



2022

INTERIM REPORT

**GREATVIEW ASEPTIC PACKAGING
COMPANY LIMITED**

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

CONTENTS

2	Corporate Information
5	Financial Summary
6	Management Discussion and Analysis
15	Other Information
20	Condensed Consolidated Income Statement
21	Condensed Consolidated Statement of Comprehensive Income
22	Condensed Consolidated Statement of Financial Position
24	Condensed Consolidated Statement of Changes in Equity
25	Condensed Consolidated Statement of Cash Flows
26	Notes to the Condensed Consolidated Financial Statements

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. BI Hua, Jeff (*Chief Executive Officer*)
Mr. CHANG Fuquan

Non-Executive Directors

Mr. HONG Gang (*Chairman*)
Mr. PANG Yiu Kai
Mr. HSU David (*alternate to Mr. PANG Yiu Kai*) (appointed with effect from 24 May 2022 and ceased with effect from 1 August 2022)
Mr. SUN Yanjun (*alternate to Mr. PANG Yiu Kai*) (appointed with effect from 1 August 2022)

Independent Non-Executive Directors

Mr. LUETH Allen Warren
Mr. BEHRENS Ernst Hermann
Mr. ZHU Jia

JOINT COMPANY SECRETARIES

Ms. QI Zhaohui
Ms. WONG Sau Ping (resigned with effect from 1 June 2022)
Mr. LEUNG Chi Kit (appointed with effect from 1 June 2022)

AUTHORISED REPRESENTATIVES

Mr. BI Hua, Jeff
Ms. WONG Sau Ping (resigned with effect from 1 June 2022)
Mr. LEUNG Chi Kit (appointed with effect from 1 June 2022)

AUDIT COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)
Mr. BEHRENS Ernst Hermann
Mr. ZHU Jia
Mr. PANG Yiu Kai
Mr. HSU David (*alternate to Mr. PANG Yiu Kai*) (appointed with effect from 24 May 2022 and ceased with effect from 1 August 2022)
Mr. SUN Yanjun (*alternate to Mr. PANG Yiu Kai*) (appointed with effect from 1 August 2022)

REMUNERATION COMMITTEE

Mr. ZHU Jia (*Chairman*)
Mr. BI Hua, Jeff
Mr. LUETH Allen Warren
Mr. BEHRENS Ernst Hermann

NOMINATION COMMITTEE

Mr. HONG Gang (*Chairman*)
Mr. BEHRENS Ernst Hermann
Mr. ZHU Jia

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

OTHER PLACE OF BUSINESS IN HONG KONG

Unit 15, 36/F, China Merchants Tower
East Wing, Shun Tak Centre
No. 168 – 200 Connaught Road Central
Central
Hong Kong

HEADQUARTER IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC" OR "CHINA")

14 Jiuxianqiao Road
Chaoyang District
Beijing 100015
The PRC

Corporate Information

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered Public Interest Entity
Auditor
22/F Prince's Building
Central
Hong Kong

LEGAL ADVISERS

Iu, Lai & Li Solicitors
Tian Yuan Law Firm

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Commerzbank AG
The Hongkong and Shanghai Banking Corporation Limited
Citi Bank
China Construction Bank
Industrial and Commercial Bank of China
China Merchants Bank

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

www.greatviewpack.com



回收再生

Replace plastic packaging

Reduce Recreate

Eco-lifestyle Replace

**GREATVIEW
ECO-PACKAGING**

Reduce plastic use Recreate

Recreate Be eco-conscious

Love Earth
Reduce

 GREATVIEW

330mL

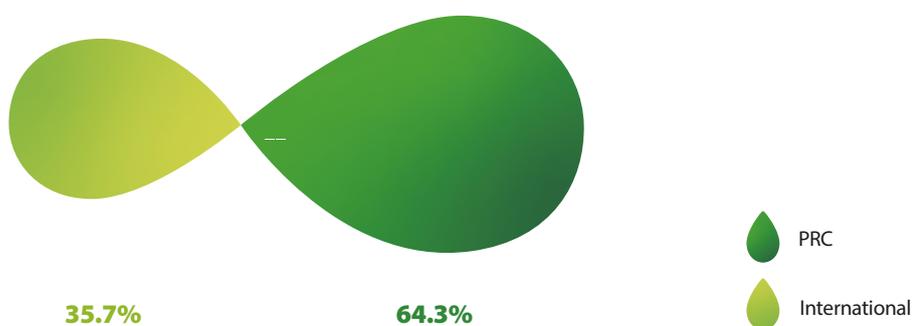
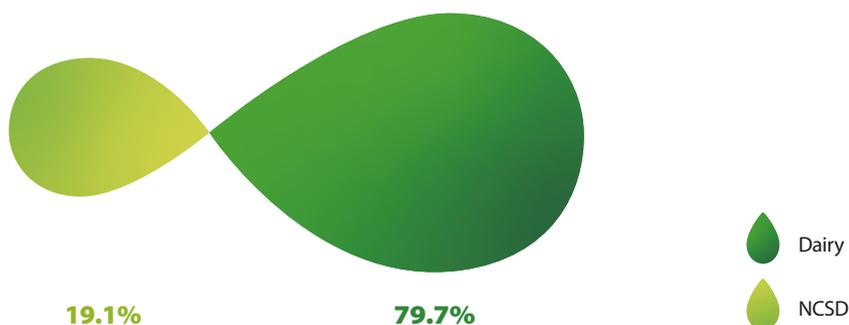


