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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 2019**

**HIGHLIGHTS**

- Revenue for the six months ended 30 June 2019 was RMB1,182.8 million, representing a decrease of 3.0%, as compared with RMB1,219.2 million for the six months ended 30 June 2018.
- Net profit after tax for the six months ended 30 June 2019 was RMB171.8 million, representing a decrease of 1.9%, as compared with RMB175.1 million for the six months ended 30 June 2018.
- Basic and diluted earnings per share for the six months ended 30 June 2019 was RMB0.128, representing a decrease of 2.3%, as compared with RMB0.131 for the six months ended 30 June 2018.

The board (the “**Board**”) of directors (the “**Directors**”) of Greatview Aseptic Packaging Company Limited (the “**Company**” or “**Greatview**”) is pleased to announce the unaudited consolidated interim result of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2019 together with comparative figures for the corresponding period in 2018 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2019

	Note	Six Months ended 30 June	
		2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Revenue	4	1,182,800	1,219,213
Cost of sales	5	(895,280)	(899,207)
<b>Gross profit</b>		<b>287,520</b>	320,006
Other income and other gains — net		62,127	38,418
Distribution expenses		(68,018)	(63,950)
Administrative expenses		(63,531)	(61,939)
<b>Operating profit</b>		<b>218,098</b>	232,535
Finance income	6	2,769	3,640
Finance costs	6	(3,604)	(406)
Finance income — net	6	(835)	3,234
<b>Profit before income tax</b>		<b>217,263</b>	235,769
Taxation	7	(45,505)	(60,689)
<b>Profit for the period</b>		<b>171,758</b>	175,080
Profit attributable to:			
Equity holders of the Company		171,758	175,080
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted	8	<u>RMB0.128</u>	<u>RMB0.131</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Six Months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	<b>171,758</b>	175,080
<b>Other comprehensive income:</b>		
Item that may be reclassified to profit or loss		
Currency translation differences	<u>(1,683)</u>	<u>(10,121)</u>
<b>Total comprehensive income for the period</b>	<b><u>170,075</u></b>	<b><u>164,959</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2019*

		As at <b>30 June 2019</b>	As at 31 December 2018
	<i>Note</i>	<i>RMB'000</i> <b>(Unaudited)</b>	<i>RMB'000</i> <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	1,418,063	1,303,759
Land use rights	10	37,882	14,774
Intangible assets		68,133	71,112
Deferred income tax assets		25,328	21,786
Trade receivables	12	7,937	6,752
Prepayments	12	10,971	9,578
		<b>1,568,314</b>	1,427,761
<b>Current assets</b>			
Inventories	11	635,369	571,728
Trade and notes receivables	12	454,454	413,361
Prepayments	12	30,561	24,034
Other receivables	12	37,522	36,295
Cash and bank equivalents		455,906	556,391
Restricted cash		213,534	190,890
		<b>1,827,346</b>	1,792,699
<b>Total assets</b>		<b>3,395,660</b>	3,220,460
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital, share premium and capital reserve	13	748,282	748,282
Statutory reserve		238,706	285,581
Exchange reserve		(46,495)	(44,812)
Retained earnings		1,668,941	1,450,308
		<b>2,609,434</b>	2,439,359
<b>Total equity</b>		<b>2,609,434</b>	2,439,359

		As at 30 June 2019 <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred government grants		82,437	86,353
Deferred income tax liabilities		9,561	3,700
Borrowings	15	<u>25,405</u>	<u>29,427</u>
		<u>117,403</u>	<u>119,480</u>
<b>Current liabilities</b>			
Deferred government grants		7,624	7,412
Trade and other payables and accruals	16	529,433	477,389
Income tax liabilities		29,083	15,821
Borrowings	15	<u>102,683</u>	<u>160,999</u>
		<u>668,823</u>	<u>661,621</u>
<b>Total liabilities</b>		<u>786,226</u>	<u>781,101</u>
<b>Total equity and liabilities</b>		<u>3,395,660</u>	<u>3,220,460</u>
<b>Net current assets</b>		<u>1,158,523</u>	<u>1,131,078</u>
<b>Total assets less current liabilities</b>		<u>2,726,837</u>	<u>2,558,839</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2019*

	Attributable to equity owners (Unaudited)					
Share capital, share premium and capital reserve <i>RMB'000</i> <i>(Note 13)</i>	Statutory reserve <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>	
<b>As at 31 December 2017 (Audited)</b>	798,282	263,550	(48,174)	2,537	1,368,838	2,385,033
<b>Changes in accounting policies</b>				(2,537)	(3,115)	(5,652)
<b>As at 1 January 2018</b>	798,282	263,550	(48,174)	–	1,365,723	2,379,381
<b>Comprehensive income</b>						
Profit for the year					360,059	360,059
<b>Other comprehensive income</b>						–
Currency translation differences			3,362			3,362
Changes in fair value of financial assets				–		–
Shares repurchased						–
Adjust of prior year's profit & loss						–
Transfer to statutory reserve		22,031			(22,031)	–
Dividend	(50,000)				(253,443)	(303,443)
<b>As at 31 December 2018 (Audited)</b>	748,282	285,581	(44,812)	–	1,450,308	2,439,359
<b>Comprehensive income</b>						
Profit for the year					171,758	171,758
<b>Other comprehensive income</b>						–
Currency translation differences			(1,683)			(1,683)
Changes in fair value of financial assets						–
Shares repurchased						–
Adjust of prior year's profit & loss						–
Transfer to statutory reserve		(46,875)			46,875	–
Dividend						–
<b>As at 30 June 2019 (Unaudited)</b>	748,282	238,706	(46,495)	–	1,668,941	2,609,434

