**681,743**	**21,702**	**131,886**	**1,106**	**1,235,060**

Amounts expressed in thousands of RMB unless otherwise stated

6 PROPERTY, PLANT AND EQUIPMENT *(continued)*

(a) Depreciation expenses have been charged to the income statement as follows:

	Year ended 31 December	
	2015	2014
Cost of sales	**87,979**	100,527
Distribution costs	**220**	155
Administrative expenses	**4,569**	4,229
	92,738	104,911

(b) The Group's buildings are mainly located in the PRC and Germany.

As at 31 December 2015, the net book value of property, plant and equipment located overseas was approximately RMB367,708 (as at 31 December 2014: RMB410,668).

(c) Construction in progress as at 31 December 2015 mainly comprises new production line being constructed in Inner Mongolia, PRC.

7 LAND USE RIGHTS

	Year ended 31 December	
	2015	2014
Cost		
At beginning of the year	**15,325**	5,360
Additions	**–**	9,965
At end of the year	**15,325**	15,325
Accumulated amortisation		
At beginning of the year	**(710)**	(434)
Current year amortisation	**(310)**	(276)
At end of the year	**(1,020)**	(710)
Net book value	**14,305**	14,615

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

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

Amounts expressed in thousands of RMB unless otherwise stated

8 INTANGIBLE ASSETS

	Goodwill	Computer Software	Trademarks	Total
Cost				
As at 31 December 2013	47,773	10,857	428	59,058
Additions	–	5,762	–	5,762
Exchange differences	–	(391)	–	(391)
As at 31 December 2014	47,773	16,228	428	64,429
Additions	–	2,581	–	2,581
Exchange differences	–	(183)	–	(183)
As at 31 December 2015	**47,773**	**18,626**	**428**	**66,827**
Accumulated amortisation				
As at 31 December 2013	–	(4,772)	(72)	(4,844)
Current year amortisation	–	(2,421)	(52)	(2,473)
Exchange differences	–	29	–	29
As at 31 December 2014	–	(7,164)	(124)	(7,288)
Current year amortisation	–	(2,033)	(47)	(2,080)
Exchange differences	–	60	–	60
As at 31 December 2015	**–**	**(9,137)**	**(171)**	**(9,308)**
Net book value				
As at 31 December 2014	47,773	9,064	304	57,141
As at 31 December 2015	**47,773**	**9,489**	**257**	**57,519**

Amortisation of the Group's intangible assets has been charged to administrative expense in the income statement.

Impairment tests for goodwill

The goodwill arose from acquisition of Greatview Aseptic Packaging (Shandong) Co., Ltd. in January 2005. As a result, the goodwill is allocated to this subsidiary, which is included in the PRC operating segment.

The recoverable amount of a cash-generated unit ("CGU") is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period using estimated growth rates which are based on past performance and their expectations of future development. Cash flows within the five-year period are extrapolated using the estimated growth rates stated below.

Amounts expressed in thousands of RMB unless otherwise stated

8 INTANGIBLE ASSETS *(continued)*

Impairment tests for goodwill *(continued)*

The key assumptions used for value-in-use calculations in the cash flow projections are as follows:

	Year ended 31 December	
	2015	2014
Pre-tax discount rate	**11.6%**	12.1%
Five-year period growth rate	**3%**	3%
Perpetuity growth rate	**3%**	3%

The growth rate assumption is based on the current sales margin levels and sales mix, and the corresponding costs of sales. It is based on past performance and management's expectations of market development.

The recoverable amount calculated based on value in use exceeded the carrying value by RMB1,474,266. A decline in growth rate by 5.4% to (2.4)% or a rise in discount rate by 6.4% to 18.0%, all changes taken in isolation, would remove the remaining headroom.

9 INVENTORIES

	As at 31 December	
	2015	2014
Raw materials	**448,010**	398,554
Work in progress	**30,759**	25,357
Finished goods	**96,847**	80,300
	575,616	504,211
Less: Provision for obsolescence		
— Raw materials	**(8,914)**	(6,028)
— Finished goods	**(314)**	(3,297)
	566,388	494,886

The cost of inventories recognised as expense and included in 'cost of sales' amounted to approximately RMB1,591,015 (2014: RMB1,676,627).

