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GREATVIEW ASEPTIC PACKAGING COMPANY LIMITED

紛美包裝有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 00468)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

HIGHLIGHTS

- Revenue for the six months ended 30 June 2016 was RMB1,039.0 million, representing an increase of 3.0%, as compared with RMB1,008.3 million for the six months ended 30 June 2015.
- Net profit after tax for the six months ended 30 June 2016 was RMB158.2 million, representing an increase of 4.9%, as compared with RMB150.8 million for the six months ended 30 June 2015.
- Basic and diluted earnings per share for the six months ended 30 June 2016 was RMB0.118, representing an increase of 5.4%, as compared with RMB0.112 for the six months ended 30 June 2015.

The board of directors (the “**Board**”) of Greatview Aseptic Packaging Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim result of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2016 together with comparative figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2016

| | | Six months ended 30 June | |
|---|-------------|---------------------------------|--------------------|
| | | 2016 | 2015 |
| | <i>Note</i> | RMB'000 | RMB'000 |
| | | (Unaudited) | (Unaudited) |
| Revenue | 4 | 1,039,022 | 1,008,333 |
| Cost of sales | 5 | (740,421) | (730,545) |
| Gross profit | | 298,601 | 277,788 |
| Other income — net | | 25,697 | 7,380 |
| Distribution expenses | | (50,606) | (45,760) |
| Administrative expenses | | (63,152) | (55,849) |
| Operating profit | | 210,540 | 183,559 |
| Finance income — net | 6 | (292) | 7,864 |
| Profit before income tax | | 210,248 | 191,423 |
| Taxation | 7 | (52,060) | (40,590) |
| Profit for the period | | 158,188 | 150,833 |
| Profit attributable to: | | | |
| Equity holders of the Company | | 158,188 | 150,833 |
| Earnings per share for profit attributable to equity holders of the Company | | | |
| — Basic and diluted | | RMB0.118 | RMB0.112 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2016 | 2015 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| Profit for the period | 158,188 | 150,833 |
| Other comprehensive income: | | |
| Currency translation differences | <u>13,333</u> | <u>(27,840)</u> |
| Total comprehensive income for the period | <u>171,521</u> | <u>122,993</u> |
| Attributable to: | | |
| — Equity holders of the Company | <u>171,521</u> | <u>122,993</u> |
| Total comprehensive income for the period | <u>171,521</u> | <u>122,993</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

| | | As at 30 June 2016 | As at 31 December 2015 |
|---|-------------|--------------------------------------|------------------------------------|
| | <i>Note</i> | <i>RMB'000</i> (Unaudited) | <i>RMB'000</i> (Audited) |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 1,227,951 | 1,235,060 |
| Land use rights | 10 | 17,459 | 14,305 |
| Intangible assets | | 58,079 | 57,519 |
| Deferred income tax assets | | 17,581 | 22,646 |
| Long-term prepayment | | 8,528 | 8,564 |
| | | 1,329,598 | 1,338,094 |
| Current assets | | | |
| Inventories | 11 | 429,089 | 566,388 |
| Trade and other receivables and prepayments | 12 | 328,925 | 504,045 |
| Cash and bank equivalents | | 265,053 | 267,885 |
| Restricted Cash | | 88,740 | 188,982 |
| Available-for-sale financial assets | | 376,171 | – |
| | | 1,487,978 | 1,527,300 |
| Total assets | | 2,817,576 | 2,865,394 |
| EQUITY | | | |
| Capital and reserves attributable to the equity holders of the Company | | | |
| Share capital, share premium and capital reserve | 13 | 960,773 | 969,776 |
| Statutory reserve | | 207,667 | 207,667 |
| Exchange reserve | | (74,111) | (87,444) |
| Retained earnings | | 1,272,830 | 1,114,642 |
| Total equity | | 2,367,159 | 2,204,641 |

| | | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|--|----|---|---|
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred government grants | | 93,395 | 91,238 |
| Deferred income tax liabilities | | <u>5,600</u> | <u>4,638</u> |
| | | <u>98,995</u> | <u>95,876</u> |
| Current liabilities | | | |
| Trade and other payables and accruals | 16 | 256,181 | 441,739 |
| Deferred government grants | | 5,185 | 5,918 |
| Income tax liabilities | | 2,301 | 29,824 |
| Borrowings | 15 | <u>87,755</u> | <u>87,396</u> |
| | | <u>351,422</u> | <u>564,877</u> |
| Total liabilities | | <u>450,417</u> | <u>660,753</u> |
| Total equity and liabilities | | <u>2,817,576</u> | <u>2,865,394</u> |
| Net current assets | | <u>1,136,556</u> | <u>962,423</u> |
| Total assets less current liabilities | | <u>2,466,154</u> | <u>2,300,517</u> |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

