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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The board (the "**Board**") of directors (the "**Directors**") of Greatview Aseptic Packaging Company Limited (the "**Company**" or "**Greatview**") is pleased to announce the consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2018 together with comparative figures for the year ended 31 December 2017 as follows:

The figures in respect of this announcement of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes ("**financial information**") does not constitute the Group's statutory financial statements for the year ended 31 December 2018, but represents an extract from those financial statements. The following financial information, including the comparative figures has been reviewed by the Audit Committee of the Company (the "**Audit Committee**") and agreed by the Group's external auditors, PricewaterhouseCoopers ("**PwC**"), Certified Public Accountants in Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2018. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Federation of Accountants and consequently no assurance has been expressed by PwC on this announcement.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2018
Amounts expressed in thousands of RMB except for share data

	Note	**Year ended 31 December 2018**	2017
Revenue	*3*	**2,492,697**	2,336,293
Cost of sales	*5*	**(1,874,832)**	(1,697,851)
Gross profit		**617,865**	638,442
Other income and other gains — net	*4*	**83,045**	53,611
Reversal of impairment losses on financial assets — net		**1,538**	–
Distribution expenses	*5*	**(136,312)**	(120,527)
Administrative expenses	*5*	**(130,012)**	(130,677)
Operating profit		**436,124**	440,849
Finance income	*6*	**11,039**	7,985
Finance costs	*6*	**(2,648)**	(4,447)
Finance income — net		**8,391**	3,538
Profit before income tax		**444,515**	444,387
Income tax expense	*7*	**(84,456)**	(101,101)
Profit for the year		**360,059**	343,286
Earnings per share for profit attributable to equity holders of the Company — Basic and diluted earnings per share *(RMB)*	*8*	**0.27**	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018
Amounts expressed in thousands of RMB except for share data

	Year ended 31 December	
	2018	2017
Profit for the year	**360,059**	343,286
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Currency translation differences	**3,362**	29,094
Changes in the fair value of available-for-sale financial assets	**–**	2,537
Total comprehensive income for the year	**363,421**	374,917

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018
Amounts expressed in thousands of RMB except for share data

	Note	**As at 31 December** **2018**	2017
ASSETS			
Non-current assets			
Property, plant and equipment		**1,303,759**	1,307,915
Land use rights		**14,773**	15,112
Intangible assets		**71,112**	71,563
Deferred income tax assets		**21,786**	19,530
Trade receivables		**6,752**	12,436
Prepayments		**9,579**	8,317
		1,427,761	1,434,873
Current assets			
Inventories		**571,728**	604,069
Trade and other receivables	*10*	**–**	393,881
Trade and notes receivables	*10*	**413,361**	–
Prepayments	*10*	**24,034**	–
Other receivables	*10*	**36,295**	–
Available-for-sale financial assets		**–**	120,383
Cash and cash equivalents		**556,391**	355,788
Restricted cash		**190,890**	189,754
		1.792,699	1,663,875
Total assets		**3,220,460**	3,098,748
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital, share premium and capital reserve		**748,282**	798,282
Statutory reserve		**285,581**	263,550
Retained earnings		**1,450,308**	1,368,838
Exchange reserve		**(44,812)**	(48,174)
Other reserve		**–**	2,537
Total equity		**2,439,359**	2,385,033

		As at 31 December	
	Note	**2018**	2017
LIABILITIES			
Non-current liabilities			
Deferred government grants		**86,353**	82,928
Deferred income tax liabilities		**3,700**	8,295
Borrowings		**29,427**	–
		119,480	91,223
Current liabilities			
Deferred government grants		**7,412**	7,905
Trade payables, other payables and accruals	*11*	**477,389**	493,628
Income tax liabilities		**15,821**	8,040
Borrowings		**160,999**	112,919
		661,621	622,492
Total liabilities		**781,101**	713,715
Total equity and liabilities		**3,220,460**	3,098,748

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

Amounts expressed in thousands of RMB except for share data

	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Other reserve	Retained earnings	Total
As at 1 January 2017	11,450	700,723	122,848	234,749	(77,268)	–	1,294,800	2,287,302
Comprehensive income:								
Profit for the year	–	–	–	–	–	–	343,286	343,286
Other comprehensive income:								
Currency translation differences	–	–	–	–	29,094	–	–	29,094
Changes in the fair value of available-for-sale financial assets	–	–	–	–	–	2,537	–	2,537
Shares repurchased	(4)	(1,735)	–	–	–	–	–	(1,739)
Transfer to statutory reserve	–	–	–	28,801	–	–	(28,801)	–
Dividends	–	(35,000)	–	–	–	–	(240,447)	(275,447)
As at 31 December 2017	11,446	663,988	122,848	263,550	(48,174)	2,537	1,368,838	2,385,033
Change in accounting policy *(Note: 2.2)*	–	–	–	–	–	(2,537)	(3,115)	(5,652)
As at 1 January 2018	11,446	663,988	122,848	263,550	(48,174)	–	1,365,723	2,379,381
Comprehensive income:								
Profit for the year	–	–	–	–	–	–	360,059	360,059
Other comprehensive income:								
Currency translation differences	–	–	–	–	3,362	–	–	3,362
Transfer to statutory reserve	–	–	–	22,031	–	–	(22,031)	–
Dividends	–	(50,000)	–	–	–	–	(253,443)	(303,443)
As at 31 December 2018	**11,446**	**613,988**	**122,848**	**285,581**	**(44,812)**	**–**	**1,450,308**	**2,439,359**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2018
Amounts expressed in thousands of RMB except for share data