Amounts expressed in thousands of RMB unless otherwise stated

10 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2015	2014
Trade receivables	**350,014**	263,896
Less: Provision for impairment	**(3,708)**	(4,962)
Trade receivables — net	**346,306**	258,934
Notes receivable	**95,498**	69,370
Value added tax deductible	**14,861**	25,737
Prepayments	**43,323**	27,012
Less: Provision for impairment	**(8,681)**	(8,681)
Prepayments — net	**34,642**	18,331
Other receivables	**12,738**	36,600
	504,045	408,972

The Group does not hold any collateral as security.

The carrying amounts of trade receivables, notes receivable and other receivables approximate their fair values and are mainly denominated in the following currencies:

		As at 31 December	
		2015	2014
Trade receivables	— RMB	**266,483**	213,586
	— EUR	**71,384**	43,994
	— US$	**12,147**	6,316
		350,014	263,896
Notes receivable	— RMB	**95,498**	69,370
Other receivables	— RMB	**12,711**	36,591
	— HK$	**4**	–
	— EUR	**23**	9
		12,738	36,600

Amounts expressed in thousands of RMB unless otherwise stated

10 TRADE AND OTHER RECEIVABLES *(continued)*

At 31 December 2015 and 2014, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at 31 December	
	2015	2014
Trade receivables, gross		
0–30 days	**199,537**	138,303
31–90 days	**62,683**	55,451
91–365 days	**72,863**	52,097
Over 1 year	**14,931**	18,045
	350,014	263,896

The credit terms granted to customers by the Group were generally 0 to 90 days (2014: 0 to 90 days) during the year. Trade receivables of RMB91,004 (2014: RMB87,113) were past due but not impaired. These mainly relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	As at 31 December	
	2015	2014
Up to 90 days	**56,041**	54,697
91 to 365 days	**31,406**	24,887
Over 365 days	**3,557**	7,529
	91,004	87,113

Trade receivables of RMB3,708 (2014: RMB4,962) were impaired and provided for. The amount of the provision was RMB3,708 (2014: RMB4,962).The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. The ageing of these receivables is as follows:

	As at 31 December	
	2015	2014
91 to 365 days	**1,092**	1,118
Over 365 days	**2,616**	3,844
	3,708	4,962

Amounts expressed in thousands of RMB unless otherwise stated

10 TRADE AND OTHER RECEIVABLES *(continued)*

Movements on the Group provision for impairment of receivables are as below:

	As at 31 December	
	2015	2014
At beginning of the year	**(4,962)**	(3,827)
Provision for impairment	**(2,295)**	(1,135)
Written off during the year	**3,549**	–
At end of the year	**(3,708)**	(4,962)

11 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31 December	
	2015	2014
Cash at bank and on hand	**267,885**	277,252
Bank deposits	**–**	212,309
	267,885	489,561

(b) Restricted cash

As at 31 December 2015, RMB188,982 (2014: RMB278,722) are restricted deposits held at bank as guarantee for bank loan and notes payables.

The carrying amounts of cash and bank balances of the Group are denominated in the following currencies:

	As at 31 December	
	2015	2014
RMB	**399,089**	638,387
US$	**2,776**	109,262
EUR	**54,349**	20,384
HK$	**653**	250
	456,867	768,283

Amounts expressed in thousands of RMB unless otherwise stated

12 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	Note	As at 31 December **2015**	2014
Share capital	(a)	**11,476**	11,534
Share premium	(a)	**835,452**	855,033
Capital reserve	(b)	**122,848**	124,204
		969,776	990,771

(a) Share capital and share premium

Share capital

The total authorised number of ordinary shares is 3,000,000,000 (2014: 3,000,000,000) with par value of HK$0.01 per share (2014: HK$0.01 per share).

The number of ordinary shares issued as of 31 December 2015 is 1,340,588,000 (2014: 1,347,646,300) with nominal value of HK$0.01 per share (2014: HK$0.01 per share). All issued shares are fully paid.

The Company acquired and cancelled 7,833,000 of its own shares through purchases on the Stock Exchange during 2015. The total amount paid to acquire the shares was HK$28,595,330 (approximately RMB23,636) and has been deducted from share capital and share premium.

Share premium

On 9 December 2010, the Company completed its initial public offering by issuing 233,600,000 shares of HK$0.01 each at a price of HK$4.30 per share. The Company's shares are listed on the Stock Exchange.

(b) Capital reserve

In accordance with the transitional provisions set out in section 37 of Schedule 11 to Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, any amount standing to the credit of the share premium account has become part of the Company's share capital.