FINANCIAL SUMMARY

For the six months ended 30 June

	2022	2021	Percentage
	RMB million	RMB million	%
	(Unaudited)	(Unaudited)	
Revenue	1,774.2	1,549.8	14.5
Gross Profit	259.9	354.6	-26.7
Net Profit	67.4	144.6	-53.4
Profit attributable to shareholders	67.4	144.6	-53.4
Earnings per share — basic and diluted (RMB)	0.05	0.108	-53.7
Proposed dividend per share (HK\$)	—	0.12	—

REVENUE ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Our Group (Greatview Aseptic Packaging Company Limited, our “Company” or “Greatview” and its subsidiaries) provides integrated packaging solutions, which include aseptic packaging materials, filling machines, spare parts, technical services, digital marketing and product traceability solutions to the liquid food industry. We are the third largest supplier of aseptic packaging materials in the liquid food industry. 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 Co., LTD.* (青島利康食品包裝科技有限公司), 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 many dairy and non-carbonated soft drink (“NCSD”) producers in countries around the world.

In addition to the effects of the COVID-19 pandemic (the “pandemic”), which continue to be seen around the world, the first half of 2022 has witnessed the rise of a range of further socio-economic uncertainties that force consumers to make budgetary considerations when purchasing everyday items and compel the food and beverage industry to adapt in the face of these challenges. Furthermore, as a result of the pandemic, health-minded consumers increasingly demand products which promote healthy living. This presents an opportunity for companies in the food and beverage industry to embrace this shift, as putting high food quality standards and supply chain transparency at the heart of product communication presents a reliable way to build consumer loyalty.

After last year’s significant economic recovery, global economic growth is projected to slow from approximately 6.1% in 2021 to around 3.6% in 2022. The consumer goods sector, including the food and beverage industry, is facing significant risks and pressures posed by the increase in freight costs, geopolitical conflict in Eastern Europe, and consumer demand for goods which is exacerbated by shortages of inventory, containers and drivers seen in many parts of the world. Whilst the effects of the pandemic continue to gradually ease, Greatview is determined to continue safeguarding the welfare and health of its employees whilst working with our partners in the food and beverage industry to overcome today’s challenges and ensure the stable supply of high quality liquid dairy and non-carbonated beverage products to consumers everywhere.

A key challenge facing enterprises in the fast moving consumer goods segment is the emerging cost of living crisis which is affecting markets around the world. In the Organisation for Economic Cooperation and Development (OECD), inflation was reported reached its highest level in over 40 years with Consumer Price Index (“CPI”) growth in member countries reaching an average of 9.6% with even higher levels of inflation affecting food prices. In contrast, CPI growth rate in the PRC remains at a comparatively low level of approximately 2% and this is supporting the dairy industry to continue its growth in the country, with annual consumer expenditure on dairy products expected to exceed RMB500 billion by 2024. Despite this, per capita milk supply in the Chinese market remains significantly lower than in European and North American markets.

* For identification purpose only

Management Discussion and Analysis

In the first half of 2022, Greatview has continued to take significant steps to further consolidate our market position as an industry-leading provider of sustainable aseptic packaging solutions. In June, we officially announced the launch of our first pack specifically designed to put sustainability at its heart, “Greatview® Planet”, which empowers liquid dairy and beverage producers to live up to their positioning on sustainability and responsible sourcing, and helps enterprises to improve their brand image. In addition, the incorporation of bio-attributed polymers under a mass balance approach certified by the Roundtable on Sustainable Biomaterials allows customers to adopt “Greatview® Planet” materials on their existing filling lines without necessitating any equipment changes, validations or efficiency losses. In addition to Greatview’s supply of “Greatview® Planet” packaging materials from our Halle (Saale) factory in Germany, our Shandong production facility is currently in the process of applying for certification to produce packaging materials that incorporate bio-attributed polymers under a mass-balance approach.

As an early pioneer of digital solutions in aseptic beverage packaging, Greatview will continue to provide powerful information technology support for customers through digital services, and help customers to expand their markets and strengthen channel controls. At the same time, we will also step up research and development of new products, launch various formats and sizes of packaging products, and commit to the research and development of environmentally-friendly products, enriching our product portfolio, so as to widen our customer base, and to improve customer relationship management, thereby enhancing our brand image in markets globally.



Management Discussion and Analysis

Markets and Products

We sold a total of approximately 11.0 billion packs during the first half of 2022, which represents an increase of approximately 18.0% as compared with the same period in 2021. Such increase was primarily due to the growth of sales volume in both the PRC and international markets. “Greatview Brick 250mL Base” remained as our top selling product, followed by “Greatview Brick 200mL Slim”.

Since the beginning of 2022, we have also launched new formats into markets around the world with our “Greatview Brick 180mL Slim” format landing in school lunchboxes in the United States and the attractive new “Greatview Brick 200mL Slim Ripple” differentiating a popular brand of flavoured iced tea on supermarket shelves in Thailand. Through improving existing customer penetration and the take-up of new customers, our sales volume in the international and Chinese divisions have increased by approximately 29.1% and 13.3% respectively.

In addition to the release of new formats, we have also expanded the production of “Greatview Octagon 200mL Square” and “Greatview Octagon 250mL Square” to our German factory, providing more options for customers looking to source diverse packaging solutions from Europe. By continuing to expand the range of formats and options available to liquid dairy and beverage producers, Greatview is further demonstrating its capacity to supply sustainable and high quality packaging solutions that are perfectly-suited to the dynamic environmental development needs of the modern food and beverage industry.

The world’s mature dairy markets are generally dominated by a small number of key industry players, however, the rise in dairy alternatives and other beverage products is poised to provide significant competition pressure to established producers. Against this background, it is necessary for both established and upcoming industry players to differentiate themselves through a range of diverse packaging options. For this reason, Greatview continues to further enrich our product portfolio and expand the availability of exciting new sizes and formats to our customers in new markets.