| | Attributable to equity owners (unaudited) | | | | Total RMB'000 |
|---|---|---------------------------------|--------------------------------|---------------------------------|------------------|
| | Share capital, share premium and capital reserve RMB'000 (Note 13) | Statutory reserve RMB'000 | Exchange reserve RMB'000 | Retained earnings RMB'000 | |
| As at 31 December 2014 (Audited) | <u>990,771</u> | <u>175,117</u> | <u>(69,308)</u> | <u>1,047,691</u> | <u>2,144,271</u> |
| Comprehensive income | | | | | |
| Profit for the year | - | - | - | 150,833 | 150,833 |
| Other comprehensive income | | | | | |
| Currency translation differences | - | - | (27,840) | - | (27,840) |
| Transactions with owners | | | | | |
| Employee share option | - | - | - | - | - |
| Share options issued | 2,347 | - | - | - | 2,347 |
| Share issuance costs | - | - | - | - | - |
| Transfer to statutory reserve | - | - | - | - | - |
| Dividend | - | - | - | - | - |
| As at 30 June 2015 (Unaudited) | <u>993,118</u> | <u>175,117</u> | <u>(97,148)</u> | <u>1,198,524</u> | <u>2,269,611</u> |
| | Attributable to equity owners (unaudited) | | | | Total RMB'000 |
| | Share capital, share premium and capital reserve RMB'000 (Note 13) | Statutory reserve RMB'000 | Exchange reserve RMB'000 | Retained earnings RMB'000 | |
| As at 31 December 2015 (Audited) | <u>969,776</u> | <u>207,667</u> | <u>(87,444)</u> | <u>1,114,642</u> | <u>2,204,641</u> |
| Comprehensive income | | | | | |
| Profit for the year | - | - | - | 158,188 | 158,188 |
| Other comprehensive income | | | | | |
| Currency translation differences | - | - | 13,333 | - | 13,333 |
| Transactions with owners | | | | | |
| Shares repurchased | (9,003) | - | - | - | (9,003) |
| As at 30 June 2016 (Unaudited) | <u>960,773</u> | <u>207,667</u> | <u>(74,111)</u> | <u>1,272,830</u> | <u>2,367,159</u> |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2016

| | Six Months ended 30 June | |
|---|--------------------------|-----------------|
| | 2016 | 2015 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| Cash flows from operating activities | | |
| Cash generated from/(used in) operations | 477,562 | 49,282 |
| Interest paid | (755) | (2,040) |
| Income tax paid | (73,556) | (41,205) |
| | <u>403,251</u> | <u>6,037</u> |
| Net cash generated from/(used in) operating activities | | |
| Cash flows from investing activities | | |
| Property, plant and equipment (“PPE”) | (20,431) | (42,656) |
| Government grant received related to PPE | 3,733 | 2,584 |
| Proceeds from disposal of PPE | 98 | 769 |
| Acquisition of land use rights | (3,332) | – |
| Purchase of intangible assets | (1,799) | (1,188) |
| Interest received | 1,581 | 8,739 |
| Other investing cash flow | (376,171) | – |
| | <u>(396,321)</u> | <u>(31,752)</u> |
| Net cash used in investing activities | | |
| Cash flows from financing activities | | |
| Proceeds from issuance of shares | (9,003) | 2,360 |
| Proceeds from borrowings | 182,918 | 600,205 |
| Repayments of borrowings | (182,559) | (579,174) |
| | <u>(8,644)</u> | <u>23,391</u> |
| Net cash generated from financing activities | | |
| Net increase/(decrease) in cash and cash equivalents | (1,714) | (2,324) |
| Cash and cash equivalents at beginning of the period | 267,885 | 489,561 |
| Exchange (loss)/gains on cash and cash equivalents | (1,118) | 1,165 |
| | <u>265,053</u> | <u>488,402</u> |
| Cash and cash equivalents at end of the period | 265,053 | 488,402 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

1 GENERAL INFORMATION

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

2 BASIS OF PREPARATION

2.1 Basis of preparation

The unaudited condensed consolidated financial statements For the six months ended 30 June 2016 have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by International Accounting Standards Board (“**IASB**”) 34 Interim Financial Reporting. The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2015.

2.2 Principal accounting policies

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

2.3 Fair value estimation

The following table presents the Group’s financial assets and liabilities that are measured at fair value at 30 June 2016.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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).

| | Level 1 <i>RMB'000</i> | Level 2 <i>RMB'000</i> | Level 3 <i>RMB'000</i> | Total <i>RMB'000</i> |
|-------------------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| Assets | | | | |
| Trading derivatives | – | – | – | – |
| Derivatives used for hedging | – | – | – | – |
| Available-for-sale financial assets | – | – | – | – |
| — Equity securities | – | – | – | – |
| — Debt investments | 376,171 | – | – | 376,171 |
| | <u>376,171</u> | <u>–</u> | <u>–</u> | <u>376,171</u> |
| Total assets | <u><u>376,171</u></u> | <u><u>–</u></u> | <u><u>–</u></u> | <u><u>376,171</u></u> |