	2015	2014
As at 1 January	**124,204**	137,487
Share options — value of employee services	**–**	(1,751)
Share options exercised	**(1,356)**	(11,532)
As at 31 December	**122,848**	124,204

Amounts expressed in thousands of RMB unless otherwise stated

13 STATUTORY RESERVE

	2015	2014
As at 1 January	**175,117**	145,445
Transfer from retained earnings	**32,550**	29,672
As at 31 December	**207,667**	175,117

In accordance with PRC regulations and the Articles of Association of the PRC subsidiaries, the PRC subsidiaries of the Company appropriate 10% of their net profits as shown in the accounts prepared under PRC generally accepted accounting principles to statutory reserve, until the reserve reaches 50% of their respective registered capital. Appropriation of the statutory reserve must be made before distribution of dividend to equity holders.

14 RETAINED EARNINGS

	2015	2014
As at 1 January	**1,047,691**	1,011,652
Profit for the year	**316,530**	279,697
Transfer to statutory reserve	**(32,550)**	(29,672)
Dividends paid	**(217,029)**	(213,986)
As at 31 December	**1,114,642**	1,047,691

15 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 directors and 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, Liwei Holdings 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 of the Company 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 will vest in four instalments 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, a total of 3,236,000 options (3,164,000 among which are forfeited 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 Liwei. The Board approved Liwei to grant the options to eligible participants 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 will vest in two instalments on 1 June 2013 and 1 June 2014 with the exercise price of HK$4.30.

The options are exercisable subject to the holders of these options still being employees of the Group and without any inappropriate behaviour 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.

Amounts expressed in thousands of RMB unless otherwise stated

15 SHARE-BASED PAYMENTS *(continued)*

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

	Options (thousands)	
	2015	2014
At 1 January	**3,986**	13,096
Forfeited	**–**	(160)
Lapsed	**(766)**	(221)
Exercised	**(775)**	(8,729)
At 31 December	**2,445**	3,986

Out of the 2,445,000 (2014: 3,986,000) outstanding options, 2,445,000 (2014: 3,986,000) options were exercisable as at year end. Options exercised in 2015 resulted in 774,700 shares being issued at an exercise price of HK$4.30 each. The related weighted average share price at the time of exercise was HK$4.33 per share. The related transaction costs amounting to HK$15,032 have been netted off with the proceeds received.

Share options outstanding at the end of the year have the following expiry date:

Expiry Date	**Vested Date**	**Options (thousands)**	
		2015	2014
1 June 2015	1 June 2013	**–**	1,214
1 June 2016	1 June 2014	**2,445**	2,772
		2,445	3,986

The total expense recognised in the consolidated income statement for the year ended 31 December 2015 for share options amounted to RMB nil (2014: RMB(1,751)).

Amounts expressed in thousands of RMB unless otherwise stated

16 DEFERRED GOVERNMENT GRANTS

	As at 31 December	
	2015	2014
Opening net amount at beginning of the year	**105,282**	107,615
Additions	**3,684**	13,229
Amortisation	**(8,075)**	(5,647)
Exchange adjustments	**(3,735)**	(9,915)
Closing net amount at end of the year	**97,156**	105,282
At the end of the year		
Cost	**119,697**	128,663
Less: accumulated amortisation	**(18,301)**	(12,702)
Exchange adjustments	**(4,240)**	(10,679)
Net book amount	**97,156**	105,282

	As at 31 December	
	2015	2014
Current portion of deferred government grant	**5,918**	-
Non-current portion of deferred government grant	**91,238**	105,282

The government grants amounting to RMB10 million and RMB15 million received by a subsidiary of the Group in 2008 and 2013 were for the construction of the subsidiary's factory in Gaotang Country Liaocheng City Shandong Province.

The government grants amounting to EUR8.7 million (approximately RMB61.7 million), EUR1.8 million (approximately RMB12.8 million), EUR1.3 million (approximately RMB9.2 million) and EUR0.05 million (approximately RMB0.4 million) were received by a subsidiary of the Group from the State of Saxony-Anhalt, Germany in 2012, 2013, 2014 and 2015 for the purchase of machinery and construction of building in Europe.

The government grant amounting to RMB3.3 million received by a subsidiary of the Group in 2015 were for the scientific research of new type diary packaging.