The topic of environmental sustainability is becoming increasingly important to consumers around the world and the perceived eco-friendly nature of a product plays an essential role in its success or failure to attract consumer attention. In this environment, it is crucial for brands to be able to communicate the sustainability of their packaging as well as the product inside and Greatview is taking significant steps to equip liquid dairy and beverage producers with the tools to do so through products such as “Greatview® Planet”, which is helping to drive the industry transition towards sustainably sourced materials and a circular economy.

Management Discussion and Analysis

In addition to the focus on sustainability, with the ever-increasing prevalence of online grocery shopping, accelerated by the pandemic, and consumers' reluctance to spend significant amounts of time in-store, products need to differentiate themselves in a way that makes them stand out on shelves. Aseptic packaging already provides significant opportunities for eye-catching, rich designs and Greatview's digital solutions, powered by Smart Packaging and "Greatview® Discovery" that help customers to meet these challenges effectively. By empowering more transparent and interactive "brand-consumer" relationships, Greatview is providing liquid dairy and beverage producers with the tools for success.

Operation Management

The role of digitalisation has gradually increased in business empowerment and value creation throughout the Company's operations and production. In the area of operational management, we have made the transition from user-entered data to an all-online business process. Greatview has successfully realised a digitally-driven operational approach which has ensured improvements in efficiency and synergy across all departments. In the area of production management and research and development, the digital system has opened up the whole process of production equipment, achieving closed-loop management of "man, machine, material, method, measurement and environment" (5M1E).

At present, Greatview has established digital connectivity with several major customers. Through the real-time interaction of customer demand and customer inventory, the system carries out real-time monitoring and calculation according to the demand model, consumption trends and replenishment strategy, which can give timely and accurate delivery tasks, and also calculate more orders of large quantities and maintain continuous production. Through the digital connectivity with customers, the Company can not only effectively reduce production costs, but also form closer strategic co-operations with customers.

Production Capacity and Utilisation

Our Group has a total annual production capacity of approximately 30.0 billion packs as of 30 June 2022 (30 June 2021: approximately 30.0 billion packs). Approximately 11.6 billion packs were produced for the six months ended 30 June 2022 which represented an utilisation rate of approximately 77.0% (30 June 2021: approximately 64.3%). The increase in the utilisation rate was mainly due to the increase in sales volume.

Suppliers and Raw Materials

During the six months ended 30 June 2022, the purchase prices of our Company's key raw materials remained high, mainly due to the effects of a number of factors, including recurring outbreaks of the pandemic in many parts of the world, increased global inflation, the outbreak of the Russian-Ukrainian war, the European energy crisis and significant exchange rate fluctuations. In a very challenging environment, some suppliers were shut down due to extreme weather, raw material shortage and equipment breakdown, resulting in a severe shortage of supply quantities. In addition, strict pandemic prevention and control policies in China have led to transport disruptions and delays or even non-delivery of documents and goods, posing significant challenges to production operations. At the same time, international freight rates remain consistently high as international trade imbalances increase. All of the above conditions have put greater pressure on our supply chain.

In the face of these difficulties, we have been actively developing new products of the same type with our existing suppliers on the one hand, and working hard to find new suppliers to optimise our supply chain resources to further ensure consistent supply and normal production operations on the other. In addition, we have actively responded to the situation by strengthening supplier relationships, enhancing supply chain management, optimising the structure of raw materials and products, whilst saving energy and reducing consumption, in order to benefit the overall offer from the Company.

Management Discussion and Analysis

In terms of supplier management, we have established an effective supplier management system, which not only reviews the basic information and qualifications of suppliers, but also conducts risk assessment on suppliers according to the management needs of environment, quality, food safety and social responsibility. We also conduct the annual performance evaluation and audit on all suppliers to ensure that the materials, services and its operation meet Greatview's requirements.

Business Development

Adhering to the spirit of continuous innovation, Greatview has provided ever increasing variety of packaging material specifications and end-to-end packaging solutions, including filling machines, to global customers.

In January 2022, Greatview was designated as a "Model Enterprise" for its outstanding contribution across the lifecycle of its packaging products by the China National Resources Recycling Association (CRRA) and the Alliance of Technological Innovation in Compulsory Resources Recycling Industry (ATCRR). This award highlights Greatview's exemplary commitment to taking responsibility for its packaging materials, going beyond the production line and encompassing the entire product lifecycle.

In February 2022, we expanded Greatview Smart Packaging to South East Asia, successfully collaborating with a leading flavoured milk brand in Thailand to launch an exciting digital marketing campaign that gave consumers the chance to win a range of attractive virtual and physical prizes with every purchase. Not only did the campaign incentivise consumers to purchase, it also served as a way to help the popular flavoured milk product to stand out amongst a crowded field.

Over the first half of 2022, Greatview launched digitalised products based on supply chain services and digital marketing to Chinese customers. Products such as the "Marketing Cloud" and "Traceability System" helped liquid dairy and non-carbonated beverage manufacturers improve their digital competitiveness.

At the same time, Greatview also further expanded the footprint of our independently developed filling machines, installing and smoothly operating a second machine at the plant of a customer in Southeast Asia. This development further outlines Greatview's capacity to provide world-class filling machines, technical support and spare parts to customers globally.

FINANCIAL REVIEW

Overview

In the first half of 2022, top line was higher while bottom line was much lower than the corresponding period in 2021 primarily due to the high price of key raw materials. We continuously endeavoured to optimize the product portfolio, search the qualified alternative suppliers and increase production efficiency, meanwhile, we strived to expand market share and take various measures to cope with the difficult situation. 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.