3 SEGMENT REPORT

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

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

| | PRC <i>RMB'000</i> (Unaudited) | International <i>RMB'000</i> (Unaudited) | Total <i>RMB'000</i> (Unaudited) |
|---|--------------------------------------|--|--|
| For the six month ended 30 June 2016 | | | |
| Sales-Revenue from external customers | 810,587 | 228,435 | 1,039,022 |
| Cost | <u>(552,584)</u> | <u>(187,837)</u> | <u>(740,421)</u> |
| Segment result | <u><u>258,003</u></u> | <u><u>40,598</u></u> | <u><u>298,601</u></u> |
| Other segment items | | | |
| Depreciation and amortisation | – | – | 49,165 |
| Interest income | – | – | 1,581 |
| Interest expense | – | – | <u>(755)</u> |
| For the six month ended 30 June 2015 | | | |
| Sales-Revenue from external customers | 827,891 | 180,442 | 1,008,333 |
| Cost | <u>(583,010)</u> | <u>(147,535)</u> | <u>(730,545)</u> |
| Segment result | <u><u>244,881</u></u> | <u><u>32,907</u></u> | <u><u>277,788</u></u> |
| Other segment items | | | |
| Depreciation and amortisation | – | – | 56,485 |
| Interest income | – | – | 8,739 |
| Interest expense | – | – | <u>(2,040)</u> |

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

| | Six Months ended 30 June | |
|--|---|---|
| | 2016 <i>RMB'000</i> (Unaudited) | 2015 <i>RMB'000</i> (Unaudited) |
| Segment result for reportable segments | 298,601 | 277,788 |
| Other income-net | 25,697 | 7,380 |
| Distribution expenses | (50,606) | (45,760) |
| Administrative expenses | (63,152) | (55,849) |
| | <hr/> | <hr/> |
| Operating profit | 210,540 | 183,559 |
| Finance (expense)/income-net | (292) | 7,864 |
| | <hr/> | <hr/> |
| Profit before income tax | 210,248 | 191,423 |
| Income tax expenses | (52,060) | (40,590) |
| | <hr/> | <hr/> |
| Profit for the period | 158,188 | 150,833 |

| | Six Months ended 30 June | |
|-------------------------------------|---|---|
| | 2016 <i>RMB'000</i> (Unaudited) | 2015 <i>RMB'000</i> (Unaudited) |
| Revenue | | |
| Dairy | 934,975 | 915,497 |
| Non-carbonated soft drink (“NCS D”) | 104,047 | 92,836 |
| | <hr/> | <hr/> |
| | 1,039,022 | 1,008,333 |
| | <hr/> | <hr/> |

4 REVENUE AND OTHER INCOME — NET

| | Six Months ended 30 June | |
|--|---|---|
| | 2016 <i>RMB'000</i> (Unaudited) | 2015 <i>RMB'000</i> (Unaudited) |
| Sales of products | 1,039,022 | 1,008,333 |
| | <hr/> | <hr/> |
| Other income — net: | | |
| — Income from sales of scrap materials | 4,890 | 6,705 |
| — Subsidy income from government | 15,905 | 6,464 |
| | <hr/> | <hr/> |
| | 20,795 | 13,169 |
| | <hr/> | <hr/> |
| — Gain/(loss) on disposal of assets | (182) | (42) |
| — Foreign exchange gain/(loss) | 595 | (8,268) |
| — Others | 4,489 | 2,521 |
| | <hr/> | <hr/> |
| | 4,902 | (5,789) |
| | <hr/> | <hr/> |

5 EXPENSES BY NATURE

| | Six Months ended 30 June | |
|---|---------------------------------------|---------------------------------------|
| | 2016 <i>RMB'000</i> (Unaudited) | 2015 <i>RMB'000</i> (Unaudited) |
| Raw materials and consumables used | 605,864 | 602,870 |
| Changes in inventories of finished goods and work in progress | (970) | (4,354) |
| Depreciation and amortisation charges | 49,165 | 56,485 |
| — Depreciation of property, plant and equipment | 47,644 | 55,371 |
| — Amortisation of intangible assets | 1,343 | 958 |
| — Amortisation of land use right | 178 | 156 |
| Provision for impairment of receivables and prepayment | 644 | 22 |
| Employee benefit expenses | 92,040 | 81,967 |
| Auditor's remuneration | 1,225 | 874 |
| Transportation expenses | 24,479 | 22,882 |
| Repair and maintenance expenses | 10,813 | 9,881 |
| Electricity and utilities | 16,287 | 14,201 |
| Rental expenses | 3,873 | 3,891 |
| Plating expenses | 5,911 | 5,206 |
| Professional fees | 2,040 | 3,422 |
| Travelling expenses | 5,602 | 4,842 |
| Advertising and promotional expenses | 9,336 | 7,904 |
| Other expenses | 27,870 | 22,061 |
| | <u>854,179</u> | <u>832,154</u> |

6 FINANCE (EXPENSE)/INCOME — NET

| | Six Months ended 30 June | |
|---|---------------------------------------|---------------------------------------|
| | 2016 <i>RMB'000</i> (Unaudited) | 2015 <i>RMB'000</i> (Unaudited) |
| Interest expense — bank borrowings | (755) | (2,040) |
| Exchange loss on cash and cash equivalents | (1,118) | — |
| Finance expense | <u>(1,873)</u> | <u>(2,040)</u> |
| Interest income — cash and cash equivalents | 1,581 | 8,739 |
| Exchange gain on cash and cash equivalents | — | 1,165 |
| Finance income | <u>1,581</u> | <u>9,904</u> |
| Finance (expense)/income — net | <u>(292)</u> | <u>7,864</u> |

7 INCOME TAX EXPENSE

| | Six Months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2016 | 2015 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| Current income tax: | | |
| Enterprise income tax (“EIT”) | 44,699 | 32,990 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 7,361 | 7,600 |
| | <u>7,361</u> | <u>7,600</u> |
| Taxation | <u>52,060</u> | <u>40,590</u> |

The Group’s subsidiaries established in the PRC are subjected to the PRC statutory EIT of 25% (2015: 25%) on the assessable income for the period. The profit arising from Hong Kong profits tax has been provided at the rate of 16.5% for the period (2015: 16.5%). Greatview Aseptic Packaging Manufacturing GmbH profits tax has been provided at rate of 30%. No income tax provision has been made for Greatview Aseptic Packaging Europe GmbH as there was unutilised tax losses brought forwards 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 years.