	Year ended 31 December	
	2018	2017
Cash flows from operating activities		
Cash generated from operations	**476,435**	412,062
Interest paid	**(2,493)**	(1,019)
Income tax paid	**(83,526)**	(107,427)
Net cash generated from operating activities	**390,416**	303,616
Cash flows from investing activities		
Purchases of property, plant and equipment ("PP&E")	**(110,482)**	(127,673)
Receipt of assets-related government grants	**10,085**	–
Proceeds from disposal of PP&E	**693**	474
Purchases of intangible assets	**(3,873)**	(17,017)
Purchases of financial assets at fair value through profit or loss	**(700,000)**	–
Purchases of available-for-sale financial assets	**–**	(511,291)
Disposals of financial assets at fair value through profit or loss	**829,344**	–
Disposals of available-for-sale financial assets	**–**	770,753
Interest received	**11,039**	7,985
Net cash generated from investing activities	**36,806**	123,231
Cash flows from financing activities		
Proceeds from borrowings	**433,009**	44,580
Repayments of borrowings	**(357,000)**	(43,330)
Payments for shares repurchased	**–**	(1,739)
Dividends paid to equity holders	**(303,443)**	(275,447)
Net cash used in financing activities	**(227,434)**	(275,936)
Net increase in cash and cash equivalents	**199,788**	150,911
Cash and cash equivalents at beginning of year	**355,788**	206,082
Exchange gains/(losses) on cash and cash equivalents	**815**	(1,205)
Cash and cash equivalents at end of year	**556,391**	355,788

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 years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with IFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") and the disclosure requirements of Hong Kong Companies Ordinance ("HKCO") Cap. 622.

The preparation of these consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) — measured at fair value.

(c) New and amended standards and annual improvements adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

IFRS 9	*Financial instruments*
IFRS 15	*Revenue from Contracts with Customers*
Annual improvements project	*Annual Improvements 2014–2016 cycle*
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*

The Group also elected to early adopt the following amendments.

Annual improvements project	*Annual Improvement to IFRS Standards 2015–2017 Cycle*

The Group had to change its accounting policies and make certain adjustments following the adoption of IFRS 9 and IFRS 15. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) New standards, amendments and interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised in the consolidated statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of RMB20,014. Of these commitments, approximately RMB1,805 relate to short-term leases which will be recognised on a straight-line basis as expense in the consolidated income statement.

For the remaining lease commitments the Group expects to recognise right-of-use assets of approximately RMB17,185 on 1 January 2019 and lease liabilities of RMB17,185.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 and IFRS 15 on the Group's financial statements.

2.2.1 Impact on the financial statements

As explained in note 2.2.2, IFRS 9 was generally adopted without restating comparative information. IFRS 15 was adopted using the modified retrospective approach that comparative information was not restated. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Statement of financial position (extract)	*Note*	**As at 31 December 2017** *RMB'000*	**Impact of adoption of IFRS 9** *RMB'000*	**As at 1 January 2018** *RMB'000*
Non-current assets				
Deferred income tax assets		19,530	1,884	21,414
Trade and other receivables	*10*	12,436	(12,436)	–
Trade receivables	*10*	–	12,436	12,436
Current assets				
Trade and other receivables	*10*	393,881	(393,881)	–
Trade and notes receivables	*10*	–	335,657	335,657
Prepayments	*10*	–	19,100	19,100
Other receivables	*10*	–	31,588	31,588
Financial assets at fair value through profit or loss ("FVPL")		–	120,383	120,383
Available-for-sale financial assets ("AFS")		120,383	(120,383)	–
Total assets		3,098,748	(5,652)	3,093,096
Other reserve		2,537	(2,537)	–
Retained earnings		1,368,838	(3,115)	1,365,723
Total equity		2,385,033	(5,652)	2,379,381

2.2.2 IFRS 9 "Financial Instruments"

IFRS 9 replaces the provisions of International Accounting Standards 39 ("**IAS 39**") that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 "Financial Instruments" from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

The total impact on the Group's retained earnings as at 1 January 2018 is as follows:

	Note	*RMB'000*
Closing retained earnings 31 December 2017 — IAS 39		**1,368,838**
Reclassify investments from available-for-sale to FVPL	*(i)*	2,537
Increase in impairment provision for trade receivables	*(iii)*	(7,536)
Increase in deferred income tax assets relating to impairment provision	*(iii)*	1,884
Adjustment to retained earnings from adoption of IFRS 9 on 1 January 2018		(3,115)
Opening retained earnings 1 January 2018 — IFRS 9		**1,365,723**

(i) Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets — 1 January 2018	**FVPL** *RMB'000*	**Available-for-sale** *RMB'000*
Closing balance as at 31 December 2017 — IAS 39	**–**	**120,383**
Reclassify investments from available-for-sale to FVPL	120,383	(120,383)
Opening balance as at 1 January 2018 — IFRS 9	**120,383**	**–**

The impact of these changes on the Group's equity is as follows:

	Effect on available for sale reserve *RMB'000*	Effect on retained earnings *RMB'000*
Closing balance as at 31 December 2017 — IAS 39	**2,537**	**1,368,838**
Reclassify investments from available for sale to FVPL	(2,537)	2,537
Opening balance as at 1 January 2018 — IFRS 9	**–**	**1,371,375**

Certain debt investments in wealth management products were reclassified from available-for-sale to FVPL (RMB120,383 as at 1 January 2018).