Management Discussion and Analysis

Revenue

We primarily derive revenue from the PRC and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by approximately 14.5% from approximately RMB1,549.8 million for the six months ended 30 June 2021 to approximately RMB1,774.2 million for the six months ended 30 June 2022. Such increase was primarily due to the increase in sales volume in both the PRC and international markets.

With respect to the PRC segment, our revenue increased by approximately RMB120.5 million, or 11.8%, to approximately RMB1,140.9 million for the six months ended 30 June 2022 from approximately RMB1,020.4 million for the six months ended 30 June 2021. Such increase was primarily due to the growth of sales volume.

With respect to the international segment, our revenue increased by approximately RMB103.9 million, or 19.6%, to approximately RMB633.3 million for the six months ended 30 June 2022 from approximately RMB529.4 million for the six months ended 30 June 2021. Such increase was primarily due to the success in improving existing customer penetration and the take-up of new customers.

Our revenue from dairy customers increased by approximately RMB136.2 million, or 10.7%, to approximately RMB1,414.9 million for the six months ended 30 June 2022 from approximately RMB1,278.7 million for the six months ended 30 June 2021, and our revenue from NCSD customers increased by approximately RMB72.5 million, or 27.2%, to approximately RMB338.6 million for the six months ended 30 June 2022 from approximately RMB266.1 million for the six months ended 30 June 2021. It was mainly contributed by the increase in sales volume.

Cost of Sales

Our cost of sales increased by approximately RMB319.1 million, or 26.7%, to approximately RMB1,514.3 million for the six months ended 30 June 2022 from approximately RMB1,195.2 million for the six months ended 30 June 2021. The growth in cost of sales was mainly due to the increase in sales volume and key raw materials price while higher production volume diluted the unit labour cost and fixed production overhead.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit decreased by approximately RMB94.7 million, or 26.7% from approximately RMB354.6 million for the six months ended 30 June 2021 to approximately RMB259.9 million for the six months ended 30 June 2022. Our gross margin decreased by approximately 8.3 percentage points to approximately 14.6% for the six months ended 30 June 2022 from approximately 22.9% for the six months ended 30 June 2021. It was primarily due to the increase in cost of raw materials.

Other Income

Our other income increased by approximately RMB3.6 million, or 13.8%, to approximately RMB29.9 million for the six months ended 30 June 2022 from approximately RMB26.3 million for the six months ended 30 June 2021. It was primarily due to the increase in government subsidy and sales of materials.

Other Gains/(Losses) – Net

Our other gains – net decreased by approximately RMB4.7 million, or 53.1%, to approximately RMB4.1 million for the six months ended 30 June 2022 from other gains – net of approximately RMB8.8 million for the six months ended 30 June 2021. It was primarily due to the fluctuation of foreign exchange and the decrease of net fair value gains on wealth management products at fair value through profit or loss.

Management Discussion and Analysis

Distribution Expenses

Our distribution expenses increased by approximately RMB20.1 million, or 19.3%, to approximately RMB124.3 million for the six months ended 30 June 2022 from approximately RMB104.2 million for the six months ended 30 June 2021. It was primarily due to the increase in freight costs.

Administrative Expenses

Our administrative expenses decreased by approximately RMB1.5 million, or 1.7%, to approximately RMB83.2 million for the six months ended 30 June 2022 from approximately RMB84.7 million for the six months ended 30 June 2021. The decrease was primarily due to effective expenses control.

Taxation

Our income tax expenses decreased by approximately RMB26.7 million, or 56.0%, to approximately RMB21.0 million for the six months ended 30 June 2022 from approximately RMB47.7 million for the six months ended 30 June 2021. Our effective tax rate decreased by approximately 1.1 percentage points to approximately 23.7% for the six months ended 30 June 2022 from approximately 24.8% for the corresponding period in 2021.

Profit for the Period and Net Profit Margin

Driven by the factors as aforementioned, our net profit decreased by approximately RMB77.2 million, or 53.4%, to approximately RMB67.4 million for the six months ended 30 June 2022 from approximately RMB144.6 million for the six months ended 30 June 2021. Our net profit margin decreased by approximately 5.5 percentage points to approximately 3.8% for the six months ended 30 June 2022 from approximately 9.3% for the six months ended 30 June 2021.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, we had approximately RMB585.1 million (31 December 2021: approximately RMB425.2 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials and finished goods. Our turnover days for inventory (inventories/cost of sales) increased from approximately 101.6 days as at 31 December 2021 to approximately 105.7 days as at 30 June 2022. Our turnover days for trade receivables (trade receivables/revenue) increased from approximately 65.4 days as at 31 December 2021 to approximately 70.3 days as at 30 June 2022. Our turnover days for trade payables (trade payables/cost of sales) increased from approximately 39.9 days as at 31 December 2021 to approximately 42.8 days as at 30 June 2022.

Borrowings and Finance Cost

Borrowings of our Group as at 30 June 2022 were bank borrowings which amounted to approximately RMB303.3 million (31 December 2021: approximately RMB288.5 million) and denominated in HKD, EUR and USD. Amongst the borrowings, approximately RMB301.6 million (31 December 2021: approximately RMB283.1 million) will be repayable within one year and approximately RMB1.8 million (31 December 2021: approximately RMB5.4 million) will be repayable after one year. For the period under review, the net finance income of our Group was approximately RMB4.0 million (for the six months ended 30 June 2021: net finance cost of approximately RMB2.7 million). For details of the borrowings and finance cost of our Group, please refer to notes 15 and 6 to the consolidated financial statements contained in this interim report respectively.