Amounts expressed in thousands of RMB unless otherwise stated

17 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2015	2014
Trade payables	**306,742**	222,263
Notes payables	**25,982**	44,746
Advances from customers	**8,863**	24,062
Accrued expenses	**53,699**	76,150
Salary and welfare payable	**18,990**	14,594
Other payables	**19,798**	9,607
Value added tax payable	**7,665**	4,366
	441,739	395,788

The ageing analysis of the Group's trade payables at the date of each statement of financial position of the year is as follows:

	As at 31 December	
	2015	2014
Within 30 days	**302,414**	163,345
31–90 days	**1,869**	57,207
91–365 days	**1,419**	910
Over 365 days	**1,040**	801
	306,742	222,263

The carrying amounts of trade payables, salary and welfare payable and other payables approximate their fair values and are mainly denominated the following currencies:

		As at 31 December	
		2015	2014
Trade payables	— RMB	**57,264**	108,441
	— US$	**174,075**	92,651
	— EUR	**75,403**	21,171
		306,742	222,263
Salary and welfare payable	— RMB	**18,735**	14,204
	— EUR	**255**	390
		18,990	14,594
Other payables	— RMB	**9,785**	9,605
	— HK$	**79**	2
	— EUR	**9,934**	–
		19,798	9,607

Amounts expressed in thousands of RMB unless otherwise stated

18 BORROWINGS

		As at 31 December	
		2015	2014
Current			
Unsecured bank borrowing	— US$	**11,786**	70,195
	— HK$	**–**	60,745
		11,786	130,940
Secured bank borrowing	— US$	**–**	171,050
	— EUR	**75,610**	34,049
		75,610	205,099
Total current borrowings		**87,396**	336,039
Total borrowings		**87,396**	336,039

The unsecured borrowing of RMB11,786 dominated in US$ bears interest at the higher of 1.1% per annum over LIBOR or the bank's cost of fund, with a maturity date of 180 days from the date of each drawdown. The effective interest rate is 1.57% (2014: 1.75%) per annum.

The secured bank borrowings of RMB75,610 nominated in EUR are secured by bank deposits of the Group of RMB70,000 (2014: 70,000) (Note 11(b)).

The Group's borrowings as at each of the statement of financial position date were repayable as follows:

	As at 31 December	
	2015	2014
Within 1 year	**87,396**	336,039

As of 31 December 2015, the Group has 4 borrowing facilities (31 December 2014: 4) with a total limit of US$130,000,000 and EUR15,000,000 (31 December 2014: US$130,000,000 and EUR15,000,000). The amounts of the unutilised borrowing facilities are as follows:

	As at 31 December	
	2015	2014
Floating rate:		
— Expiring within one year	**863,200**	595,243

Amounts expressed in thousands of RMB unless otherwise stated

19 DEFERRED INCOME TAXES

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	As at 31 December	
	2015	2014
Deferred tax assets		
— Deferred tax asset to be recovered after more than 12 months	**10,971**	15,544
— Deferred tax asset to be recovered within 12 months	**11,675**	17,362
	22,646	32,906
Deferred tax liabilities		
— Deferred tax liability to be recovered within 12 months	**(4,638)**	(6,400)
Deferred tax assets (net)	**18,008**	26,506

	As at 31 December	
	2015	2014
Deferred tax assets	**22,646**	32,906
Deferred tax liabilities	**(4,638)**	(6,400)
Deferred tax assets (net)	**18,008**	26,506

The movement on the deferred income tax account is as follows:

	As at 31 December	
	2015	2014
At beginning of the year	**26,506**	26,455
Recognised in the income statement (Note 25)	**(8,498)**	51
At end of the year	**18,008**	26,506

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	**Accrued expenses**	**Government grants**	**Impairments and provisions**	**Total**
At 1 January 2014	14,039	5,979	9,437	29,455
Recognised in the income statement	2,965	501	(15)	3,451
At 31 December 2014	17,004	6,480	9,422	32,906
Recognised in the income statement	(5,688)	(57)	(4,515)	(10,260)
At 31 December 2015	**11,316**	**6,423**	**4,907**	**22,646**

Amounts expressed in thousands of RMB unless otherwise stated

19 DEFERRED INCOME TAXES *(continued)*

Deferred tax liabilities	Unremitted earnings
At 31 December 2013	3,000
Recognised in the income statement	3,400
At 31 December 2014	6,400
Recognised in the income statement	(1,762)
At 31 December 2015	**4,638**

Deferred income tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefits through the future taxable profits is probable. The amount of tax losses (mostly expiring within 5 years) for which no deferred tax asset were recognised in the statement of financial position was approximately RMB65,660 (2014: RMB58,440).