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	202,585	293,042
Interest paid	(1,211)	(223)
Income tax paid	(29,924)	(51,683)
	<u>171,450</u>	<u>241,136</u>
<b>Cash flows from investing activities</b>		
Property, plant and equipment (“PPE”)	(189,452)	(78,361)
Receipt of assets-related government grant	175	8,675
Proceeds from disposal of PPE	(73)	690
Acquisition of land use rights	(23,419)	–
Purchase of intangible assets	734	(289)
Purchase of available-for-sale financial assets	(325,000)	(249,617)
Disposals of available-for-sale financial assets	327,062	215,796
Interest received	2,769	3,640
	<u>(207,204)</u>	<u>(99,466)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares		
Proceeds from borrowings	14	21,153
Repayments of borrowings	(62,352)	(4,681)
Dividends paid to equity holders	–	–
	<u>(62,338)</u>	<u>16,472</u>
Net cash (used in)/generated from financing activities		
	<u>(62,338)</u>	<u>16,472</u>
<b>Net increase in cash and cash equivalents</b>		
	<b>(98,092)</b>	158,142
Cash and cash equivalents at beginning of the period	556,391	355,788
Exchange losses on cash and cash equivalents	(2,393)	(183)
	<u>455,906</u>	<u>513,747</u>
<b>Cash and cash equivalents at end of the period</b>	<b>455,906</b>	513,747

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2019*

## 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.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to nearest thousand yuan, unless otherwise stated.

## 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 period presented, unless otherwise stated.

### 2.1 Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 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 2018.

### 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 2018 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 2019. 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

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the groups is the current bid price. These instruments are included in level 1.
- The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Recurring fair value measurements

At 30 June 2019	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Available-for-sale financial assets</b>				
— Wealth management products	—	—	—	—
<b>Total assets</b>	—	—	—	—

### 3 SEGMENT REPORT

Management has determined the operating segments based on the reports reviewed by the board of the Company (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:

	<b>PRC</b> <i>RMB'000</i> (Unaudited)	<b>International</b> <i>RMB'000</i> (Unaudited)	<b>Total</b> <i>RMB'000</i> (Unaudited)
<b>For the six month ended 30 June 2019</b>			
Sales-Revenue from external customers	<b>800,465</b>	<b>382,335</b>	<b>1,182,800</b>
Cost	<b>(578,657)</b>	<b>(316,623)</b>	<b>(895,280)</b>
Segment result	<b><u>221,808</u></b>	<b><u>65,712</u></b>	<b><u>287,520</u></b>
<b>For the six month ended 30 June 2018</b>			
Sales — Revenue from external customers	798,295	420,918	1,219,213
Cost	<u>(544,755)</u>	<u>(354,452)</u>	<u>(899,207)</u>
Segment result	<b><u>253,540</u></b>	<b><u>66,466</u></b>	<b><u>320,006</u></b>

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

	<b>Six months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Segment result for reportable segments	<b>287,520</b>	320,006
Other income and other gains — net	<b>62,127</b>	38,418
Distribution expenses	<b>(68,018)</b>	(63,950)
Administrative expenses	<b>(63,531)</b>	(61,939)
Operating profit	<b>218,098</b>	232,535
Finance income	<b>2,769</b>	3,640
Finance costs	<b>(3,604)</b>	(406)
Finance income — net	<b><u>(835)</u></b>	<u>3,234</u>
<b>Profit before income tax</b>	<b>217,263</b>	235,769
Income tax expenses	<b>(45,505)</b>	(60,689)
<b>Profit for the period</b>	<b><u>171,758</u></b>	<u>175,080</u>

	<b>Six months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>		
Dairy	<b>988,361</b>	1,030,043
Non-carbonated soft drink (“NCSD”)	<b>194,439</b>	189,170
	<u><b>1,182,800</b></u>	<u>1,219,213</u>

#### **4 REVENUE AND OTHER INCOME AND OTHER GAINS — NET**

	<b>Six months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales of products	<u><b>1,182,800</b></u>	<u>1,219,213</u>
Other income — net:		
— Income from sales of scrap materials	<b>8,993</b>	7,714
— Subsidy income from government	<b>22,682</b>	16,643
— Filling machines	<b>1,632</b>	782
— Interest income from wealth management products measured at fair value through profit or loss	<u><b>2,062</b></u>	<u>5,795</u>
	<u><b>35,369</b></u>	<u>30,934</u>
— Net loss on disposal of assets	<b>(27)</b>	(56)
— Foreign exchange gain	<b>1,679</b>	4,472
— Others	<u><b>25,106</b></u>	<u>3,068</u>
	<u><b>26,758</b></u>	<u>7,484</u>