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.

| | Six Months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2016 | 2015 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| Profit before tax | 210,248 | 191,423 |
| Tax calculated at domestic tax rates applicable to profits in the respective countries | 52,025 | 52,102 |
| Withholding tax on dividends | 5,600 | – |
| Preferential tax treatment for subsidiaries | (5,611) | (9,413) |
| Expenses not deductible for taxation purposes | 141 | – |
| Tax losses for which no deferred tax asset was recognised | 1,523 | 615 |
| Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised | (4,974) | (427) |
| Differential tax rates on income of Group companies | 3,356 | (2,287) |
| | <u>3,356</u> | <u>(2,287)</u> |
| Tax charge | <u>52,060</u> | <u>40,590</u> |

8 EARNINGS PER SHARE

| | Six Months ended 30 June | |
|--|---------------------------------|--------------------|
| | 2016 | 2015 |
| | (Unaudited) | (Unaudited) |
| Profit attributable to equity holders of the Company (RMB'000) | 158,188 | 150,833 |
| Weighted average number of ordinary shares in issue (thousand) | 1,337,541 | 1,348,421 |
| | <u>1,337,541</u> | <u>1,348,421</u> |

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

9 PROPERTY, PLANT AND EQUIPMENT

| | Buildings <i>RMB'000</i> | Machinery <i>RMB'000</i> | Vehicles and office equipment <i>RMB'000</i> | Construction in progress <i>RMB'000</i> | Leasehold improvement <i>RMB'000</i> | Total <i>RMB'000</i> |
|---|-----------------------------|-----------------------------|---|---|--|-------------------------|
| Cost | | | | | | |
| As at 31 December 2014 (Audited) | 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 adjustment | (16,058) | (12,828) | (189) | (1,025) | (60) | (30,160) |
| As at 31 December 2015 (Audited) | 450,118 | 1,183,812 | 49,374 | 131,886 | 1,615 | 1,816,805 |
| Additions | – | 936 | 471 | 26,814 | – | 28,221 |
| Transfer upon completion | 320 | 18,878 | 573 | (19,771) | – | – |
| Disposals | – | (124) | (857) | – | – | (981) |
| Exchange adjustment | 7,055 | 10,150 | 276 | 75 | 64 | 17,620 |
| As at 30 June 2016 | 457,493 | 1,213,652 | 49,837 | 139,004 | 1,679 | 1,861,665 |
| Accumulated depreciation | | | | | | |
| As at 31 December 2014 (Audited) | (38,356) | (433,901) | (22,156) | – | (365) | (494,778) |
| Current year depreciation | (13,677) | (72,120) | (6,779) | – | (162) | (92,738) |
| Current year disposals | 0 | 2,200 | 1,219 | – | – | 3,419 |
| Exchange adjustment | 538 | 1,752 | 44 | – | 18 | 2,352 |
| As at 31 December 2015 (Audited) | (51,495) | (502,069) | (27,672) | – | (509) | (581,745) |
| Current year depreciation | (8,154) | (36,016) | (3,390) | – | (84) | (47,644) |
| Current year disposals | – | 94 | 607 | – | – | 701 |
| Exchange adjustment | (620) | (4,372) | (544) | – | 510 | (5,026) |
| As at 30 June 2016 | (60,269) | (542,363) | (30,999) | – | (83) | (633,714) |
| Net book value | | | | | | |
| As at 31 December 2015 (Audited) | 398,623 | 681,743 | 21,702 | 131,886 | 1,106 | 1,235,060 |
| As at 30 June 2016 (unaudited) | 397,224 | 671,289 | 18,838 | 139,004 | 1,596 | 1,227,951 |

10 LAND USE RIGHT

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|-------------------------------------|---|---|
| Cost | | |
| At the beginning of the period/year | <u>15,325</u> | <u>15,325</u> |
| Additions | 3,332 | – |
| At the end of the period/year | <u>18,657</u> | <u>15,325</u> |
| Accumulated amortisation | | |
| At the beginning of the period/year | (1,020) | (710) |
| Current period/year amortisation | <u>(178)</u> | <u>(310)</u> |
| At the end of the period/year | <u>(1,198)</u> | <u>(1,020)</u> |
| Net book amount | <u><u>17,459</u></u> | <u><u>14,305</u></u> |

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

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

11 INVENTORIES

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|----------------------------------|---|---|
| Raw materials | 316,196 | 448,010 |
| Work in progress | 39,637 | 30,759 |
| Finished goods | <u>82,484</u> | <u>96,847</u> |
| | 438,317 | 575,616 |
| Less: Provision for obsolescence | | |
| Raw materials | (8,914) | (8,914) |
| Finished goods | <u>(314)</u> | <u>(314)</u> |
| | <u><u>429,089</u></u> | <u><u>566,388</u></u> |

The cost of inventories recognized as expense and included in cost of sales amounted to approximately RMB736,274,000 (30 June 2015: RMB727,679,000).