Related fair value gains of RMB2,537 were transferred from the available-for-sale reserve to retained earnings on 1 January 2018.

(ii) *Reclassification of financial investment on adoption of IFRS 9*

On the date of initial application, 1 January 2018, the financial instruments of the Group were as follows, with any reclassification noted:

	Measurement category		**Carrying amount**		
	Original *(HKAS 39)*	**New** *(HKFRS 9)*	**Original** *RMB'000*	**New** *RMB'000*	**Difference** *RMB'000*
Non-current financial assets					
Trade receivables	Amortised cost	Amortised cost	12,436	12,436	–
Current financial assets					
Trade and notes receivables	Amortised cost	Amortised cost	335,657	335,657	–
Other receivables	Amortised cost	Amortised cost	19,273	19,273	–
Cash and cash equivalents	Amortised cost	Amortised cost	355,788	355,788	–
Restricted cash	Amortised cost	Amortised cost	189,754	189,754	–
Available-for-sale financial assets	Available for sale	FVPL	120,383	120,383	–

(iii) *Impairment of financial assets*

The Group has several types of financial assets that are subject to IFRS 9's new expected credit loss model:

- trade and notes receivables, and
- other receivables.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed in the table in note 2.2.2 above.

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade and notes receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. This resulted in an increase of the loss allowance on 1 January 2018 by RMB7,536 for trade receivables, net with tax impact of RMB1,884.

Other receivables

For other receivables, the expected credit losses is based on the 12-month expected credit losses. It is the portion of lifetime expected credit losses that result from default events on financial instrument that are possible within 12 months after the reporting date. However when there has been a significant increase in credit risk since origination, the allowance will be based on th lifetime expected credit losses. Management has closely monitored the credit qualities and the collectability of the other receivables and considers that the expected credit losses is immaterial.

2.2.3 IFRS 15 "Revenue from Contracts with Customers"

The Group has adopted IFRS 15 "Revenue from Contracts with Customers" from 1 January 2018. In accordance with the transition provisions in IFRS 15, the Group has adopted the new rule under the modified retrospective approach and the comparative figures have not been restated. Based on the Group's assessment, the retained earnings as at 1 January 2018 would not be adjusted upon the adoption of IFRS15.

Presentation of assets and liabilities related to contract with customers

The Group has changed the presentation of certain amounts in the consolidated statement of financial statement to reflect the terminology of IFRS 15 and IFRS 9:

Prepayments and other receivables were previously presented together with trade receivables and notes receivables as trade and other receivables, and prepayments and other receivables are now presented as separate in the consolidated statement of financial position, to reflect their different nature.

3 SEGMENT INFORMATION

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

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

	PRC	International	Total
2018			
Sales	**1,598,719**	**893,978**	**2,492,697**
Cost	**(1,126,478)**	**(748,354)**	**(1,874,832)**
Segment results	**472,241**	**145,624**	**617,865**
2017			
Sales	1,620,234	716,059	2,336,293
Cost	(1,124,501)	(573,350)	(1,697,851)
Segment results	495,733	142,709	638,442

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

	Year ended 31 December	
	2018	2017
Segment results for reportable segments	**617,865**	638,442
Other income and other gains — net	**83,045**	53,611
Reversal of impairment losses on financial assets — net	**1,538**	–
Distribution expenses	**(136,312)**	(120,527)
Administrative expenses	**(130,012)**	(130,677)
Operating profit	**436,124**	440,849
Finance income	**11,039**	7,985
Finance costs	**(2,648)**	(4,447)
Finance income — net	**8,391**	3,538
Profit before income tax	**444,515**	444,387
Income tax expense	**(84,456)**	(101,101)
Profit for the year	**360,059**	343,286
Depreciation and amortisation charges	**119,880**	109,971

Information on segment assets and liabilities are not disclosed as this information is not presented to the Executive Directors as they do not assess performance of reportable segments using information on assets and liabilities. The non-current assets excluding deferred income tax assets (there is no employment benefit assets and rights arising under insurance contracts) amount to RMB1,405,975 (2017: RMB1,415,343).

The following table presents sales generated from packaging materials:

	Year ended 31 December	
	2018	2017
Dairy products	**2,103,040**	2,004,830
Non-carbonated soft drink ("NCSD") products	**389,657**	331,463
	2,492,697	2,336,293

Revenue of approximately RMB1,392,299 or 56% (2017: RMB1,274,818 or 55%) was derived from 3 (2017: 2) single external customer. These revenues were attributable to the PRC and international segments.