## 5 EXPENSES BY NATURE

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials and consumables used	705,169	687,892
Changes in inventories of finished goods and work in progress	1,152	36,188
Taxes and surcharges	6,933	8,210
Provision for obsolescence on inventories	—	—
Depreciation and amortisation charges	68,539	59,472
— Depreciation of property, plant and equipment	65,977	57,275
— Amortisation of intangible assets	2,251	2,028
— Amortisation of land use right	311	169
Provision for impairment of receivables and prepayment	—	1,691
Employee benefit expenses	123,606	106,490
Auditor's remuneration	1,374	1,292
Auditors' remuneration for non-audit services	—	—
Transportation expenses	38,699	38,199
Repair and maintenance expenses	13,411	13,019
Electricity and utilities	19,994	20,537
Rental expenses	3,770	3,015
Plating expenses	6,534	7,969
Professional fees	3,852	7,520
Travelling expenses	6,155	6,815
Advertising and promotional expenses	10,068	7,949
Other expenses	17,573	18,838
Total cost of sales, distribution expenses and administrative expenses	<u>1,026,829</u>	<u>1,025,096</u>

## 6 FINANCE (COSTS)/INCOME — NET

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense — bank borrowings	(1,211)	(223)
Exchange loss on cash and cash equivalents	(2,393)	(183)
<b>Finance costs</b>	<u>(3,604)</u>	<u>(406)</u>
Interest income — cash and cash equivalents	2,769	3,640
Exchange gain on cash and cash equivalents	—	—
<b>Finance income</b>	<u>2,769</u>	<u>3,640</u>
<b>Finance (costs)/income — net</b>	<u>(835)</u>	<u>3,234</u>

## 7 INCOME TAX EXPENSE

	<b>Six months ended 30 June</b>	
	<b>2019</b>	2018
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Current income tax:		
Enterprise income tax (“EIT”)	<b>43,186</b>	58,302
Deferred tax:		
Origination and reversal of temporary differences	<b>2,319</b>	2,387
	<u><b>45,505</b></u>	<u>60,689</u>
Taxation	<u><b>45,505</b></u>	<u>60,689</u>

The Group’s subsidiaries established in the PRC except for Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd. are subject to the PRC statutory income tax rate of 25% (2018: 25%) on the taxable income for the year. Hong Kong profits tax has been provided at rate of 16.5% for the current year (2018: 16.5%). The profits tax of Greatview Aseptic Packaging Manufacturing GmbH and Greatview Aseptic Packaging Service GmbH has been provided at rate of 30.8%. Greatview Aseptic Packaging Europe GmbH is subject to the Swiss statutory income tax rate of 11.35%. Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd. is located in a special economic zone with an preferential statutory income 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 2019.

	<b>Six months ended 30 June</b>	
	<b>2019</b>	2018
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Profit before tax	<b>217,263</b>	235,769
Tax calculated at domestic tax rates applicable to profits in the respective countries	<b>45,296</b>	52,543
Withholding tax on dividends	<b>4,033</b>	7,000
Preferential tax treatment for subsidiaries	<b>(6,133)</b>	(7,946)
Income not subject to tax	<b>(32)</b>	–
Expenses not deductible for taxation purposes	<b>2,979</b>	72
Tax losses for which no deferred tax asset was recognised	<b>85</b>	6,225
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	<b>(757)</b>	–
Re-measurement of deferred tax — change in the PRC tax rate		
Others	<b>34</b>	2,795
	<u><b>45,505</b></u>	<u>60,689</u>
Tax charge	<u><b>45,505</b></u>	<u>60,689</u>

## 8 EARNINGS PER SHARE

	<b>Six Months ended 30 June</b>	
	<b>2019</b>	2018
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	<b>171,758</b>	175,080
Weighted average number of ordinary shares in issue (thousands)	<b>1,337,019</b>	1,337,019
	<u><b>0.128</b></u>	<u>0.131</u>
Basic earnings per share (RMB per share)	<u><b>0.128</b></u>	<u>0.131</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						
<b>As at 31 December 2017 (Audited)</b>	505,260	1,401,176	57,003	132,975	1,739	2,098,153
Additions	12,298	32	3,438	93,758	–	109,526
Transfer upon completion	60,392	124,924	6,941	(192,257)	–	–
Disposals	–	(1,230)	(3,507)	–	–	(4,737)
Exchange adjustment	1,147	2,134	141	118	10	3,550
<b>As at 31 December 2018 (Audited)</b>	579,097	1,527,036	64,016	34,594	1,749	2,206,492
Additions	118,448	60,878	2,660	7,466	–	189,452
Transfer upon completion	0	5,310	2,082	(7,392)	0	0
Disposals	–	(24)	(717)	–	–	(741)
Exchange adjustment	(1,051)	(1,507)	(104)	(4,096)	(7)	(6,765)
As at 30 June 2019	<b>696,494</b>	<b>1,591,693</b>	<b>67,937</b>	<b>30,572</b>	<b>1,742</b>	<b>2,388,438</b>
Accumulated depreciation						
<b>As at 31 December 2017 (Audited)</b>	(88,067)	(660,931)	(40,244)	–	(996)	(790,238)
Current year depreciation	(18,376)	(88,261)	(8,338)	–	(163)	(115,138)
Current year disposals	–	769	3,077	–	–	3,846
Exchange adjustment	(220)	(886)	(91)	–	(6)	(1,203)
<b>As at 31 December 2018 (Audited)</b>	(106,663)	(749,309)	(45,596)	–	(1,165)	(902,733)
Current year depreciation	(12,397)	(51,633)	(5,041)	–	(81)	(69,152)
Current year disposals	–	670	118	–	–	788
Exchange adjustment	178	465	74	–	5	722
As at 30 June 2019	<b>(118,882)</b>	<b>(799,807)</b>	<b>(50,445)</b>	<b>–</b>	<b>(1,241)</b>	<b>(970,375)</b>
Net book value						
<b>As at 31 December 2018 (Audited)</b>	472,434	777,727	18,420	34,594	584	1,303,759
<b>As at 30 June 2019 (Unaudited)</b>	<b>577,612</b>	<b>791,886</b>	<b>17,492</b>	<b>30,572</b>	<b>501</b>	<b>1,418,063</b>