20 LONG-TERM PREPAYMENTS

Long-term prepayments mainly comprised deposits paid to purchase machinery and equipment.

21 REVENUE, OTHER INCOME AND OTHER LOSSES — NET

	Year ended 31 December	
	2015	2014
Sales of products	**2,218,934**	2,231,545
Other income:		
— Income from sales of scrap materials	**13,160**	15,664
— Subsidy income from government	**19,994**	22,177
	33,154	37,841
Other (losses)/gains — net		
— Loss on disposal of assets	**(157)**	(995)
— Foreign exchange loss	**(18,451)**	(9,632)
— Others	**3,928**	5,402
	(14,680)	(5,225)

The subsidy income comprised cash grants from local government as an incentive to promote local businesses.

Amounts expressed in thousands of RMB unless otherwise stated

22 EXPENSES BY NATURE

	Year ended 31 December	
	2015	2014
Raw materials and consumables used	**1,336,494**	1,369,620
Changes in inventories of finished goods and work in progress	**(3,274)**	22,423
Tax and levies on main operations	**10,398**	9,425
Write-back of provision for obsolescence on inventories	**(97)**	(229)
Depreciation and amortisation charges:	**95,128**	107,660
— *Depreciation of property, plant and equipment*	**92,738**	104,911
— *Amortisation of intangible assets*	**2,080**	2,473
— *Amortisation of land use right*	**310**	276
Provision for impairment of receivables and prepayment	**10,728**	1,135
Employee benefit expenses (Note 23)	**178,414**	179,308
Auditors' remuneration		
— Audit services	**2,178**	2,100
— Non-audit services	**180**	120
Transportation expenses	**47,916**	51,433
Repair and maintenance expenses	**24,542**	26,143
Electricity and utilities	**31,453**	34,509
Rental expenses	**7,585**	7,989
Plating expenses	**11,566**	9,637
Professional fees	**8,876**	7,927
Travelling expenses	**12,555**	14,074
Advertising and promotional expenses	**17,358**	15,370
Other expenses	**39,660**	41,119
Total cost of sales, distribution expenses and administrative expenses	**1,831,660**	1,899,763

23 EMPLOYEE BENEFITS

The analysis of employee benefits is as follows:

	Year ended 31 December	
	2015	2014
Wages and salaries (including discretionary bonuses)	**142,210**	140,771
Employer's contributions to pension scheme and others	**36,204**	40,288
Share options granted to employees (Note 15)	**–**	(1,751)
	178,414	179,308

Amounts expressed in thousands of RMB unless otherwise stated

23 EMPLOYEE BENEFITS *(continued)*

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included 2 directors (2014: 2), whose emoluments were reflected in the analysis presented in Note 34. The emoluments payable to the remaining three individuals during the year are as follows:

	Year ended 31 December	
	2015	2014
Basic salaries, housing allowances, other allowances and benefits in kind	**3,196**	3,162
Discretionary bonuses	**925**	783
Pension	**88**	79
	4,209	4,024

The emoluments fell within the following bands:

	Year ended 31 December	
	2015	2014
Emolument bands		
HK$1,000,001–HK$1,500,000	**2**	2
HK$1,500,001–HK$2,000,000	**–**	–
HK$2,000,001–HK$2,500,000	**–**	1
HK$2,500,001–HK$3,000,000	**1**	–
	3	3

(b) Senior management remuneration by band

The number of individuals emoluments fell within the following bands:

	Year ended 31 December	
	2015	2014
Emolument bands		
HK$0–HK$500,000	**–**	–
HK$500,001–HK$1,000,000	**1**	–
HK$1,000,001–HK$1,500,000	**4**	3
HK$1,500,001–HK$2,000,000	**–**	–
HK$2,000,001–HK$2,500,000	**–**	1
HK$2,500,001–HK$3,000,000	**1**	–
	6	4

Amounts expressed in thousands of RMB unless otherwise stated

24 FINANCE INCOME AND FINANCE EXPENSES

	Year ended 31 December	
	2015	2014
Interest income	**13,977**	11,875
Finance income	**13,977**	11,875
Interest expense — bank borrowings	**(3,580)**	(4,326)
Exchange loss	**(3,692)**	(3,226)
Finance expenses	**(7,272)**	(7,552)