4 OTHER INCOME AND OTHER GAINS — NET

	Year ended 31 December	
	2018	2017
Income from sales of scraps	**19,096**	21,508
Subsidy income from government	**40,600**	28,404
Interest on available-for-sale financial assets	**–**	3,653
Interest income from wealth management products measured at fair value through profit or loss	**8,961**	–
Net losses on disposal of assets	**(198)**	(238)
Net foreign exchange gain/(loss)	**5,034**	(4,641)
Others	**9,552**	4,925
	83,045	53,611

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

5 EXPENSES BY NATURE

	Year ended 31 December	
	2018	2017
Raw materials and consumables used	**1,470,423**	1,347,033
Changes in inventories of finished goods and work in progress	**40,359**	32,281
Tax and levies on main operations	**15,694**	9,759
Write-back for obsolescence on inventories	**(3,460)**	(208)
Depreciation and amortisation charges:	**119,880**	109,971
— Depreciation of PP&E	**115,138**	106,988
— Amortisation of intangible assets	**4,404**	2,645
— Amortisation of land use rights	**338**	338
Provision for impairment of receivables	**–**	10,085
Employee benefit expenses	**233,891**	204,720
Auditors' remuneration		
— Audit services	**2,180**	2,180
— Non-audit services	**3,648**	187
Transportation expenses	**84,678**	62,347
Repair and maintenance expenses	**28,940**	26,214
Electricity and utilities	**40,967**	37,392
Rental expenses	**6,802**	7,457
Plating expenses	**15,563**	12,569
Professional fees	**15,742**	7,979
Travelling expenses	**15,238**	13,824
Advertising and promotional expenses	**16,059**	16,787
Other expenses	**34,552**	48,478
Total cost of sales, distribution expenses and administrative expenses	**2,141,156**	1,949,055

6 FINANCE INCOME AND FINANCE COSTS

	Year ended 31 December	
	2018	2017
Interest income	**11,039**	7,985
Finance income	**11,039**	7,985
Interest expenses — bank borrowings	**(2,493)**	(1,019)
Exchange losses — net	**(155)**	(3,428)
Finance costs	**(2,648)**	(4,447)

7 INCOME TAX EXPENSE

	Year ended 31 December	
	2018	2017
Current income tax:		
Enterprise income tax	**91,307**	98,835
Deferred income tax:	**(6,851)**	2,266
Income tax expense	**84,456**	101,101

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% (2017: 25%) on the taxable income for the year. Hong Kong profits tax has been provided at rate of 16.5% for the current year (2017: 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 2018.

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

	Year ended 31 December	
	2018	2017
Profit before tax	**444,515**	444,387
Tax calculated at domestic tax rates applicable to profits in the respective countries	**81,993**	103,560
Withholding tax on dividends	**10,100**	12,900
Preferential tax treatment for a subsidiary	**(13,914)**	(12,908)
Income not subject to tax	**(786)**	99
Expenses not deductible for taxation purposes	**3,884**	137
Tax losses for which no deferred income tax asset was recognised	**256**	2,866
Utilisation of previously unrecognised tax losses	**(210)**	(5,639)
Others	**3,133**	86
Income tax expense	**84,456**	101,101

8 EARNINGS PER SHARE

Basic and diluted earnings per share

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 year.

	Year ended 31 December	
	2018	2017
Profit attributable to equity holders of the Company	**360,059**	343,286
Weighted average number of ordinary shares in issue *(thousands)*	**1,337,019**	1,337,084
Basic and diluted earnings per share *(RMB per share)*	**0.27**	0.26

Basic and diluted earnings per share are the same as the Group does not have any dilutive potential ordinary shares for the year ended 31 December 2018 and 2017.

9 DIVIDENDS

The dividends paid in 2018 and 2017 were HK$347,626,470 (HK$0.13 per share, approximately RMB303,443 in total) and HK$320,884,560 (HK$0.12 per share, approximately RMB275,447 in total)) respectively. A dividend in respect of the year ended 31 December 2018 of HK$0.14 per share, amounting to a total dividend of HK$187,182,660 (approximately RMB164,009 in total) is to be proposed by the Board at the forthcoming annual general meeting to be partly paid out of the share premium account of the Company and partly paid out of the distributable profits of the Company. These financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2018	2017
Dividends proposed and paid during the year	**152,955**	136,199
Proposed final dividend of HK$0.14 (2017: HK$0.13) per ordinary share	**164,009**	145,290
	316,964	281,489

10 TRADE AND NOTES RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2018	2017
Trade receivables — gross	**429,349**	368,222
Less: Provision for impairment of trade receivables	**(14,477)**	(16,372)
Trade receivables — net	**414,872**	351,850
Notes receivable	**5,241**	3,779
Less non-current portion: Trade receivables	**(6,752)**	(12,436)
	413,361	343,193
Other receivables		
— staff advances and other payments for employees	**6,641**	2,262
— value added tax deductible	**12,400**	12,315
— value added tax receivable	**14,322**	14,188
— other	**2,932**	2,823
	36,295	31,588
Prepayments		
— tariffs	**3,611**	4,795
— advances to suppliers	**22,027**	17,445
— others deferred expenses	**8,758**	5,960
— prepaid for land	**7,898**	7,898
Less: Provision for impairment	**(8,681)**	(8,681)
Prepayments — net	**33,613**	27,417
Less non-current portion: prepayments	**(9,579)**	(8,317)
	24,034	19,100
	473,690	393,881

The Group does not hold any collateral as security.