## 10 LAND USE RIGHT

	As at 30 June 2019 <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
Cost		
At the beginning of the period/year	<u>16,725</u>	<u>16,725</u>
Additions	23,419	–
Disposals	–	–
At the end of the period/year	<u>40,144</u>	<u>16,725</u>
Accumulated amortisation		
At the beginning of the period/year	(1,951)	(1,613)
Current period/year amortisation	(311)	(338)
Disposals	–	–
At the end of the period/year	<u>(2,262)</u>	<u>(1,951)</u>
Net book amount	<u><u>37,882</u></u>	<u><u>14,774</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 2019 <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
Raw materials	474,599	438,733
Work in progress	14,698	11,689
Finished goods	<u>158,608</u>	<u>133,540</u>
	<b>647,905</b>	583,962
Less: Provision for obsolescence		
Raw materials	(10,946)	(10,644)
Finished goods	<u>(1,590)</u>	<u>(1,590)</u>
	<u><u>635,369</u></u>	<u><u>571,728</u></u>

The cost of inventories recognized as expense and included in cost of sales amounted to approximately RMB888,347,000 (30 June 2018: RMB890,997,000).

## 12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at <b>30 June 2019</b> <i>RMB'000</i> <b>(Unaudited)</b>	As at 31 December 2018 <i>RMB'000</i> <b>(Audited)</b>
Trade receivables	455,372	429,349
Less: Provision for impairment of trade receivables	<u>(14,477)</u>	<u>(14,477)</u>
Trade receivables — net	440,895	414,872
Note receivables	21,496	5,241
Less non-current portion: Trade receivables	<u>(7,937)</u>	<u>(6,752)</u>
	<u><b>454,454</b></u>	<u><b>413,361</b></u>
Other receivables		
— staff advances and other payments for employees	14,396	6,641
— value added tax deductible	9,102	12,400
— value added tax receivable	13,591	14,322
— others	<u>433</u>	<u>2,932</u>
	<u><b>37,522</b></u>	<u><b>36,295</b></u>
Prepayments		
— tariffs	303	3,611
— advances to suppliers	38,526	22,027
— others deferred expenses	3,486	8,757
— prepayment for land use rights	7,898	7,898
Less: Provision for impairment	<u>(8,681)</u>	<u>(8,681)</u>
Prepayments — net	41,532	33,612
Less non-current portion: prepayments	<u>(10,971)</u>	<u>(9,578)</u>
	<u><b>30,561</b></u>	<u><b>24,034</b></u>
	<u><b>522,537</b></u>	<u><b>473,690</b></u>

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2018: 0 to 90 days).



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

	As at <b>30 June</b> <b>2019</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
0–30 days	173,322	147,283
31–90 days	151,115	169,364
91–180 days	63,464	53,897
181–365 days	41,055	30,255
Over 365 days	26,416	28,550
	<u>455,372</u>	<u>429,349</u>

### 13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at <b>30 June</b> <b>2019</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
Share capital	11,446	11,446
Share premium	613,988	613,988
Capital reserve	122,848	122,848
	<u>748,282</u>	<u>748,282</u>

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

##### *Share capital*

##### **Authorised:**

3,000,000,000 ordinary shares of HK\$0.01 each

##### Issued and fully paid:

1,337,019,000 ordinary shares of HK\$0.01 each

The total authorized number of ordinary shares is 3,000,000,000 shares (31 December 2018: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2018: HK\$0.01 per share). The number of ordinary shares issued is 1,337,019,000 (31 December 2018: 1,337,019,000) with nominal value of HK\$0.01 per share (31 December 2018: HK\$0.01 per share).

*Share premium*

	<b>As at 30 June 2019 RMB'000 (Unaudited)</b>	As at 31 December 2018 RMB'000 (Audited)
As at 1 January	613,988	663,988
Share buyback	–	–
Share premium make up for loss		
Dividends	–	(50,000)
	<u>–</u>	<u>(50,000)</u>
As at the end of the period/year	<u><b>613,988</b></u>	<u>613,988</u>

**(b) Capital reserve**

	<b>As at 30 June 2019 RMB'000 (Unaudited)</b>	As at 31 December 2018 RMB'000 (Audited)
As at 1 January	122,848	122,848
Share options-value of employee services	–	–
Capitalisation as issued shares as part of the reorganisation	–	–
	<u>–</u>	<u>–</u>
	<u><b>122,848</b></u>	<u>122,848</u>

*Company*

	<b>As at 30 June 2019 RMB'000 (Unaudited)</b>	As at 31 December 2018 RMB'000 (Audited)
Issued shares as part of the reorganisation	–	–
	<u>–</u>	<u>–</u>