Management Discussion and Analysis

Gearing Ratio

As at 30 June 2022, the gearing ratio of our Group was approximately 0.12 (31 December 2021: approximately 0.12), 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 or financial period.

Working Capital

Our working capital as at 30 June 2022 was approximately RMB1,179.9 million (31 December 2021: approximately RMB1,069.1 million). The working capital is calculated by the difference between the current assets and current liabilities.

Foreign Exchange Exposure

Our Group's sales were primarily denominated in RMB, EUR and USD. During the period under review, our Group recorded exchange loss of approximately RMB1.7 million (for the six months ended 30 June 2021: exchange gain of approximately RMB5.3 million).

Capital Expenditure

As at 30 June 2022, our Group's total capital expenditure amounted to approximately RMB20.4 million (31 December 2021: approximately RMB88.3 million), which was mainly used for purchasing production machines and equipment for the Group.

Capital Commitments

As at 30 June 2022, our Group had capital commitments of approximately RMB23.8 million (31 December 2021: approximately RMB16.8 million) in respect of acquisitions of property, plant and equipment.

Charge on Assets

As at 30 June 2022, our Group neither pledged any property, plant and equipment (31 December 2021: nil) nor land use right (31 December 2021: nil).

Contingent Liabilities

The Company has identified certain contingent liabilities in the normal course of business.

Having considered all the facts of these matters, including legal advice when relevant, the directors of the Company (the "Directors") are of the view that there are no material contingent liabilities as at 30 June 2022 (31 December 2021: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, our Group employed approximately 1,761 employees (31 December 2021: approximately 1,754 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to our employees. Our total employee benefit expenses for the six months ended 30 June 2022 amounted to approximately RMB160.6 million (for the six months ended 30 June 2021: approximately RMB151.0 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. 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.

Management Discussion and Analysis

PROSPECTS

Since 2021, the Group has faced certain pressures in the aspects of pandemic prevention and control and supply chain management with the continuous spread of the global pandemic, rising prices of bulk commodities, frequent natural disasters and exacerbated imbalances in the development of the global economy. However, despite the difficulties, Greatview has actively responded to various difficulties. While making every effort to fight the pandemic and ensure production and operation, Greatview has actively undertaken corporate social responsibilities, and consistently provided high-quality and diversified products to customers around the world.

In the future, Greatview will continue to focus on the PRC and global markets, and always adhere to the four principles of pragmatism, innovation, collaboration and sharing. We intend to execute the following plans to support our future development:

- Deepening the cooperation with existing customers through digital intelligence, and expanding the customer base and our market share in the PRC;
- Adhering to the international development strategy, and steadily developing international business by strengthening localised operation, promoting new product research and development, and enriching product structure;
- Pioneering sustainable packaging solutions in Europe, digital intelligence driven product differentiation solutions in South East Asia, etc.;
- Strengthening technological and application innovation, broadening the application of packaging material and filling equipment, and improving after-sales service;
- Increasing the utilisation rate of production capacity, and at the same time paying more attention to the impact on the environment, society and economy, and continuously enhancing sustainability; and
- Continuing to strictly control product quality and cost, and to promote operational excellence. Building the core competitiveness of digital intelligence products based on big data, Internet of Things and artificial intelligence technologies.

OTHER INFORMATION

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

As at 30 June 2022, interests and short positions in the shares of the Company (the “Shares”), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) held by the Directors and chief executive of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) are as follows:

Interests and Short Position in the Shares and Underlying Shares

Name of Director/chief executive	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 4)
Mr. BI Hua, Jeff	129,000,000	1	Founder of a discretionary trust	Long position	9.65%
Mr. HONG Gang	78,141,966	2	Interest of controlled corporation	Long position	5.85%
Mr. CHANG Fuquan	4,500,000	3	Interest of controlled corporation	Long position	0.34%

Notes:

- (1) Foxing Development Limited (“Foxing”) is directly interested in 129,000,000 Shares. Foxing is wholly-owned by Hill Garden Limited (“Hill Garden”) and is therefore deemed to be interested in the same 129,000,000 Shares. Mr. BI Hua, Jeff is the founder of the trust that wholly-owns Hill Garden. Mr. BI Hua, Jeff, therefore, is deemed to be interested in the same 129,000,000 Shares.
- (2) Phanron Holdings Limited (“Phanron”) is wholly-owned by Mr. HONG Gang and he is therefore deemed to be interested in the 78,141,966 Shares held by Phanron.
- (3) Goldmap Investments Limited (“Goldmap”) is wholly-owned by Mr. CHANG Fuquan and he is therefore deemed to be interested in the 4,500,000 Shares held by Goldmap.
- (4) As at 30 June 2022, the Company had 1,336,631,000 Shares in issue.