All non-current receivables are due over one year from the end of the year.

Customers are normally granted credit term within 90 days. At 31 December 2018 and 2017, the ageing analysis of the trade receivables based on invoice date are as follows:

	As at 31 December	
	2018	2017
Trade receivables — gross		
0–30 days	**147,283**	115,773
31–90 days	**169,364**	82,618
91–180 days	**53,897**	107,542
181–365 days	**30,255**	28,469
Over 365 days	**28,550**	33,820
	429,349	368,222

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This resulted in an increase of the loss allowance on 1 January 2018 by RMB7,536 for trade receivables.

The loss allowance decreased by RMB9,431 to RMB14,477 for trade receivables during the current reporting period.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, default or delinquency in payments, and the failure of a debtor to engage in a repayment plan with the Group.

11 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2018	2017
Trade payables	**227,446**	244,588
Notes payables	**137,890**	136,754
Advances from customers	**17,406**	35,205
Accrued expenses	**54,481**	38,129
Salary and welfare payables	**20,518**	22,513
Other tax payables	**5,215**	6,181
Other payables	**14,433**	10,258
	477,389	493,628

The normal credit period granted by the creditors generally ranged from 30 to 90 days. At 31 December 2018 and 2017, the ageing analysis of the trade payables is as follows:

	As at 31 December	
	2018	2017
Within 30 days	**163,229**	226,444
31–90 days	**59,702**	14,223
91–365 days	**2,402**	1,051
Over 365 days	**2,113**	2,870
	227,446	244,588

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

		As at 31 December	
		2018	2017
Trade payables	— RMB	**77,941**	107,669
	— US$	**96,795**	79,976
	— EUR	**51,846**	56,943
	— CHF	**379**	–
	— GBP	**467**	–
	— AUD	**18**	–
		227,446	244,588
Notes payables	— RMB	**137,890**	136,754

		As at 31 December	
		2018	2017
Salary and welfare payables	— RMB	**19,627**	20,480
	— EUR	**891**	2,033
		20,518	22,513
Other payables	— RMB	**7,406**	5,421
	— US$	**73**	–
	— HK$	**56**	–
	— EUR	**6,898**	4,837
		14,433	10,258

BUSINESS REVIEW

Overview

Our Group (Greatview Aseptic Packaging Company Limited, our "**Company**" or "**Greatview**" and its subsidiaries) provides integrated packaging solutions, 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 ("**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". 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 ("**NCSD**") producers in the PRC as well as numerous of international customers.

In 2018, there was high political and trade tension between the world's major economies, and the global economy has been developing under unprecedented uncertainty. As the growth rate of the PRC economy continues to stall, the consumption of the domestic dairy industry remains weak. This which puts pressure on the demand and prices of our products. Despite tough internal and external market circumstances, Greatview managed to further expand its customer base and maintain its steady overall operating results. This is delivered through continuously increasing its investment in research and development, enhancing product quality and operational efficiency, and extending its scope of technical services. Greatview's overall results have also been helped by an encouraging growth in the international market.

In respect of our business in the PRC, which is Greatview's single largest market, the competition of the liquid dairy market has been tough. There has been continuous consolidation of the dairy industry and a modest increase in the retail price of ambient liquid dairy products which has driven a low single-digit growth in the PRC dairy market. Greatview's growth rate followed that of the market.

For the international business, strategic partnerships have been established with several large dairy groups which contributed to the increase in orders. Currently, three of our top five customers come from the international market.

In 2018, the Company continues to focus on our industry-leading variable printing technologies to provide "Smart Packaging" solutions for marketing and traceability solutions, and variable printing orders. This is also a key driver of our customer growth. We secured customer orders for a new product named "Greatview Luster". "Greatview Luster" is a decor effect that gives aseptic cartons a unique soft metallic luster which helps our customers improve their shelf appearance. The "Greatview Crown" product series expanded from the 250mL series to the 500mL series as well which widens our product range. We also launched "Greatview Discovery", which applies entertaining play to aseptic packaging by combing "Smart Packaging" technology and its printing technologies, enabling customers to interact with their consumers.

In addition, Greatview has implemented Customer Relationship Management system, which enables us to further develop our understanding and relationship with the customers. Our technical services helped us value to customers' filling process, and identify new sales opportunities. Staying on top of the latest international food trends, technologies and markets development, Greatview continues to derive innovation. We will continue to be a customer-centric company which put customers in the core of our market and product development.

In December 2018, the completion of Entity Code for Industrial Internet Identification System Integrated Innovative Application Project ("**Project Ecode**") marked the leading role of Greatview in the dairy industry regarding the Internet of Things ("**IoT**"). Jointly launched by GS1 China and several units including China Mengniu Dairy Co., Ltd., Greatview and Greatdata, Project Ecode is a new IoT application and a national exemplar of one-code-per-thing technology. In the same month, Greatview received the awards of "Excellent Service Providers in China Food Industry" in 2018 and "China Food Traceability Excellent Suppliers", from China Food Association in 2018.