## 14 SHARE BASED PAYMENTS

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

	<b>As at 30 June 2019 Options (in thousand)</b>	<b>As at 31 December 2018 Options (in thousand)</b>
As at 1 January	–	–
Lapsed	–	–
Exercised	–	–
	<hr/>	<hr/>
<b>Outstanding options granted to employees</b>	<b>–</b>	<b>–</b>
	<hr/> <hr/>	<hr/> <hr/>

## 15 BORROWINGS

	<b>As at 30 June 2019 RMB'000 (Unaudited)</b>	<b>As at 31 December 2018 RMB'000 (Audited)</b>
<b>Current</b>		
Secured bank borrowings — EUR	<b>102,683</b>	129,806
Unsecured bank borrowings — HK\$	–	31,193
	<hr/>	<hr/>
	<b>102,683</b>	160,999
	<hr/>	<hr/>
<b>Non-Current</b>		
Secured bank borrowing — EUR	<b>25,405</b>	29,427
	<hr/>	<hr/>
	<b>25,405</b>	29,427
	<hr/>	<hr/>
<b>Total borrowing</b>	<b>128,088</b>	190,426
	<hr/> <hr/>	<hr/> <hr/>

The Group subsidiaries' secured bank borrowings of RMB87,987 dominated in EUR are secured by bank deposits of the Group of RMB53,000 (2018: RMB53,000). And the rest of the secured bank borrowings of RMB40,101 were guaranteed by the Company.

## Payment schedule

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

	As at 30 June 2019 <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
Within 1 year	102,683	160,999
Between 1 and 2 years	7,817	7,847
Between 2 and 5 years	17,588	21,580
	<u>128,088</u>	<u>190,426</u>

## 16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2019 <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
Trade payables	229,166	227,446
Notes payables	196,815	137,890
Advance from customers	27,945	17,406
Accrued expenses	52,955	54,481
Salary and welfare payable	18,752	20,518
Other tax payables	2,015	5,215
Other payables	1,785	14,433
	<u>529,433</u>	<u>477,389</u>

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

	As at 30 June 2019 <i>RMB'000</i> (Unaudited)	As at 31 December 2018 <i>RMB'000</i> (Audited)
Within 30 days	180,105	163,229
31–90 days	29,915	59,702
91–365 days	12,876	2,402
Over 365 days	6,270	2,113
	<u>229,166</u>	<u>227,446</u>

## 17 DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.13 per share (30 June 2018: HK\$0.13 per share), amounting to a total of approximately HK\$173,812,000 (30 June 2018: HK\$173,812,000) for the six months ended 30 June 2019.

## 18 COMMITMENTS

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

	<b>As at 30 June 2019 RMB'000 (Unaudited)</b>	<b>As at 31 December 2018 RMB'000 (Audited)</b>
Contracted but not provided for property, plant and equipment	<u><b>7,385</b></u>	<u>6,373</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:

	<b>As at 30 June 2019 RMB'000 (Unaudited)</b>	<b>As at 31 December 2018 RMB'000 (Audited)</b>
Not later than one year	<b>8,822</b>	9,135
Later than one year and not later than five years	<b>8,366</b>	10,879
Later than five years	<u>–</u>	<u>–</u>
Total	<u><b>17,188</b></u>	<u>20,014</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:

	<b>Six Months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and other short-term employees benefits	<b>4,921</b>	4,144
Social security cost	<b>175</b>	490
	<u><b>5,096</b></u>	<u>4,634</u>

## 20 APPROVAL OF THE PUBLICATION OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements were approved and authorised for issue by the Board on 29 August 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

Our Group provides integrated packaging solution, which includes aseptic packaging materials, filling machines, spare parts and technical services, to the liquid food industry. We are the second largest roll-fed supplier globally and the leading alternative supplier in the People's Republic of China (the "PRC"). Our aseptic packaging materials are branded under the trademark of "GREATVIEW", which includes "Greatview Brick", "Greatview Pillow", "Greatview Crown", "Greatview Octagon" and "Greatview Blank-Fed". In March 2019, we completed the acquisition of Qingdao Likang Food Packaging Technology Company Limited\* ("Likang"), which sells its aseptic packaging materials under the trademark of "Century Pack", including "Century Pack" Aseptic Brick, "Century Pack" Aseptic Pillow, etc.. Our aseptic packaging materials are fully compatible with industry-standard roll-fed and blank-fed aseptic carton filling machines, which has benefited most of the dairy and non-carbonated soft drink ("NCS") producers in the PRC as well as numerous of international customers.

In the first half of 2019, the consolidation of liquid dairy market has been further intensified while the overall scale and volume of the domestic market were relatively stable, which in turn amplified the market competition. International market remained to be one of our major competitive fields. To improve our competitive edge, we have formulated an integration strategy for our international business and have been implementing it procedurally. The successful acquisition of Likang enhanced our competitiveness in the mid and low-end markets while diversifying our product lines.

In respect of the PRC business, China is the largest single market of Greatview. In the first half of 2019, under the double requirements of China's national dairy strategy and market competition, China's dairy industry has entered the era of brand competition. The liquid milk market is highly competitive that despite the modest increase in retail price of ambient liquid dairy products, the continuous consolidation of the dairy industry has reduced the profitability of mid and low-end customers.