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|--------------------------------|---|---|
| Trade receivables | 277,422 | 350,014 |
| Less: Provision for impairment | <u>(4,363)</u> | <u>(3,708)</u> |
| Trade receivables — net | 273,059 | 346,306 |
| Notes receivable | 19,154 | 95,498 |
| Value added tax deductible | 16,031 | 14,861 |
| Prepayments | 23,735 | 43,323 |
| Less: Provision for impairment | <u>(8,681)</u> | <u>(8,681)</u> |
| Prepayments — net | 15,054 | 34,642 |
| Other receivables | <u>5,627</u> | <u>12,738</u> |
| | <u><u>328,925</u></u> | <u><u>504,045</u></u> |

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2015: 0 to 90 days).

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

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|-------------|---|---|
| 0–30 days | 84,644 | 199,537 |
| 31–90 days | 69,951 | 62,683 |
| 91–365 days | 117,910 | 72,863 |
| Over 1 year | <u>4,917</u> | <u>14,931</u> |
| | <u><u>277,422</u></u> | <u><u>350,014</u></u> |

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|-----------------|---|---|
| Share capital | 11,450 | 11,476 |
| Share premium | 826,475 | 835,452 |
| Capital reserve | <u>122,848</u> | <u>122,848</u> |
| | <u><u>960,773</u></u> | <u><u>969,776</u></u> |

(a) **Share capital and share premium**

Share capital

The total authorized number of ordinary shares is 3,000,000,000 shares (31 December 2015: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2015: HK\$0.01 per share). The number of ordinary shares issued is 1,337,541,000 (31 December 2015: 1,340,588,000) with nominal value of HK\$0.01 per share (31 December 2015: HK\$0.01 per share). The decreased shares are due to the share buyback.

Share premium

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|----------------------------------|---|---|
| As at 1 January | 835,452 | 855,033 |
| Share buyback | <u>(8,977)</u> | <u>(19,581)</u> |
| As at the end of the period/year | <u><u>826,475</u></u> | <u><u>835,452</u></u> |

(b) **Capital reserve**

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|-------------------------------|---|---|
| As at 1 January | 122,848 | 124,204 |
| Issued employee share options | <u>–</u> | <u>(1,356)</u> |
| | <u><u>122,848</u></u> | <u><u>122,848</u></u> |

14 SHARE BASED PAYMENTS

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

| | As at 30 June 2016 <i>RMB'000</i> Options (in thousand) | As at 31 December 2015 <i>RMB'000</i> Options (in thousand) |
|---|---|---|
| As at 1 January | 2,445 | 3,986 |
| Lapsed | (2,445) | (766) |
| Exercised | <u>–</u> | <u>(775)</u> |
| Outstanding options granted to employees | <u><u>–</u></u> | <u><u>2,445</u></u> |

15 BORROWINGS

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|---------------------------|---|---|
| Current | | |
| Unsecured bank borrowings | | |
| — US\$ | 5,070 | 11,786 |
| — EUR | 29,279 | — |
| | <u>34,349</u> | <u>11,786</u> |
| Secured bank borrowing | | |
| — EUR | 53,406 | 75,610 |
| | <u>53,406</u> | <u>75,610</u> |
| Total current borrowing | <u>87,755</u> | <u>87,396</u> |
| Total borrowing | <u><u>87,755</u></u> | <u><u>87,396</u></u> |

The unsecured borrowing of RMB34,349,000 is mainly denominated in EUR with a maturity date of 120 days from the date of each drawdown. It bears the interest rate of higher of 0.75% per annum over EURIBOR (Euro interbank Offered Rate) or the Bank's Cost of Fund. The effective interest rate is 1.03% per annum.

The secured bank borrowings of RMB53,406,000 dominated in EUR are secured by bank deposits of the Group of RMB70,000,000 (2015: RMB70,000,000).

Payment schedule

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

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|-----------------------|---|---|
| Within 1 year | 87,755 | 87,396 |
| Between 1 and 2 years | — | — |
| Between 2 and 5 years | — | — |
| | <u>87,755</u> | <u>87,396</u> |

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|----------------------------|---|---|
| Trade payables | 144,228 | 306,742 |
| Notes payment | 18,740 | 25,982 |
| Advance from customers | 5,288 | 8,863 |
| Accrued expenses | 42,098 | 53,699 |
| Salary and welfare payable | 15,467 | 18,990 |
| Other payables | 9,571 | 19,798 |
| Value added tax payable | 20,789 | 7,665 |
| | <u>256,181</u> | <u>441,739</u> |

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

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|----------------|---|---|
| Within 30 days | 133,307 | 302,414 |
| 31–90 days | 1,437 | 1,869 |
| 91–365 days | 1,246 | 1,419 |
| Over 365 days | 8,238 | 1,040 |
| | <u>144,228</u> | <u>306,742</u> |

17 DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.11 per share (30 June 2015: HK\$0.1 per share), amounting to a total of approximately HK\$147,000,000 (30 June 2015: HK\$135,000,000) for the six months ended 30 June 2016.