Save as disclosed above, as at 30 June 2022, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interests and Short Position in the Shares and Underlying Shares

Name of substantial shareholder	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 6)
JSH Venture Holdings Limited	377,132,584	1	Beneficial owner	Long position	28.22%
Jardine Strategic Limited	377,132,584	1	Interest of controlled corporation	Long position	28.22%
Jardine Matheson Holdings Limited	377,132,584	1	Interest of controlled corporation	Long position	28.22%
Hill Garden	129,000,000	2	Interest of controlled corporation	Long position	9.65%
Foxing	129,000,000	2	Beneficial owner	Long position	9.65%
Madam BI Wei Li	129,000,000	3	Interest of spouse	Long position	9.65%
Mittleman Investment Management, LLC ("Mittleman")	80,667,762	4	Beneficial owner	Long position	6.04%
Aimia Inc.	80,667,762	4	Beneficial owner	Long position	6.04%
Brown Brothers Harriman & Co.	79,594,000		Approved lending agent	Long position	5.95%
	79,594,000		Approved lending agent	Lending pool	5.95%
Phanron	78,141,966		Beneficial owner	Long position	5.85%
Madam XU Zhen	78,141,966	5	Interest of spouse	Long position	5.85%
FMR LLC	66,802,000		Interest of controlled corporation	Long position	5.00%

Notes:

- (1) JSH Venture Holdings Limited has a direct interest in 377,132,584 Shares. Jardine Strategic Limited is interested in 100% of JSH Venture Holdings Limited. JMH Investments Limited, which is interested in 83.63% of Jardine Strategic Limited, is wholly-owned by Jardine Matheson Holdings Limited. Therefore, Jardine Strategic Limited and Jardine Matheson Holdings Limited are deemed to be interested in 377,132,584 Shares.
- (2) Foxing has a direct interest in 129,000,000 Shares. Hill Garden is interested in 100% of Foxing. Therefore, Hill Garden is deemed to be interested in 129,000,000 Shares. Mr. BI Hua, Jeff is the founder of the trust that wholly-owns Hill Garden.
- (3) Madam BI Wei Li is interested in a long position of 129,000,000 Shares by virtue of her being the spouse of Mr. BI Hua, Jeff.

Other Information

- (4) Mittleman has a direct interest in 80,667,762 Shares. Master Control, LLC is interested in 100% of Mittleman, Aimia AM Holdings Inc. is interested in 100% of Master Control, LLC, Aimia Holdings US Inc. is interested in 100% of Aimia AM Holdings Inc., Aimia Holdings UK Limited is interested in 100% of Aimia Holdings US Inc., and Aimia Holdings UK Limited is wholly-owned by Aimia Inc. Therefore, Master Control, LLC, Aimia AM Holdings Inc., Aimia Holdings US Inc., Aimia Holdings UK Limited and Aimia Inc. are deemed to be interested in 80,667,762 Shares.
- (5) Madam XU Zhen is interested in a long position of 78,141,966 Shares by virtue of her being the spouse of Mr. HONG Gang.
- (6) As at 30 June 2022, the Company had 1,336,631,000 Shares in issue.

Save as disclosed above, as at 30 June 2022, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

During the six months ended 30 June 2022, there were no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company. As at the date of this interim report, the Group has no future plan to make any significant investment or acquisition of capital assets.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and its code of conduct during the six months ended 30 June 2022.

Other Information

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2022, the aggregate amount of guarantees provided for the banking facilities granted to affiliated companies of the Group by the Company was approximately RMB879.9 million, which exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules. Details of which were set out below:

Name of affiliated company	The Group's attributable interest in affiliated company %	Amount of guarantees given for the banking facilities granted to affiliated company RMB'000	Extent of guarantees utilised RMB'000
Greatview Holdings Ltd.	100	704,697	260,968
Greatview Aseptic Packaging Europe GmbH	100	175,210	27,415
Greatview Aseptic Packaging Manufacturing GmbH	100	175,210	14,928

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the aforementioned affiliated companies as at 30 June 2022 is presented as follows:

	Proforma combined statement of financial position RMB'000
Non-current assets	976,763
Current assets	623,513
Current liabilities	(514,105)
Non-current liabilities	(698,111)
Net assets	388,060

The proforma combined statement of financial position of the affiliated companies is prepared by combining their statements of financial position, after making adjustment to confirm with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 30 June 2022.

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 period 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. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the CG Code during the six months ended 30 June 2022 and up to the date of this interim report.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices as set out in Part 2 of the CG Code during the six months ended 30 June 2022.

INTERIM DIVIDEND

The board of Directors of the Company (the “Board”) did not recommend the payment of interim dividend for the six months ended 30 June 2022 (30 June 2021: HK\$0.12 per Share, approximately HK\$160.4 million in total).

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS AND INTERIM REPORT

As at 30 June 2022, 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, one non-executive Director, Mr. PANG Yiu Kai (“Mr. Pang”), and the alternate Director to Mr. Pang, Mr. HSU David. Mr. HSU David has been appointed as an alternate to Mr. Pang as a member of the Audit Committee with effect from 24 May 2022.

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, risk management and internal control systems and associated procedures, review of the Group’s financial statements and reports and review of the relationship with the external auditor of the Company. The Group’s interim report and the unaudited consolidated interim financial statements for the six months ended 30 June 2022 have been reviewed by the Audit Committee.

CHANGE OF INFORMATION IN RESPECT OF DIRECTORS

Mr. HSU David has been appointed as an alternate Director to Mr. Pang and an alternate to Mr. Pang as a member of the Audit Committee with effect from 24 May 2022. For further details, please refer to the announcement of the Company dated 25 May 2022.

EVENTS AFTER THE REPORTING PERIOD

On 1 August 2022, Mr. HSU David ceased to be an alternate Director to Mr. Pang and an alternate to Mr. Pang as a member of the Audit Committee, and on the even date, Mr. SUN Yanjun has been appointed to take over the above duties. For further details, please refer to the announcement of the Company dated 29 July 2022.

Save as disclosed above, the Board is not aware of any significant events after the reporting period and up to the date of this interim report which requires disclosure.