We embrace the changes brought about by the technology and economic environments, thus adopting proactive measures to reduce costs and increase efficiency, so as to improve customer satisfaction with product quality and cost performance.

In respect of international business, competition of smaller regional players has been intensified. We saw signs of these players significantly lowering prices in order to gain short term volume which we believe is never a sustainable way to deliver customer value. We have businesses with customers in over 40 countries globally and while diversity increases our geographical coverage, this also makes scale leveraging difficult. Due to the above, focus has been made to re-rationalize our country and customer portfolio focusing on long term sustainability and scalability of our portfolio. Abide enabling our customers to enjoy a superior price and value benefit against the competition, we also focus on cultivating long term business partnership. As a result, the share of top 10 international customers and the share of global key accounts have increased.

\* For identification purpose only

Progress has also been made in new customer development in all regions including South East Asia. We believe 2019 will be a year of strengthening our business fundamentals in order to prepare for an exponential growth to the international market.

Being innovative yet pragmatic is one of the core values of Greatview. In February 2019, we launched “Greatview Brilliance” (紛美炫彩包), a new product with special appearance achieved through laser holographic metal films, which enhanced its appearance while equipping it with anti-fake function and enhancing its attribute.

Greatview is dedicated to innovation and independent development of inspiring and ecologically-friendly means to increase the appeal of our packages. We aim to offer our customers more choices to enhance their brand image and to stand out on cluttered shelves. We packaged Greatview Luster, Greatview Metal (紛美金屬包), and Greatview Brilliance into the brand new “Greatview Paper Art series” to enable customers to achieve higher differentiation at lower cost. No additional investment is needed because all packaging effects can be quickly applied to existing formats without modifying the filling equipment.

On the basis of the variable printing technology, Greatview manipulates the high-speed online printing technology to give each package its unique identification. In addition, we combine a number of cutting-edge technologies such as Internet, Internet of Things, big data, etc. to upgrade and integrate equipment, thus becoming the first service provider in the PRC to achieve full traceability of aseptic packaging materials. Also, it provides customers with “Smart Packaging Traceability Solution”.

In order to facilitate the implementation of our sustainability strategy, we have increased our investment in the research and development of environmentally-friendly products. The paper straws being developed by Greatview are easier to be recycled and degenerated. Meanwhile, we expect to provide comprehensive solutions to our customers.

A multi-year Growth Programme (the “**Programme**”) has been deployed during the year. The Programme aims at raising organisation capability, strengthening our ability to deliver value to customers and establishing differentiated market positioning. We will implement a number of strategic initiatives to optimize our customers’ countries and customers portfolio, extend our service value chain, advance product development and drive digital innovation. The Programme has just started and will take time to make progress but all these initiatives are designed to ensure that Greatview delivers another wave of sustainable growth.

## **Markets and Products**

We sold a total of approximately 6.6 billion packs during the first half of 2019 which represents a decrease of approximately 0.5% as compared with the same period in 2018, such decrease was due to the decline in sales volume of the international market compared with the previous year. “Greatview Brick 250ml Base” remained as our top selling product, followed by “Greatview Brick 200ml Slim”.

In the PRC market, despite the fact that dairy market grew slower as compared with before, we remain positive on the outlook for the dairy industry in the long run in view of urbanisation and the relatively low annual per capita consumption of dairy products in the PRC.

In the international market, with a view of the growth of global population and the development opportunities to us in the current market share, we are optimistic about our potential opportunities in the second half of 2019 and beyond.

In response to increasing market diversity demand for aseptic packaging products, we will strive to step up research and development of new products, introduce various types and sizes of packaging products and expand our product portfolio so as to widen our customer base and enhance our brand image in the market.

### **Production Capacity and Utilisation**

Greatview has a total annual production capacity of approximately 30.0 billion packs as of 30 June 2019 (30 June 2018: approximately 25.4 billion packs). Approximately 6.7 billion packs were produced for the six months ended 30 June 2019 which represented an utilization rate of approximately 44.7% (30 June 2018: approximately 51.2%). The decrease in the utilisation rate was mainly due to the underused capacity of Likang and decrease of sales volume in international market.

### **Suppliers and Raw Materials**

During the six months ended 30 June 2019, the cost of raw materials remained stable with the support of effective supply chain management.

We continued to select top quality suppliers to maintain the stability of the cost of raw materials.

### **Business development**

Greatview provides aseptic packaging materials and services to leading dairy and NCSO producers across the world.

Upon the completion of acquiring Likang in March 2019, Likang became a wholly-owned subsidiary of Greatview. The acquisition was in line with Greatview's strategy to seek opportunities for development of aseptic packaging businesses in the PRC and international markets. By acquiring Likang, Greatview consolidated its position as the second largest aseptic packaging company in the PRC. Moreover, the transaction broadened Greatview's customer base and enhanced the synergy among Greatview's existing production capability.

In April 2019, Mr. BI Hua, Jeff, the chief executive officer of Greatview, attended the investment forum "Integrated Industry — On the way to Artificial intelligence" held in Magdeburg, Germany, and delivered the speech entitled "Best Practice: Greatview Aseptic Packaging Manufacturing GmbH/Saxony-Anhalt". Mr. BI demonstrated and elaborated on the "one-code-per-pack" technology, traceable solutions, and the application of data cockpit, which intrigued attendees of the forum.