25 INCOME TAX EXPENSE

	Year ended 31 December	
	2015	2014
Current income tax:		
Enterprise income tax	**87,425**	89,075
Deferred tax:		
Origination and reversal of temporary differences	**8,498**	(51)
Taxation	**95,923**	89,024

Amounts expressed in thousands of RMB unless otherwise stated

25 INCOME TAX EXPENSE *(continued)*

The Group's subsidiaries established in the PRC are subject to the PRC statutory income tax of 25% (2014: 25%) on the taxable income for the year. Hong Kong profits tax has been provided at rate of 16.5% for the current year (2014: 16.5%). No income tax provision has been made for Greatview Aseptic Packaging Europe GmbH and Greatview Aseptic Packaging Manufacturing GmbH as there are unutilised tax losses brought forward from prior years to offset current year's taxable income. No income tax provision has been made for Greatview Aseptic Packaging Service GmbH as there was no taxable income for the year.

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. The local tax bureau has approved this preferential tax rate of 15% for this subsidiary in year 2015.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group companies is as follows:

	Year ended 31 December	
	2015	2014
Profit before tax	**412,453**	368,721
Tax calculated at domestic tax rates applicable to profits in the respective countries	**103,113**	90,506
Withholding tax on dividends	**15,000**	10,550
Preferential tax treatment for subsidiaries	**(18,157)**	(18,518)
Income not subject to tax	**(91)**	(2)
Expenses not deductible for taxation purposes	**687**	357
Tax losses for which no deferred tax asset was recognised	**3,279**	8,152
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	**(6,140)**	(889)
Others	**(1,768)**	(1,132)
Tax charge	**95,923**	89,024

26 EARNINGS PER SHARE

(a) Basic earnings per share

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

	Year ended 31 December	
	2015	2014
Profit attributable to equity holders of the Company	**316,530**	279,697
Weighted average number of ordinary shares in issue (thousands)	**1,346,459**	1,343,744
Basic earnings per share (RMB per share)	**0.24**	0.21

Amounts expressed in thousands of RMB unless otherwise stated

26 EARNINGS PER SHARE *(continued)*

(b) Diluted earnings per share

Dilutive earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The share options that may have a dilutive impact on basic earnings per share in the future have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect in 2015.

	Year ended 31 December	
	2015	2014
Profit attributable to equity holders of the Company	**316,530**	279,697
Weighted average number of ordinary shares in issue (thousands)	**1,346,459**	1,343,744
Adjustments for share options (thousands)	**–**	426
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**1,346,459**	1,344,170
Diluted earnings per share (RMB per share)	**0.24**	0.21

27 DIVIDENDS

The dividends paid in 2015 and 2014 were HK$269,456,000 (HK$0.10 per share, approximately RMB217,029 in total) and HK$268,656,000 (HK$0.10 per share, approximately RMB213,986 in total) respectively. A dividend in respect of the year ended 31 December 2015 of HK$0.11 per share, amounting to a total dividend of HK$147,130,000 (approximately RMB123,265 in total) is to be proposed by the Board at the forthcoming annual general meeting to be paid out of share premium of the Company. These financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2015	2014
Dividends proposed and paid during the year	**110,690**	106,733
Proposed final dividend of HK$0.11 (2014: HK$0.10) per ordinary share	**123,265**	105,951
	233,955	212,684

Amounts expressed in thousands of RMB unless otherwise stated

28 CASH GENERATED FROM OPERATIONS

	Year end 31 December	
	2015	2014
Profit before income tax	**412,453**	368,721
Adjustments for:		
— Amortisation of intangible assets and land use rights	**2,390**	2,749
— Amortisation of deferred revenue	**(8,075)**	(5,647)
— Depreciation of property, plant and equipment	**92,738**	104,911
— (Write-back) Impairment provision for trade and other receivables	**(1,254)**	1,135
— Write-back of provision for obsolescence on inventories	**(97)**	(229)
— Loss on disposal of property, plant and equipment	**157**	67
— Share-based payment	**–**	(1,751)
— Finance income — net	**(6,705)**	(4,323)
— Foreign exchange losses on operating activities	**18,451**	9,632
Changes in working capital:		
— Inventories	**(71,405)**	(57,884)
— Trade receivables, other receivables and prepayments	**1,980**	(23,644)
— Trade payables, other payables and accruals	**25,713**	68,807
Cash generated from operations	**466,346**	462,544

Non-cash transaction

In 2014 and 2015, there was no significant non-cash transaction.

