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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF QINGDAO LIKANG FOOD PACKAGING TECHNOLOGY COMPANY LIMITED*

THE ACQUISITION

The Board is pleased to announce that on 15 January 2019 (after trading hours of the Stock Exchange), the Purchaser, being a wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Framework Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, which represent the entire equity interest in the Target Company, at a cash consideration of RMB104.22 million (equivalent to approximately HK\$121.02 million), subject to adjustment (if any) pursuant to the terms and conditions of the Sale and Purchase Framework Agreement. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial statements will be consolidated into the Group's consolidated financial statements.

The principal assets of the Target Company are the Target Assets, which comprise, *inter alia*, land use rights, properties, machineries, inventories, some accounts receivable and some accounts payable. From Completion, 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (including the adjustment, if any, pursuant to the terms and conditions of the Sale and Purchase Framework Agreement) exceed 5%, but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

Completion is subject to fulfilment of a number of conditions. As Completion may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

1. INTRODUCTION

The Board is pleased to announce that on 15 January 2019 (after trading hours of the Stock Exchange), the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Framework Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, which represent the entire equity interest in the Target Company, at a cash consideration of RMB104.22 million (equivalent to approximately HK\$121.02 million), subject to adjustment (if any) pursuant to the terms and conditions of the Sale and Purchase Framework Agreement.

2. THE SALE AND PURCHASE FRAMEWORK AGREEMENT

Date: 15 January 2019 (after trading hours of the Stock Exchange)

Parties: (i) the Purchaser (being a wholly-owned subsidiary of the Company); and
(ii) the Vendor

The principal terms of the Sale and Purchase Framework Agreement are summarised below.

2.1 Subject matter

The Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, which represent the entire equity interest in the Target Company, on the terms as set out in the Sale and Purchase Framework Agreement.

2.2 Consideration

Subject to the terms and conditions of the Sale and Purchase Framework Agreement, and the adjustment (if any) provided therein, the Consideration is RMB104.22 million (equivalent to approximately HK\$121.02 million), which shall be payable by the Company to the Vendor in cash in the following manner:

- (i) on the last Business Day prior to the date of Completion, a sum of RMB104.22 million (equivalent to approximately HK\$121.02 million), subject to adjustment according to the financial statements of the Target Company as at the Completion Reference Date, shall be transferred into the Escrow Account (less RMB10 million which is equivalent to approximately HK\$11.61 million) and the same shall be transferred to the Vendor on the date of Completion; and
- (ii) upon one year from the date of Completion, the balance of the Consideration, namely RMB10 million (equivalent to approximately HK\$11.61 million), shall be transferred to the Vendor directly.

For the purpose of confirming the financial statements of the Target Company and any necessary adjustments to the Consideration amount as described above, an independent financial adviser has been appointed by the Purchaser.

Basis of the determination of the Consideration

The Consideration was determined through arm's length negotiations between the Purchaser and the Vendor taking into account, among others, the following:

- (i) as at the date of this announcement, the total assets and total debt position (comprising the Accounts Payable and other accounts payable to third parties independent of the Company) of the Target Company, were RMB332.50 million (equivalent to approximately HK\$386.11 million) and RMB215.03 million (equivalent to approximately HK\$249.70 million) respectively, which results in the Target Company having a net asset value of RMB117.47 million (equivalent to approximately HK\$136.41 million); and

- (ii) a valuation report prepared by an independent and qualified valuer which determined a valuation of the Target Assets to be in the amount of RMB117.47 million (equivalent to approximately HK\$136.41 million). The valuation report applied the asset-based approach by reasonably assessing the value of the assets and liabilities in order to determine the market value of the Target Assets and having taken into account factors including fair market value in an open market and continued usage of the Target Assets.

The Board also consulted its financial adviser in relation to the valuation of the Target Assets, which has considered the aforesaid valuation report with reference to the financial information of the Target Assets. Based on the foregoing, the Directors are of the view that the Consideration is fair and reasonable.

It is intended that the Consideration will be settled from the Group's internal resources.

2.3 Conditions precedent

Completion of the Sale and Purchase Framework Agreement is conditional upon the satisfaction on or before 31 March 2019, of certain Conditions as set out in the Sale and Purchase Framework Agreement including, amongst others:

- (i) all necessary approvals, licenses, authorisations, consents, waivers, exemptions, clearances, orders, notifications or filings from or with the relevant governmental or regulatory authorities for the implementation of the transactions contemplated by the Sale and Purchase Framework Agreement having been obtained or made, effective and not having been revoked or withdrawn;
- (ii) all relevant approvals, licences, authorisations, consents, permissions, waivers, notifications or confirmations from the relevant third parties necessary for the implementation of the transactions contemplated by the Sale and Purchase Framework Agreement having been obtained, effective and not having been revoked;
- (iii) the entering into sales agreements between the Target Company and certain key suppliers and customers of the Vendor for a contract period of not less than one year;
- (iv) the entering into employment agreements between the Target Company and certain key employees at such terms and conditions acceptable by the Purchaser;
- (v) the entering into an escrow agreement between the Vendor, the Purchaser and an escrow agent, pursuant to which each of the Vendor and the Purchaser shall deposit the Escrow Amount into the Escrow Account;
- (vi) the Vendors' warranties remaining true, accurate and correct in all material respects as at the date of Completion; and
- (vii) the covenants and other obligations of the Vendor having been fully performed, complied with or satisfied in all respects.