Markets and Products

We sold a total of 13.5 billion packs during the year ended 31 December 2018 which represents an increase of 9.8% as compared to 2017. The sales volume in the PRC grew slightly while the international business maintained its high growth momentum. "Greatview Brick 250ml Base" remained as our top selling product, followed by "Greatview Brick 250ml Slim".

In the PRC market, the profitability of mid and low-end customers weakened while the concentration of the liquid dairy sector gradually increased, and the bargaining power of customers was stronger. Despite the fact that domestic 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.

As for the international business, 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 2019 and beyond.

In response to increasing market 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 25.4 billion packs as of 31 December 2018 (2017: 25.4 billion packs). Approximately 13.4 billion packs were produced for the year ended 31 December 2018 which represented an utilization rate of 52.8% (2017: 49.2%). The increase in the utilisation rate was mainly due to the increase in our total sales volume.

Suppliers and Raw Materials

During the year ended 31 December 2018, 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 NCSD producers across the world.

Greatview, as the sole paper-based aseptic packaging supplier, officially became the strategic supplier of New Hope Dairy Holdings Co., Ltd. Greatview also received the recognition of "Mengniu Annual Excellent Business Partner Award" at the Mengniu Annual Excellent Supplier Conference.

In July 2018, Greatview completed and introduced its corporate visual recognition system, presenting a fresh corporate visual image. During the year under review, Greatview also launched the marketing and design U+ services, serving 18 customers with 124 design drafts and more than 100 smart packaging marketing proposals.

In August 2018, Greatview showcased its Smart Packaging product line, featuring innovative products, "Greatview Discovery" and "Greatview Luster", as well as blank-fed packaging products, at the 18th Dairy Product Technologies Exhibition hosted by China Dairy Industry Association in Xi'an. In November 2018, Greatview attended Gulfood Manufacturing, an international food processing exhibition, in Dubai, at which "Greatview Discovery" and "Greatview Luster" caught strong interest of some of the international customers.

Relationships with Stakeholders

Our Group is committed to operate in a sustainable manner while balancing the interests of our various stakeholders including customers, suppliers, employees, shareholders and the social communities. Providing customers with good quality products, with a timely and relevant pre/after sales services is always our focus. Similarly, We views our suppliers as not just vendors but strategic partners and an important component of our supply chain. We aim at providing long-term and sustainable return to our shareholders. Our employees are the key to a sustainable business growth hence workplace safety is a key priority. We uphold our spirit of social responsibility and actively carry out volunteer activities to the best of our ability.

Compliance with Applicable Laws and Regulations

For the year ended 31 December 2018, our Group's operations are mainly carried out by our Company's subsidiaries in the PRC, Hong Kong, Germany and Switzerland. The Group accordingly shall comply with relevant laws and regulations in the PRC, Hong Kong, Germany and Switzerland and the respective places of incorporation of our Company and our subsidiaries.

During the year and up to the date of this announcement, the Board was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the business and operations of our Group.

FINANCIAL REVIEW

Overview

For the year ended 31 December 2018, the Company managed to maintain a steady growth under the circumstances of an increasingly severe market environment. We continuously endeavored to optimize the product portfolio and production efficiency, meanwhile we strived to expand market share. As a result, we achieved an increase in top line and bottom line for the year ended 31 December 2018. We have also attained free cash to propose for dividend. Our management is satisfied 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 our shareholders.

Revenue

We primarily derive revenue from domestic and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by 6.7% from approximately RMB2,336.3 million for the year ended 31 December 2017 to approximately RMB2,492.7 million for the year ended 31 December 2018. The increase was primarily due to the sales growth in the international market.

With respect to the domestic segment, our revenue decreased by approximately RMB21.5 million, or 1.3%, to approximately RMB1,598.7 million for the year ended 31 December 2018 from approximately RMB1,620.2 million for the year ended 31 December 2017. Such decrease was mainly impacted by the decline of the average sales prices in the PRC market.

With respect to the international segment, our revenue increased by approximately RMB177.9 million, or 24.8%, to approximately RMB894.0 million for the year ended 31 December 2018 from approximately RMB716.1 million for the year ended 31 December 2017. The main contributor was an increase in sales volume in the international market.

Our revenue from dairy customers increased by approximately RMB98.2 million, or 4.9%, to approximately RMB2,103.0 million for the year ended 31 December 2018 from approximately RMB2,004.8 million for the year ended 31 December 2017, and our revenue from NCSD customers increased by approximately RMB58.2 million, or 17.6%, to approximately RMB389.7 million for the year ended 31 December 2018 from approximately RMB331.5 million for the same period in 2017. It was mainly contributed by the increase of sales volume in the international market.

Cost of Sales

Our cost of sales increased by approximately RMB176.9 million, or 10.4%, to approximately RMB1,874.8 million for the year ended 31 December 2018 from approximately RMB1,697.9 million for the year ended 31 December 2017. The growth in cost of sales mainly due to the increase of total sales volume and the fluctuation of exchange rate.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit decreased by approximately RMB20.5 million, or 3.2% from approximately RMB638.4 million for the year ended 31 December 2017 to approximately RMB617.9 million for the year ended 31 December 2018. Our gross margin decreased by 2.5 percentage points to 24.8% for the year ended 31 December 2018 from 27.3% for the year ended 31 December 2017. It was primarily due to a decrease in sales price in the PRC business and the slight increase in unit cost in the international business.