In May 2019, Greatview was granted the "Best Strategic Support Award" award by Mengniu. After years of effective cooperation between the two companies, Greatview has evolved from a provider for various products, services, and innovative projects of Mengniu into its high-level strategic partner.



## **FINANCIAL REVIEW**

### **Overview**

In the first half of 2019, both top line and bottom line were slightly lower than the corresponding period of last year under the environment of severe competition and the strategy adjustment on international business. We were taking measures to cope with the difficult situation and maintained free cash flow for interim dividend. Our management will continue to capture growth in the aseptic packaging industry as well as pursue potential business development opportunities to further enhance return to shareholders.

### **Revenue**

We primarily derived revenue from the PRC and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group decreased by approximately 3.0% from approximately RMB1,219.2 million for the six months ended 30 June 2018 to approximately RMB1,182.8 million for the six months ended 30 June 2019.

With respect to the PRC segment, our revenue increased by approximately RMB2.2 million, or 0.3%, to approximately RMB800.5 million for the six months ended 30 June 2019 from approximately RMB798.3 million for the six months ended 30 June 2018. It was mainly contributed by the increase of sales volume.

With respect to the international segment, our revenue decreased by approximately RMB38.6 million, or 9.2%, to approximately RMB382.3 million for the six months ended 30 June 2019 from approximately RMB420.9 million for the six months ended 30 June 2018. It was mainly due to integration strategy by integrating business across countries and customers to improve our profitability.

Our revenue from dairy customers decreased by approximately RMB41.6 million, or 4.0%, to approximately RMB988.4 million for the six months ended 30 June 2019 from approximately RMB1,030.0 million for the six months ended 30 June 2018, and our revenue from NCSD customers increased by approximately RMB5.2 million, or 2.7%, to approximately RMB194.4 million for the six months ended 30 June 2019 from approximately RMB189.2 million for the six months ended 30 June 2018. It was mainly due to the change of sales mix in the PRC.

### **Cost of Sales**

Our cost of sales decreased by approximately RMB3.9 million, or 0.4%, to approximately RMB895.3 million for the six months ended 30 June 2019 from approximately RMB899.2 million for the six months ended 30 June 2018. The decline in cost of sales was almost at the same level with the decline of total sales volume.

## **Gross Profit and Gross Margin**

As a result of the foregoing factors, our gross profit decreased by approximately RMB32.5 million, or 10.2% from approximately RMB320.0 million for the six months ended 30 June 2018 to approximately RMB287.5 million for the six months ended 30 June 2019. Our gross margin decreased by approximately 1.9 percentage points to approximately 24.3% for the six months ended 30 June 2019 from approximately 26.2% for the six months ended 30 June 2018. It was primarily due to the decrease of average sales price in the PRC market and the decrease of sales volume in the international market.

## **Other Income and other gains-net**

Our other income and other gains-net increased by approximately RMB23.7 million, or 61.7%, to approximately RMB62.1 million for the six months ended 30 June 2019 from approximately RMB38.4 million for the six months ended 30 June 2018. It was primarily due to the negative goodwill from the acquisition of Likang.

## **Distribution Expenses**

Our distribution expenses increased by approximately RMB4.0 million, or 6.3%, to approximately RMB68.0 million for the six months ended 30 June 2019 from approximately RMB64.0 million for the six months ended 30 June 2018. The increase was primarily due to the increase in transportation expenses and promotion expenses.

## **Administrative Expenses**

Our administrative expenses increased by approximately RMB1.6 million, or 2.6%, to approximately RMB63.5 million for the six months ended 30 June 2019 from approximately RMB61.9 million for the six months ended 30 June 2018. The increase was primarily due to the increase of salary and welfare.

## **Taxation**

Our tax expenses decreased by approximately RMB15.2 million to approximately RMB45.5 million for the six months ended 30 June 2019 from approximately RMB60.7 million for the six months ended 30 June 2018. Effective tax rate decreased by approximately 4.8 percentage points to approximately 20.9% for the six months ended 30 June 2019 from approximately 25.7% for the corresponding period in 2018.

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

Driven by the factors described above, our net profit decreased by approximately RMB3.3 million, or 1.9%, to approximately RMB171.8 million for the six months ended 30 June 2019 from approximately RMB175.1 million for the six months ended 30 June 2018. Our net profit margin increased by 0.1 percentage point to approximately 14.5% for the six months ended 30 June 2019 from approximately 14.4% for the six months ended 30 June 2018.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2019, we had approximately RMB455.9 million (31 December 2018: approximately RMB556.4 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.

As at 30 June 2019, we had nil (31 December 2018: nil) in available-for-sale financial assets, which represented wealth management products purchased from certain commercial banks in the PRC for treasury management purposes.

### **Analysis of Turnover of Inventories, Trade Receivables and Payables**

Our Group's inventories primarily consist of raw materials and finished goods. Turnover days for inventory (inventories/cost of sales) increased from approximately 117.2 days as at 31 December 2018 to approximately 125.6 days as at 30 June 2019. Turnover days for trade receivables (trade receivables/revenue) increased from approximately 57.0 days as at 31 December 2018 to approximately 67.1 days as at 30 June 2019. Turnover days for trade payables (trade payables/cost of sales) increased from approximately 45.9 days as at 31 December 2018 to approximately 46.5 days as at 30 June 2019.