18 COMMITMENTS

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

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|---|---|---|
| Contracted but not provided for property, plant and equipment | <u>5,660</u> | <u>24,958</u> |

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

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

| | As at 30 June 2016 <i>RMB'000</i> (Unaudited) | As at 31 December 2015 <i>RMB'000</i> (Audited) |
|---|---|---|
| Not later than one year | 1,762 | 6,299 |
| Later than one year and not later than five years | 12,272 | 7,780 |
| Later than five years | <u>–</u> | <u>1,038</u> |
| Total | <u>14,034</u> | <u>15,117</u> |

19 RELATED-PARTY TRANSACTIONS

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

Key management compensation

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

| | Six Months ended 30 June | |
|--|---------------------------------------|---------------------------------------|
| | 2016 <i>RMB'000</i> (Unaudited) | 2015 <i>RMB'000</i> (Unaudited) |
| Salaries and other short-term employees benefits | 7,493 | 5,577 |
| Social security cost | <u>748</u> | <u>363</u> |
| | <u>8,241</u> | <u>5,940</u> |

20 CONTINGENT LIABILITIES

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

The Court has denied Tetra Pak’s Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the “**Judgment**”). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. As at 30 June 2016, the appeal was pending decision of the opposition proceedings.

On 20 October 2010, we commenced opposition proceedings before the European Patent Office (“**EPO**”) to invalidate the subject patent in question in Tetra Pak’s infringement claim, with effect throughout all EPO member states. On 27 November 2012, the opposition division of EPO revoked the subject patent in its entirety; however, Tetra Pak filed an appeal on 17 April 2013 against the first instance decision. On 23 December 2013, the Company filed a reply in response to Tetra Pak’s appeal. As at 30 June 2016, 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.

21 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Board on 29 August 2016.

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 packaging material, 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 packaging materials are sold under the trademark of “GREATVIEW”, which includes “Greatview Brick”, “Greatview Pillow”, “Greatview Blank-Fed” and “Greatview Crown”. Our aseptic packaging materials 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 (“NCS”) producers in the PRC as well as numbers of international producers as our clients.

In the first half of 2016, domestic liquid milk production showed a slowly increasing trend against such backdrop as macro-economic development entered a new stage. Meanwhile, the rising of people’s per-capita income and enhancing of consumer’s nutrition and health consciousness in recent years continue to drive dairy enterprises to adjust their product structure. The competition in aseptic packaging industry continued to intensify in the first half of 2016, which led to an adverse effect on our sales performance. In the meantime, global demand of aseptic packaging material increased at a slow pace. Notwithstanding our sustainable development suffered the pressure from the above industry factors, we still achieved growth in sales and net profit in the first half of 2016.

Under the circumstances of an increasingly severe market environment, our domestic business had achieved stable sale results, while we made continuous effort in innovative and value-added services. We gradually deployed one code per pack and variable printing technology to new product categories on the basis of client’s cooperation in existing product categories. In addition, we expanded cooperation with our customers in filling machines, compatibility of packaging materials, spare part supply and new products test, etc., which strengthened the customers relations and demonstrated a step-up to a new stage for cooperation with key customers.

The international business kept its high growth momentum in the first half of 2016. Our sales team had increased personnel and expanded into new markets in new regions. We maintained profitability of international business by continuously improving sales mix. The application of pre-lamination hole technology in family-sized package broadened our product portfolio, enhanced our competitiveness and allowed us to win new orders and deepen the market penetration.

Following consecutive years of very strong growth of our international business, we had taken a decision to add the second production line of 4 billion packs annual production capacity and to expand the warehouse for our European plant at Halle Germany at the end of the first half of 2016. These new production facilities, estimated at a total investment of around 23 million Euros, are expected to be commissioned in mid-2017. The additional equipment and building expansion will add capacity, flexibility and efficiency to our operations while helping to deliver responsive service and optimal products to customers. This investment, we believe, will more than double the annual production capacity of the factory, and is a vote of confidence in the continuing growth in our market share.

Along with our sales team's endeavors to capture opportunities from aseptic packaging market, our internal operation department was continuously committed to improving our products' quality. On the basis of the original ISO 9001:2008 and ISO 14001:2004 certification and a top grade in hygiene and safety standard applying to packaging materials awarded by British Retail Consortium and IOP the Packaging Society (BRC/IOP), in the first half of 2016, our Shandong and Inner Mongolia Factories had successively passed FSSC22000 Certification of Food Safety System and became the leading company passing such certification in aseptic packaging industry. After more than one year's preparation, Greatview undertook a comprehensive upgrade from building structure, plant layout, utility supply of water, electricity and gas, equipment maintenances and repairs, staff operation procedure to material management, etc. and successfully passed the audit conducted by SGS, a famous international certification authority. At present, FSSC22000 is one of the most stringent food safety systems in the world. Having successfully gained such certification, we aligned ourselves with the world's most stringent standard of food safety system and are capable of providing the safest product to the liquid food industry.