Amounts expressed in thousands of RMB unless otherwise stated

29 SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2015 are set out below:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital and debt securities	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)
Partner One Enterprises Ltd.	British Virgin Island, Limited liability company	Investment holding in British Virgin Island	US$2 Ordinary shares	100%	100%
Global Land International Industries Limited	Hong Kong, Limited liability company	Investment holding in Hong Kong	HK$10,000 Ordinary shares	–	100%
Greenone Co., Ltd	PRC, Limited liability company	Research and development of multi-layers food packaging materials in PRC	RMB10,000,000 Ordinary shares	–	100%
Greatview Holdings Ltd.	Hong Kong, Limited liability company	Investment holding in Hong Kong	HK$10,000 Ordinary shares	–	100%
Greatview Aseptic Packaging (Shandong) Co., Ltd.	PRC, Limited liability company	Production and sale of packaging products in PRC	US$44,000,000 Ordinary shares	–	100%
Greatview Beijing Packaging Equipment Co., Ltd.	PRC, Limited liability company	Production and sale of filling machines in PRC	RMB10,000,000 Ordinary shares	–	100%
Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd.	PRC, Limited liability company	Production and sale of packaging products in PRC	US$20,000,000 Ordinary shares	–	100%
Greatview Aseptic Packaging Europe GmbH	Switzerland, Limited liability company	Sale of packaging products in Switzerland	CHF50,000 Ordinary shares	–	100%
Greatview Beijing Trading Co.,Ltd.	PRC, Limited liability company	Sale of packaging products and equipment and related technical development services in PRC	US$750,000 Ordinary shares	–	100%
Greatview Aseptic Packaging Manufacturing GmbH	Germany, Limited liability company	Production and sale of packaging products in Germany	EUR25,000 Ordinary shares	–	100%
Greatview Aseptic Packaging Service GmbH	Germany, Limited liability company	Sale of packaging products in Germany	EUR25,000 Ordinary shares	–	100%
Langfang Xinceheng Plastic Co., Ltd.	PRC, Limited liability company	Production of rubber and plastic films in PRC	RMB10,000,000 Ordinary shares	–	100%

Amounts expressed in thousands of RMB unless otherwise stated

30 COMMITMENTS

(a) The Group's capital commitments at the date of each statement of financial position are as follows:

	As at 31 December	
	2015	2014
Contracted but not provided for		
— Property, plant and equipment	**24,958**	25,073

(b) Operating leases commitments

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

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

	As at 31 December	
	2015	2014
No later than 1 year	**6,299**	6,180
Later than 1 year and no later than 5 years	**7,780**	12,687
Later than 5 years	**1,038**	–
	15,117	18,867

31 RELATED PARTY TRANSACTIONS

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:

	Year end 31 December	
	2015	2014
Salaries and other short-term employees benefits	**11,221**	9,823
Social security cost	**306**	249
	11,527	10,072

32 CONTINGENT LIABILITIES

On 17 September 2010, the Group received a notice informing it that a competitor ("Tetra Pak") has filed a complaint in Germany against subsidiary companies of the Group. The named defendants in the notice are Tralin Pak Europe GmbH (renamed Greatview Aseptic Packaging Europe GmbH in 2011) and Tralin Packaging Company Limited (together in the following "Tralin Pak"); alleging patent infringement related to aseptic packaging material. In December 2011, the Court denied the complaint and found Tetra Pak liable for the costs of the proceedings ("the Judgement"). On 16 January 2012, Tetra Pak filed a notice of appeal to Dűsseldorf Higher Regional Court against the Judgement. As at 31 December 2015, the appeal was pending decision of the opposition proceedings.

Furthermore, on 20 October 2010, Greatview Aseptic Packaging Europe GmbH initiated Opposition Proceedings before the European Patent Office ("EPO") to nullify the same patent in question with effect for all member states of the European Patent Convention. In the oral hearing of 27 November 2012, the opposition division of European Patent Office has revoked the patent in full. However, Tetra Pak has filed an appeal on 17 April 2013 against the first instance decision. On 23 December 2013, the Company had filed a reply in response to Tetra Pak's appeal. As at 31 December 2015, the appeal was under process at EPO. Based on the communication with its legal advisor on German law, the Company made its assessment that the Group may prevail in the defence against Tetra Pak's appeal. Consequently, the Group considered there is no need to make any provision relating to this claim.