Other Income and other gains — net

Our other income and other gains — net increased by approximately RMB29.4 million, or 54.9%, to approximately RMB83.0 million for the year ended 31 December 2018 from approximately RMB53.6 million for the year ended 31 December 2017. It was primarily due to the increase in government subsidy and income from wealth management product.

Distribution Expenses

Our distribution expenses increased by approximately RMB15.8 million, or 13.1%, to approximately RMB136.3 million for the year ended 31 December 2018 from approximately RMB120.5 million for the year ended 31 December 2017. The increase was primarily due to an increase in transportation expenses with the growth in sales volume of international business.

Administrative Expenses

Our administrative expenses decreased by approximately RMB0.7 million, or 0.5%, to approximately RMB130.0 million for the year ended 31 December 2018 from approximately RMB130.7 million for the year ended 31 December 2017. The decrease was primarily due to our good control over the administrative expenses.

Taxation

Our tax expenses decreased by approximately RMB16.6 million to approximately RMB84.5 million for the year ended 31 December 2018 from approximately RMB101.1 million for the year ended 31 December 2017. Effective tax rate decreased by 3.8 percentage points to 19.0% for the year ended 31 December 2018 from 22.8% for the previous financial year.

Profit for the Year and Net Profit Margin

Our net profit increased by approximately RMB16.8 million, or 4.9%, to approximately RMB360.1 million for the year ended 31 December 2018 from approximately RMB343.3 million for the year ended 31 December 2017. Our net profit margin decreased by 0.3 percentage point to 14.4% for the year ended 31 December 2018 from 14.7% for the year ended 31 December 2017.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, we had approximately RMB556.4 million (2017: approximately RMB355.8 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 31 December 2018, we had nil (2017: approximately RMB120.4 million) 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 114.5 days as at 31 December 2017 to 117.2 days as at 31 December 2018. Turnover days for trade receivables (trade receivables/revenue) increased from 51.5 days as at 31 December 2017 to 57.0 days as at 31 December 2018. Turnover days for trade payables (trade payables/cost of sales) increased from 44.5 days as at 31 December 2017 to 45.9 days as at 31 December 2018.

Borrowings and Finance Cost

All borrowings of our Group as at 31 December 2018 were bank borrowings and amounted to approximately RMB190.4 million (2017: approximately RMB112.9 million) and denominated in Euro and Hong Kong dolloar. Amongst the borrowings, approximately RMB161.0 million (2017: approximately RMB112.9 million) will be repayable within one year and approximately RMB29.4 million (2017: nil) will be repayable after one year. For the year under review, net finance income of our Group was approximately RMB8.4 million (2017: approximately RMB3.5 million).

Gearing Ratio

As at 31 December 2018, the gearing ratio of our Group was approximately 0.08 (2017: 0.05), which was in line with the growth of 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

Our working capital (calculated by the difference between the current assets and current liabilities) as at 31 December 2018 was approximately RMB1,131.1 million (2017: approximately RMB1,041.4 million).

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB and Euro. During the year under review, our Group recorded exchange gain of approximately RMB5.0 million (2017: exchange loss of approximately RMB4.6 million).

Capital Expenditure

As at 31 December 2018, our Group's total capital expenditure amounted to approximately RMB114.4 million (2017: approximately RMB144.7 million), which was used for constructing new buildings and purchasing production machines and equipment for the Group.

Charge on Assets

As at 31 December 2018, our Group neither pledged any property, plant and equipment (2017: nil) nor land use right (2017: 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 Dusseldorf 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 Dusseldorf Higher Regional Court against the Judgment.

On 20 October 2010, we commenced opposition proceedings before the European Patent Office (the "**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 26 April 2018, an oral hearing has been held and the EPO Boards of Appeal has dismissed Tetra Pak's appeal and thereby confirmed the invalidity of EP 085. On 19 July 2018, the EPO Boards of Appeal issued a decision of revoking the subject patent. Tetra Pak has waived filing a petition for a review of the decision in the EPO appeal proceedings by the Enlarged Board of Appeal. Finally, the subject patent is completely invalidated in its entirely.

On 26 September 2018, Tetra Pak has withdrawn the appeal to Dusseldorf Higher Regional Court. On 27 September 2018, Dusseldorf Higher Regional Court has issued court order which states that due to Tetra Pak's withdrawal, Tetra Pak has to bear the costs of the appeal proceedings. Consequently, Tetra Pak's Claim against the two companies of the Group based on EP 085 is dismissed completely.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2018, our Group employed approximately 1,339 employees (31 December 2017: approximately 1,246 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 year ended 31 December 2018 amounted to RMB233.9 million (2017: RMB204.7 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 and intends to execute below plans to support future development:

- 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.