Products

We sold a total of 5.5 billion packs during the first half of 2016 which represents an increase of 3.8% as compared with the same period in 2015, due to 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. Greatview Brick 250ml Base remained as our top selling product, followed by Greatview Brick 250ml Slim as the second most popular selling product of our Group.

Although the dairy industry in the PRC is experiencing a slower growth, we stay positive on the prospects of the sector in long term, because of the urbanization trend in the PRC and the relative low annual per capita consumption 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 package categories and sizes, 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 30 June 2016. Our Group produced approximately 5.5 billion packs for the six months ended 30 June 2016. The utilization rate for the six months ended 30 June 2016 was 51.4 %.

At the end of the first half of 2016, we have commenced construction of the second production line at our European plant. This new production line will bring additional 4 billion packs annual production capacity to the Group and is expected to be commissioned in mid-2017.

Suppliers and Raw Materials

During the six months ended 30 June 2016, the cost of raw materials increased at a lower rate than production volume, the prices of our major raw materials decreased compared with the same period of last year.

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 plant.

Sales and Marketing

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

In March 2016, we attended the 94th Food and Drinks Fair held in Chengdu, Sichuan, and exhibited for the first time our variable printing product and one code per pack product. These products are applied with the globally pioneering variable printing technology in the field of aseptic packaging for liquid food, bringing various value-added services for customers, including food safety traceability, sale channel management, internet marketing and sales improvement.

FINANCIAL REVIEW

Overview

In the first half of 2016, the Company managed to maintain a steady growth under the circumstances of an increasingly severe market environment. We continuously endeavored to optimize the production efficiency. As a result, we achieved an increase in profit for the six months ended 30 June 2016. We have also attained free cash to propose for dividend. Our management is pleased with the financial results and will continue to capture growth in the aseptic packaging industry as well as explore potential business development opportunities to further enhance return to shareholders.

Revenue

We primarily derived revenue from domestic and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by 3.0 % from RMB1,008.3 million for the six months ended 30 June 2015 to RMB1,039.0 million for the six months ended 30 June 2016.

With respect to the domestic segment, our revenue decreased by RMB17.3 million, or 2.1%, to RMB810.6 million for the six months ended 30 June 2016 from RMB827.9 million for the six months ended 30 June 2015. It was mainly impacted by the average selling price decline.

With respect to the international segment, our revenue increased by RMB48.0 million, or 26.6%, to RMB228.4 million for the six months ended 30 June 2016 from RMB180.4 million for the six months ended 30 June 2015. It was mainly contributed by the increase of sales volume.

Our revenue from dairy customers increased by RMB19.5 million, or 2.1 %, to RMB935.0 million for the six months ended 30 June 2016 from RMB915.5 million for the six months ended 30 June 2015, and our revenue from NCSD customers increased by RMB11.2 million, or 12.1%, to RMB104.0 million for the six months ended 30 June 2016 from RMB92.8 million for the six months ended 30 June 2015. It was mainly contributed by the increase of sales volume in international market.

Cost of Sales

Our cost of sales increased by RMB9.9 million, or 1.4%, to RMB740.4 million for the six months ended 30 June 2016 from RMB730.5 million for the six months ended 30 June 2015. The growth in cost of sales was lower than the growth in total sales volume as a result of the low raw material cost.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit increased by RMB20.8 million, or 7.5% from RMB277.8 million for the six months ended 30 June 2015 to RMB298.6 million for the six months ended 30 June 2016. Our gross margin increased by 1.1 percentage points to 28.7% for the six months ended 30 June 2016 from 27.6% for the six months ended 30 June 2015. It was primarily due to the increase of sales volume and well control of production cost.

Other Income

Our other income increased by RMB7.6 million, or 57.6%, to RMB20.8 million for the six months ended 30 June 2016 from RMB13.2 million for the six months ended 30 June 2015. It was primarily due to the increase of government subsidy.

Distribution Expenses

Our distribution expenses increased by RMB4.8 million, or 10.5%, to RMB50.6 million for the six months ended 30 June 2016 from RMB45.8 million for the six months ended 30 June 2015. The increase was primarily due to the increase in transportation expenses and advertising and promotion expenses, which was in line with the growth in sales volume.

Administrative Expenses

Our administrative expenses increased by RMB7.4 million, or 13.3%, to RMB63.2 million for the six months ended 30 June 2016 from RMB55.8 million for the six months ended 30 June 2015. The increase was primarily due to the increase in salary and welfare and the research and development expenses.

Taxation

Our tax expenses increased by RMB11.5 million to RMB52.1 million for the six months ended 30 June 2016 from RMB40.6 million for the six months ended 30 June 2015. Effective tax rate increased by 3.6 percentage points to 24.8% for the six months ended 30 June 2016 from 21.2% for the corresponding period in 2015.