Amounts expressed in thousands of RMB unless otherwise stated

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	Note	As at 31 December 2015	2014
ASSETS			
Non-current assets			
Investment in a subsidiary		**221,801**	221,801
Amount due from a subsidiary		**700,700**	700,700
		922,501	922,501
Current assets			
Amount due from a subsidiary		**60,881**	48,354
Cash and cash equivalents		**21**	15
Prepayments		**9,531**	–
		70,433	48,369
Total assets		**992,934**	970,870
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**11,476**	11,534
Other reserves and retained earnings	Note (a)	**979,751**	957,588
Total equity		**991,227**	969,122
LIABILITIES			
Current liabilities			
Trade payables, other payables and accruals		**1,707**	1,748
Total liabilities		**1,707**	1,748
Total equity and liabilities		**992,934**	970,870

The balance sheet of the Company was approved by the Board of Directors on 29 March 2016 and was signed on its behalf.

Director
Bi Hua, Jeff

Director
Liu Jun

Amounts expressed in thousands of RMB unless otherwise stated

33 BALANCE SHEET AND RESERVE MOVEMENT OF COMPANY *(continued)*

(a) Reserve Movement of the Company

	As at 31 December	
	2015	2014
As at 1 January	**957,588**	930,294
Profit for the year	**260,129**	212,947
Dividends	**(217,029)**	(213,986)
Shares repurchased	**(23,572)**	–
Employee share options		
— Share options exercised	**2,635**	30,084
— Value of employee services	**–**	(1,751)
As at 31 December	**979,751**	987,588

Amounts expressed in thousands of RMB unless otherwise stated

34 DIRECTORS' EMOLUMENTS

The remuneration of directors of the Company was as follows:

Name of Director	Fees	Salary	Discretionary bonuses	Housing allowance	Other benefits	Employer's contribution to pension scheme	Total
Year ended 31 December 2014:							
Executive directors							
Mr. Bi Hua, Jeff	158	2,418	330	–	255	53	3,214
Mr. Liu Jun	53	1,086	152	–	62	40	1,393
Non-executive directors							
Mr. Hong Gang	105	638	96	–	16	34	889
Mr. Hildebrandt James Henry (resigned on 27 March 2014)	–	–	–	–	–	–	–
Ms. Shang Xiaojun (resigned on 27 March 2014)	–	–	–	–	–	–	–
Mr. Zhu Jia	–	–	–	–	–	–	–
Mr. Lee Lap, Danny (resigned on 27 March 2015)	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Lueth Allen Warren	158	–	–	–	–	–	158
Mr. Behrens Ernst Hermann	158	–	–	–	–	–	158
Mr. Chen Weishu	158	–	–	–	–	–	158
	790	4,142	578	–	333	127	5,970

Amounts expressed in thousands of RMB unless otherwise stated

34 DIRECTORS' EMOLUMENTS *(continued)*

The remuneration of directors of the Company was as follows: (continued)

Name of Director	Fees	Salary	Discretionary bonuses	Housing Allowance	Other benefits	Employer's contribution to pension scheme	Total
Year ended 31 December 2015:							
Executive directors							
Mr. Bi Hua, Jeff	**161**	**2,538**	**535**	**14**	**282**	**44**	**3,574**
Mr. Liu Jun	**161**	**1,093**	**240**	–	**72**	**44**	**1,610**
Non-executive directors							
Mr. Hong Gang	–	–	–	–	–	–	–
Mr. Zhu Jia	–	–	–	–	–	–	–
Mr. Lee Lap, Danny (resigned on 27 March 2015)	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Lueth Allen Warren	**161**	–	–	–	–	–	**161**
Mr. Behrens Ernst Hermann	**161**	–	–	–	–	–	**161**
Mr. Chen Weishu (resigned on 29 May 2015)	**72**	–	–	–	–	–	**72**
Mr. Dang Xinhua (appointed on 29 May 2015)	**85**	–	–	–	–	–	**85**
	801	**3,631**	**775**	**14**	**354**	**88**	**5,663**

In year 2015 and 2014, Mr. Bi Hua, Jeff, who is the executive director, is also the chief executive.