On behalf of the Board

Mr. HONG Gang

Chairman

Beijing, the PRC, 30 August 2022

Condensed Consolidated Income Statement

For the six months ended 30 June 2022

	Note	Six Months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	3	1,774,154	1,549,787
Cost of sales	5	(1,514,268)	(1,195,202)
Gross profit		259,886	354,585
Other income	4	29,914	26,276
Other (losses)/gains-net	4	4,122	8,791
(Impairment)/reversal of losses on financial assets-net		(2,015)	(5,851)
Distribution expenses	5	(124,330)	(104,206)
Administrative expenses	5	(83,210)	(84,665)
Operating profit		84,367	194,930
Finance income	6	4,025	3,047
Finance costs	6	(58)	(5,773)
Finance income/(costs) – net		3,967	(2,726)
Profit before income tax		88,334	192,204
Income tax expense	7	(20,963)	(47,653)
Profit for the period		67,371	144,551
Profit attributable to:			
Owners of the Company		67,371	144,551
Non-controlling interests		–	–
		67,371	144,551
Other comprehensive income:			
Item that may be reclassified to profit or loss			
Currency translation differences		–	–
Total comprehensive income for the period		67,371	144,551
Total comprehensive income attributable to:			
Owners of the Company		67,371	144,551
Non-controlling interests		–	–
		67,371	144,551
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
-Basic and diluted earnings per share	8	RMB0.050	RMB0.108

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

	Six Months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	67,371	144,551
Other comprehensive income:		
Currency translation differences	(18,091)	(25,612)
Total comprehensive income for the period	49,280	118,939
Attributable to:		
– Equity holders of the Company	49,280	118,939
Total comprehensive income for the period	49,280	118,939

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Note	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,167,222	1,223,700
Right-of-use assets	10	59,420	64,001
Intangible assets		83,751	87,265
Deferred income tax assets		38,482	33,807
Trade receivables	12	21,441	27,614
Prepayments	13	10,492	10,984
		1,380,808	1,447,371
Current assets			
Inventories	11	911,809	798,614
Trade and notes receivables	12	661,281	722,721
Prepayments	13	53,661	37,459
Other receivables	13	27,770	12,219
Cash and cash equivalents		585,114	425,242
Restricted cash		213,232	214,854
		2,452,867	2,211,109
Total assets		3,833,675	3,658,480
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital, share premium and capital reserve	14	551,458	551,458
Statutory reserve		296,211	296,211
Exchange reserve		(115,761)	(97,670)
Retained earnings		1,737,406	1,670,035
Total equity		2,469,314	2,420,034

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Note	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred government grants		58,916	59,947
Lease liabilities		8,720	11,603
Deferred income tax liabilities		21,995	19,469
Borrowings	15	1,752	5,415
		91,383	96,434
Current liabilities			
Deferred government grants		3,575	7,933
Contract liabilities		50,196	27,663
Trade payables, other payables and accruals	16	883,580	792,283
Income tax liabilities		23,818	19,933
Borrowings	15	301,559	283,121
Lease liabilities		10,250	11,079
		1,272,978	1,142,012
Total liabilities		1,364,361	1,238,446
Total equity and liabilities		3,833,675	3,658,480
Net current assets		1,179,889	1,069,097
Total assets less current liabilities		2,560,697	2,516,468

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to equity owners (unaudited)				
	Share capital, share premium and capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 14)				
As at 31 December 2020 (Audited)	600,260	281,325	(28,729)	1,638,899	2,491,755
Comprehensive income					
Profit for the year	-	-	-	285,072	285,072
Other comprehensive income					
Currency translation differences	-	-	(68,941)	-	(68,941)
Changes in fair value of financial assets	-	-	-	-	-
Share based payments	750	-	-	-	750
Adjust of prior year's profit & loss	-	-	-	-	-
Transfer to statutory reserve	-	14,886	-	(14,886)	-
Dividend	(49,552)	-	-	(239,050)	(288,602)
As at 31 December 2021 (Audited)	551,458	296,211	(97,670)	1,670,035	2,420,034
Comprehensive income					
Profit for the period	-	-	-	67,371	67,371
Other comprehensive income					
Currency translation differences	-	-	(18,091)	-	(18,091)
Changes in fair value of financial assets	-	-	-	-	-
Shares repurchased	-	-	-	-	-
Adjust of prior year's profit & loss	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Dividend	-	-	-	-	-
As at 30 June 2022 (Unaudited)	551,458	296,211	(115,761)	1,737,406	2,469,314

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Six Months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	188,211	40,061
Interest paid	(1,902)	(1,232)
Income tax paid	(19,227)	(50,076)
Net cash generated from/(used in) operating activities	167,082	(11,247)
Cash flows from investing activities		
Property, plant and equipment ("PPE")	(20,225)	(55,840)
Proceeds from disposal of PPE	(1)	15
Purchase of intangible assets	(134)	(1,791)
Purchases of financial assets at fair value through profit or loss	(425,000)	(361,200)
Disposals of financial assets at fair value through profit or loss	425,675	358,410
Interest received	4,025	3,047
Net cash used in investing activities	(15,660)	(57,359)
Cash flows from financing activities		
Proceeds from borrowings	113,100	81,370
Repayments of borrowings	(102,782)	(133,091)
Principal elements of lease payments	(3,712)	(3,794)
Net cash generated from/(used in) financing activities	6,606	(55,515)
Net increase in cash and cash equivalents	158,028	(124,121)
Cash and cash equivalents at beginning of year	425,242	577,237
Exchange gains on cash and cash equivalents	1,844	(4,541)
Cash and cash equivalents at end of period	585,114	448,575

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

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 (“NCSD”) 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 2022 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 2021.

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 2021 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 2022. 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

Financial assets at fair value through profit or loss are wealth management products.