### **Borrowings and Finance Cost**

All borrowings of our Group as at 30 June 2019 were bank borrowings and amounted to approximately RMB128.1 million (31 December 2018: approximately RMB190.4 million) and denominated in Euro. Amongst the borrowings, approximately RMB102.7 million (31 December 2018: approximately RMB161.0 million) will be repayable within one year and approximately RMB25.4 million (31 December 2018: approximately RMB29.4 million) will be repayable after one year. For the period under review, net finance income of our Group was approximately RMB-0.8 million (for the six months ended 30 June 2018: approximately RMB3.2 million). For details of the borrowings of our Group, please refer to note 15 to the consolidated financial statements in this announcement.

### **Gearing Ratio**

As at 30 June 2019, the gearing ratio of the Group was approximately 0.05 (31 December 2018: approximately 0.08), which was in line with the outstanding loans. The gearing ratio is calculated by dividing total loans and bank borrowings by total equity as at the end of the financial year.

### **Working Capital**

The working capital of the Group as at 30 June 2019 was approximately RMB1,158.5 million (31 December 2018: approximately RMB1,131.1 million). The working capital is calculated as the difference between the current assets and current liabilities.

## **Foreign Exchange Exposure**

Our Group's sales were primarily denominated in RMB, Euro and USD. During the period under review, our Group recorded exchange gain of approximately RMB1.7 million (for the six months ended 30 June 2018: exchange gain of approximately RMB4.5 million).

## **Capital Expenditure**

As at 30 June 2019, our Group's total capital expenditure amounted to approximately RMB212.9 million (for the six months ended 30 June 2018: approximately RMB78.7 million), which was mainly used for the acquisition of Likang.

## **Charge on Assets**

As at 30 June 2019, our Group neither pledged any property, plant and equipment (31 December 2018: nil) nor land use right (31 December 2018: nil).

## **Contingent Liabilities**

As at 30 June 2019, the Group did not have any material contingent liabilities (31 December 2018: nil).

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2019, our Group employed approximately 1,567 employees (31 December 2018: approximately 1,339 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to our employees. Total employee benefit expenses for the six months ended 30 June 2019 amounted to approximately RMB123.6 million (for the six months ended 30 June 2018: approximately RMB106.5 million). 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 technical service;
- Increasing our capacities and sustainabilities; and
- Driving operational excellence.

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

During the six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

On 15 January 2019, Shandong Greatview Aseptic a wholly-owned subsidiary of the Company, as a purchaser, and Qingdao Likang Packaging Company Limited\*, as a vendor, entered into a sale and purchase framework agreement, pursuant to which the purchaser has conditionally agreed to purchase and the vendor has conditionally agreed to sell the entire equity interest in Likang (the “**Acquisition**”). On 27 March 2019 (after trading hours of the Stock Exchange), the purchaser and the vendor had entered into a formal agreement, and on 28 March 2019, the completion of the Acquisition had taken place at a consideration of RMB106.46 million (equivalent to approximately HK\$123.62 million). Immediately after completion of the Acquisition, the target company became a subsidiary of the Company, and its financial statements would also be consolidated into the Group's consolidated financial statements. From completion of the acquisition mentioned thereon, the target company will be principally engaged in the manufacture of aseptic soft packaging for food and beverages based in Shandong province in the PRC. For further details, please refer to the announcements of the Company dated 15 January 2019 and 28 March 2019. Saved as disclosed above, during the year ended 31 December 2018, 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.

\* *For identification purposes only*

## **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 (the “**Listing Rules**”). Specific enquiries have 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 2019.

## **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 “**CG Code**”) as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2019.

## **INTERIM DIVIDEND**

The Board has resolved to declare an interim dividend of HK\$0.13 per Share (30 June 2018: HK\$0.13 per Share), amounting to a total of approximately HK\$173,812,000 (30 June 2018: approximately HK\$173,812,000) for the six months ended 30 June 2019 which shall be payable on or about 16 October 2019 to shareholders whose names appear on the register of members of the Company (the “**Register of Members**”) on 23 September 2019.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The Register of Members will be closed from 19 September 2019 to 23 September 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfer documents 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 18 September 2019.

## **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. ZHU Jia, and one non-executive Director, Mr. HSU David.

The Audit Committee has adopted the terms of reference which are in line with the CG Code. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company. The Group's unaudited consolidated interim financial statements for the six months ended 30 June 2019 have been reviewed by the Audit Committee.

## **CHANGE OF INFORMATION IN RESPECT OF DIRECTORS**

Mr. LIU Jun, has resigned as an executive Director and chief operating officer of the Company with effect from 31 January 2019. Please refer to the Company's announcement dated 31 January 2019 for further details.

Mr. CHANG Fuquan, has been appointed as an executive Director and resigned as one of the joint company secretaries of the Company with effect from 27 March 2019. Please refer to the Company's announcement dated 27 March 2019 for further details.

Mr. LUETH Allen Warren, an independent non-executive Director, has resigned to be a vice president of finance of Cardinal Health China (formerly owned by Zuellig Pharma), a company focused on pharmaceutical distribution with effect from 30 April 2019.

## **EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any important events after the reporting period that requires disclosure.

## **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](http://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 2019

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. BI Hua, Jeff and Mr. CHANG Fuquan; two non-executive Directors, namely Mr. HONG Gang and Mr. HSU David; and three independent non-executive Directors, namely Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia.*