FINAL DIVIDEND

The Board recommends the payment of a final dividend amounting to HK$187.2 million (HK$0.14 per Share, approximately RMB164.0 million in total) to be partly paid out of the share premium account of the Company and partly paid out of the distributable profits of the Company, for the year ended 31 December 2018 (2017: HK$0.13 per Share, approximately RMB145.3 million in total). The proposed final dividend, if approved by shareholders at the forthcoming annual general meeting, shall be paid on or around 5 July 2019 to the shareholders whose names appear on the register of members of the Company on 14 June 2019.

EVENTS AFTER THE REPORTING PERIOD

On 15 January 2019, Greatview Aseptic Packaging (Shandong) Company Limited*, 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 Qingdao Likang Food Packaging Technology Company Limited*, as 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 the completion of the sale and purchase of 100% of the equity interest in the target company pursuant to the sale and purchase framework agreement, 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. 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 announcement of the Company dated 15 January 2019.

On 31 January 2019, Mr. LIU Jun resigned as an executive Director and chief operating officer of the Company due to changes in his personal career plan. For further details, please refer to the announcement of the Company dated 31 January 2019.

On 27 March 2019, Mr. CHANG Fuquan resigned as one of the joint company secretaries of the Company and was appointed as an executive Director. On the same day, Ms. QI Zhaohui was appointed as a joint company secretary of the Company to fill the vacancy of Mr. Chang. For further details, please refer to the announcement of the Company dated 27 March 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 May 2019 to 24 May 2019, both days inclusive, during which period no share transfers in Hong Kong can be registered. In order to be eligible for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 20 May 2019.

In addition, the register of members of the Company will be closed from 12 June 2019 to 14 June 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to ascertain shareholders' entitlement to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 11 June 2019.

CORPORATE GOVERNANCE

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

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

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the CG Code during the year ended 31 December 2018, except for non-compliance with rules 3.10(1), 3.10A and 3.25 of the Listing Rules and code provision A.5.1 of the CG Code, which are explained below.

Non-compliance with Rules 3.10(1), 3.10A, 3.25 of the Listing Rules and Deviation from the Code Provision A.5.1 of the CG Code

Since the late Mr. DANG Xinhua, an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee, passed away on 16 November 2017, the Company failed to comply with the Listing Rules requirements of (i) the board is required to have at least three independent non-executive directors; (ii) the board is required to have independent non-executive directors representing at least one-third of the board; (iii) the audit committee must comprise a minimum of three members, all of whom are non-executive directors only; and (iv) each of the members of the remuneration and nomination committees should comprise a majority of independent non-executive directors under Rules 3.10(1), 3.10A and 3.25 of the Listing Rules and the code provision A.5.1 of the CG Code. Mr. ZHU Jia ("**Mr. Zhu**") was re-designated as an independent non-executive Director on 15 March 2018 to meet the requirements set out in Rules 3.10(1), 3.10A and 3.25 of the Listing Rules and the code provision A.5.1 of the CG Code.

Mr. Zhu has confirmed that he meets the independence requirements under Rule 3.13 of the Listing Rules, save for Rule 3.13(7) of the Listing Rules. Prior to the re-designation of Mr. Zhu as an the independent non-executive Director, Mr. Zhu was a non-executive director of our subsidiaries, namely Partner One Enterprises Limited, Greatview Holdings Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd., Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. and Greatview Beijing Trading Co. Ltd.. Notwithstanding the above, the Board considers that Mr. Zhu to be independent as Mr. Zhu has not had any executive roles or participation in the daily operation of the Group and is able to satisfy all the other independence criteria in Rule 3.13 of the Listing Rules. In addition, upon his re-designation as an independent non-executive Director, Mr. Zhu has resigned from all his existing directorship with our subsidiaries. Save as disclosed, Mr. Zhu does not hold any other position with the Company or other members of the Group. Please refer to the announcement of the Company published on 15 March 2018 for further details.

The following is a summary of work performed by the Board in determining the policy for the corporate governance of the Company during the year ended 31 December 2018:

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

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

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

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

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

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

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

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

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2018.

PURCHASE, SALES OR REDEMPTION OF THE SHARES

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the Articles and the laws of the Cayman Islands.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee comprises four members, namely, Mr. LUETH Allen Warren (chairman of the Audit Committee), Mr. BEHRENS Ernst Hermann, Mr. HSU David and Mr. ZHU Jia (appointed on 15 March 2018). Mr. HSU David is the non-executive Director and Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia are the independent non-executive Directors. Mr. LUETH Allen Warren possesses the appropriate professional qualifications or accounting or related financial management expertise. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The primary duties of the Audit Committee are to assist the Board to provide an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Company, to review the overall audit process and to perform other duties and responsibilities as assigned by our Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company, the annual results of our Group during the year ended 31 December 2018 as well as auditing, internal control and financial reporting matters, including the consolidated financial statements for the year ended 31 December 2018. The Audit Committee is of the view that our Group's consolidated financial statements for the year under review are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

ANNUAL GENERAL MEETING AND PUBLICATION OF ANNUAL REPORT

The annual general meeting of the Company is expected to be held at 10:00 a.m., on 24 May 2019. This results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (www.greatviewpack.com). The annual report of the Company together with the notice of annual general meeting will be despatched to the shareholders of the Company and available at the aforesaid websites 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 27 March 2019

As of 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.

* *For identification purposes only*