Profit for the Period and Net Profit Margin

Driven by the factors described above, our net profit increased by RMB7.4 million, or 4.9%, to RMB158.2 million for the six months ended 30 June 2016 from RMB150.8 million for the six months ended 30 June 2015. Our net profit margin increased by 0.2 percentage points to 15.2% for the six months ended 30 June 2016 from 15.0% for the six months ended 30 June 2015, primarily due to the profitability improvement of the international business and enhanced control in production costs.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2016, we had RMB265.1 million (31 December 2015: RMB267.9 million) in cash and bank balances. Our cash and bank balances consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

As at 30 June 2016, we had RMB376.2 million (31 December 2015: nil) in available-for-sale financial assets.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials. Turnover days for inventory (inventories/cost of sales) increased from 120.9 days as at 31 December 2015 to 122.7 days as at 30 June 2016. Turnover days for trade receivables (trade receivables/revenue) increased from 50.5 days as at 31 December 2015 to 55.1 days as at 30 June 2016. Turnover days for trade payables (trade payables/cost of sales) decreased from 60.3 days as at 31 December 2015 to 55.6 days as at 30 June 2016.

Borrowings and Finance Cost

Total borrowings of our Group as at 30 June 2016 were RMB87.8 million (31 December 2015: RMB87.4 million) and denominated in Euro and US dollar. For the period under review, net finance income of our Group was approximately RMB(0.3) million (30 June 2015: RMB7.9 million).

Gearing Ratio

As at 30 June 2016, the gearing ratio (calculated by dividing total loans and bank borrowings by total equity) of our Group was 0.04 (31 December 2015: 0.04), which was in line with the growth of outstanding loans.

Working Capital

Our working capital (calculated as the difference between the current assets and current liabilities) as at 30 June 2016 was RMB1,136.6 million (31 December 2015: RMB962.4 million).

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB. During the period under review, our Group recorded exchange gain of RMB0.6 million (30 June 2015: exchange loss of RMB8.3 million).

Capital Expenditure

As at 30 June 2016, our Group's total capital expenditure amounted to approximately RMB25.6 million (31 December 2015: RMB125.1 million), which was used for constructing new building and purchasing production machines and equipment for the Group.

Charge on Assets

As at 30 June 2016, our Group neither pledged any property, plant and equipment (31 December 2015: nil) nor land use right (31 December 2015: nil).

Contingent Liabilities

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

The Court has denied Tetra Pak's Claim in December 2011 and found Tetra Pak liable for the costs of the proceedings (the "**Judgment**"). On 16 January 2012, Tetra Pak filed a notice of appeal to Düsseldorf Higher Regional Court against the Judgment. As at 30 June 2016, the appeal was pending decision of the opposition proceedings.

On 20 October 2010, we commenced opposition proceedings before the European Patent Office ("**EPO**") to invalidate the subject patent in question in Tetra Pak's infringement claim, with effect throughout all EPO member states. On 27 November 2012, the opposition division of EPO revoked the subject patent in its entirety; however, Tetra Pak filed an appeal on 17 April 2013 against the first instance decision. On 23 December 2013, the Company filed a reply in response to Tetra Pak's appeal. As at 30 June 2016, the appeal was under process at EPO. Based on the communication with our legal advisor on German law, the Company made its assessment that the Group may prevail in the defense against Tetra Pak's appeal. Further disclosure will be made as and when appropriate.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2016, our Group employed approximately 1,211 employees (31 December 2015: 1,219 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to its employees. In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. Share option schemes have also been adopted for employees of our Group. In order to ensure that our Group's employees remain competitive in the industry, the Company has adopted training schemes for our employees managed by our human resources department.

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.

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

During the six months ended 30 June 2016, the Company purchased a total of 3,407,000 shares at an aggregate purchase price before expenses of HK\$10,712,130 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 (HK\$) |
|-------------------|----------------------------|-----------------|--------------|---------------------------------|
| | | Highest (HK\$) | Lower (HK\$) | |
| January 2016 | <u>3,047,000</u> | 3.65 | 3.38 | <u>10,712,130</u> |
| Total | <u><u>3,047,000</u></u> | | | <u><u>10,712,130</u></u> |

All the 3,047,000 purchased shares were cancelled during the period 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 period under review.

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

During the six months ended 30 June 2016, there was no material acquisition and disposal of subsidiaries and associated companies by the Company. As at the date of this announcement, the Group has no plan to make any significant investment or acquisition of capital assets.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the six months ended 30 June 2016.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (the “**Code**”) as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2016.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.11 per share (30 June 2015: HK\$0.1 per share), amounting to a total of approximately HK\$147,000,000 (30 June 2015: approximately HK\$135,000,000) for the six months ended 30 June 2016 which shall be payable on or about 14 October 2016 to shareholders whose names appear on the register of members of the Company (“**Register of Members**”) on 23 September 2016

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 21 September 2016 to 23 September 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 20 September 2016.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

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

The Audit Committee has adopted the terms of reference which are in line with the Code. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting system and risk management and internal control systems and procedures, review of the Group’s financial information and review of the relationship with the external auditor of the Company. The Group’s unaudited consolidated interim financial statements for the six months ended 30 June 2016 have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE’S WEBSITE

The Company’s interim report containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.greatviewpack.com) in due course.

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

Beijing, the PRC, 29 August 2016

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. BI Hua, Jeff and Mr. LIU Jun; two non-executive directors, namely Mr. HONG Gang, and Mr. ZHU Jia; and three independent non-executive directors, namely Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. DANG Xinhua.