2.4 Formal Agreement

The Vendor and the Purchaser shall negotiate in good faith and use all their reasonable endeavours to enter into the Formal Agreement on or before 28 February 2019. The Formal Agreement will, amongst other matters, set out in detail certain transitional arrangements and obligations prior to Completion. In the event that the Parties fail to reach agreement on the terms of the Formal Agreement on or before 31 March 2019 (or such later date as may be agreed between the Parties in writing), the Sale and Purchase Framework Agreement shall automatically terminate.

2.5 Completion

Upon Completion, the Target Company will become a subsidiary of the Company and the financial statements of the Target Company will also be consolidated into the Group's consolidated financial statements.

2.6 Post-Completion events

Pursuant to the terms of the Sale and Purchase Framework Agreement, within one year from the date of Completion, the Purchaser shall provide necessary financing to the Target Company for the purpose of settling the Accounts Payable by the Target Company to the Vendor and/or its related parties, subject to adjustment (if any) of such Accounts Payable amount according to the financial statements of the Target Company as at the Completion Reference Date.

3. INFORMATION OF THE GROUP AND THE PURCHASER

The Company is an investment holding company and is a holding company of the Group. The Group is principally engaged in the provision of integrated packaging solutions of aseptic packaging materials, filling machines, spare parts and technical service to the liquid food industry. The Purchaser is a company incorporated in the PRC and is a wholly-owned subsidiary of the Company and it is an investment holding company.

4. INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the PRC and is principally engaged in the manufacturing of aseptic soft packaging for food with major customers comprising major dairy products manufacturers and non-carbonated beverage manufacturers.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

5. INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the PRC and is wholly-owned by the Vendor. The principal assets of the Target Company are the Target Assets, which comprise, *inter alia*, land use rights, properties, machineries, inventories, some accounts receivable and some accounts payable. Upon Completion, 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.

As the Target Company was incorporated on 9 November 2018 and it has not carried on any business as at the date of this announcement, the Company has no such financial information of the Target Company in respect of revenue or profit for the past two financial years ended 31 December 2018.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company, and as such, its financial statements will be consolidated into the accounts of the Group.

6. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board believes that the Acquisition is beneficial to the Group as the Acquisition is in line with the Group's core aseptic packaging business. The Acquisition will enable the Group to strengthen and enhance its aseptic packaging portfolio and create synergies with the existing business of the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Framework Agreement including the Consideration and the Acquisition have been made on arm's length commercial terms, are fair and reasonable and in the interests of the Company and Shareholders as a whole.

7. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (including the adjustment, if any, pursuant to the terms and conditions of the Sale and Purchase Framework Agreement) exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

Completion is subject to fulfilment of the Conditions. As Completion may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

"Accounts Payable"	all accounts payable by the Target Company to the Vendor and its related parties, and as at the date of this announcement, amounting to RMB212.62 million (equivalent to approximately HK\$246.90 million)
"Acquisition"	the acquisition of the entire equity interest in the Target Company by the Purchaser from the Vendor pursuant to the Sale and Purchase Framework Agreement
"Board"	the board of Directors
"Business Day"	any calendar day other than Saturdays and Sundays in which banks are normally open for commercial activities in Hong Kong and the PRC
"Company"	Greatview Aseptic Packaging Company Limited (Stock Code: 468), a company incorporated under the Laws of Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
"Completion"	the completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Framework Agreement
"Completion Reference Date"	the last day of the month in which of the last of the Conditions have been satisfied
"Conditions"	the conditions precedent pursuant to the Sale and Purchase Framework Agreement
"Consideration"	RMB104.22 million (equivalent to approximately HK\$121.02 million), being the consideration for the Acquisition
"Directors"	the director(s) of the Company
"Escrow Account"	an escrow account to be entered into between the Parties pursuant to the Sale and Purchase Framework Agreement
"Escrow Amount"	RMB20 million (equivalent to approximately HK\$23.22 million)
"Formal Agreement"	the formal agreement for the sale and purchase of the Sale Shares to be entered into between the Parties

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	collectively the Purchaser and the Vendor
“PRC”	The People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
“PRC GAAP”	the PRC Accounting Standards for Business Enterprises as promulgated and, from time to time, amended or supplemented by the Ministry of Finance of the PRC
“Purchaser”	紛美包裝（山東）有限公司 (Greatview Aseptic Packaging (Shandong) Company Limited*), a company incorporated in the PRC and being a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	being 100% of the equity interest in the Target Company
“Sale and Purchase Framework Agreement”	the sale and purchase framework agreement dated 15 January 2019 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Shareholder(s)”	holders of the Share(s) of the Company from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	the assets which are the subject matter of the Sale and Purchase Framework Agreement, comprising, <i>inter alia</i> , land use rights, properties, machineries, inventories, some accounts receivable and some accounts payable
“Target Company”	青島利康食品包裝科技有限公司 (Qingdao Likang Food Packaging Technology Company Limited*), a company incorporated in the PRC and being wholly-owned by the Vendor
“Vendor”	青島利康包裝有限公司 (Qingdao Likang Packaging Company Limited*), a company incorporated in the PRC
“%”	per cent

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

Beijing, 15 January 2019

As of the date of this announcement, the Board comprises two executive directors, namely Mr. BI Hua, Jeff and Mr. LIU Jun; 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.

For the purpose of this announcement only, the conversion of Hong Kong dollars to Renminbi is based on the exchange rate of HK\$1.00 to RMB0.86116

** For identification purposes only*