Recurring fair value measurements				
At 30 June 2022	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
— Wealth management products	—	—	—	—
Total assets	—	—	—	—

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3 SEGMENT REPORT

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

	PRC RMB'000 (Unaudited)	International RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the six months ended 30 June 2022			
Sales-Revenue from external customers	1,140,867	633,287	1,774,154
Inter-segment revenue	-	-	-
Revenue from external customers	1,140,867	633,287	1,774,154
Cost of sales	(957,674)	(556,594)	(1,514,268)
Segment result	183,193	76,693	259,886
For the six months ended 30 June 2021			
Sales-Revenue from external customers	1,020,373	529,414	1,549,787
Inter-segment revenue	-	-	-
Revenue from external customers	1,020,373	529,414	1,549,787
Cost of sales	(778,124)	(417,078)	(1,195,202)
Segment result	242,249	112,336	354,585

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

	Six Months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Segment result for reportable segments	259,886	354,585
Other income	29,914	26,276
Other (losses)/gains-net	4,122	8,791
(Impairment)/reversal of losses on financial assets-net	(2,015)	(5,851)
Distribution expenses	(124,330)	(104,206)
Administrative expenses	(83,210)	(84,665)
Operating profit	84,367	194,930
Finance income	4,025	3,047
Finance costs	(58)	(5,773)
Finance income/(costs) – net	3,967	(2,726)
Profit before income tax	88,334	192,204
Income tax expenses	(20,963)	(47,653)
Profit for the period	67,371	144,551

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3 SEGMENT REPORT (continued)

	Six Months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue		
Dairy products	1,414,887	1,278,674
NCSD products	338,569	266,078
Filling machines	18,330	3,143
Digital services	2,368	1,892
	1,774,154	1,549,787

4 REVENUE AND OTHER INCOME AND OTHER (LOSSES)/GAINS – NET

	Six Months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Sales of products	1,774,154	1,549,787
Other income – net:		
– Income from sales of scrap materials	14,729	13,485
– Subsidy income from government	15,185	12,791
	29,914	26,276
– Net fair value gains on wealth management products at fair value through profit or loss	675	2,411
– Loss/(gain) on disposal of assets	(7)	(34)
– Unrealised net fair value losses on derivative financial instruments	–	7,650
– Realised net fair value losses on derivative financial instruments	–	(11,197)
– Foreign exchange (losses)/gains	(1,667)	5,314
– Others	5,121	4,647
	4,122	8,791

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

5 EXPENSES BY NATURE

	Six Months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Raw materials and consumables used	1,278,342	975,702
Taxes and Surcharges	6,660	6,799
Provision for obsolescence on inventories	4,044	–
Depreciation and amortisation charges	73,246	76,790
– Depreciation of PPE	65,252	68,765
– Depreciation of right-of-use assets	4,581	4,016
– Amortisation of intangible assets	3,413	4,009
Employee benefit expenses	160,569	151,003
Auditors' remuneration		
– Audit services	1,240	1,240
Transportation expenses	86,936	63,441
Repair and maintenance expenses	16,952	13,587
Research and development expenses	9,687	8,306
Electricity and utilities	36,897	23,403
Rental expenses	555	1,086
Plating expenses	9,184	8,591
Professional fees	8,905	8,472
Travelling expenses	4,814	5,158
Advertising and promotional expenses	9,394	11,740
Other expenses	14,383	28,755
Total cost of sales, distribution costs and administrative expenses	1,721,808	1,384,073

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

6 FINANCE INCOME AND FINANCE COSTS

	Six Months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest income	4,025	3,047
Finance income	4,025	3,047
Interest expense – bank borrowings	(1,400)	(1,138)
Interest expense – lease	(502)	(94)
Exchange loss – net	1,844	(4,541)
Finance costs	(58)	(5,773)

7 INCOME TAX EXPENSE

	Six Months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current income tax:		
Enterprise income tax ("EIT")	23,112	52,412
Deferred income tax:	(2,149)	(4,759)
Income tax expense	20,963	47,653

The Group's subsidiaries established in the PRC except for Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd. and Qingdao Likang Food Packaging Technology Co., LTD. are subject to the PRC statutory income tax rate of 25% (2021: 25%) on the taxable income for the year. Hong Kong profits tax has been provided at rate of 16.5% for the current year (2021: 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 12.80% (2021: 11.35%). Greatview Aseptic Packaging France is subject to the France statutory income tax rate of 25%.

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 2022.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

7 INCOME TAX EXPENSE (continued)

Qingdao Likang Food Packaging Technology Co., LTD. obtains a high-technology enterprise certificate which is valid for 3 years from 2020 to 2022 and subjects to a preferential statutory income tax rate of 15% according to the law of People's Republic of China on EIT.

	Six Months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	88,334	192,204
Tax calculated at domestic tax rates applicable to profits in the respective countries	15,093	41,957
Withholding tax on dividends	3,825	6,620
Preferential tax treatment for a subsidiary	(4,161)	(7,607)
Income not subject to tax	(8)	(37)
Expenses not deductible for tax purposes	3,462	5,064
Tax losses for which no deferred income tax asset is recognised	91	3,519
Utilisation of previously unrecognised tax losses	(686)	(76)
Others	3,347	(1,787)
Income tax expense	20,963	47,653

8 EARNINGS PER SHARE

	Six Months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	67,371	144,551
Weighted average number of ordinary shares in issue (thousands)	1,336,631	1,336,631
Basic and diluted earnings per share (RMB per share)	0.050	0.108

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

9 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RMB'000	Machinery RMB'000	Vehicles and office equipment RMB'000	Construction in progress RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost						
As at 1 January 2021 (Audited)	724,553	1,585,203	66,076	80,574	1,790	2,458,196
Additions	-	86	791	86,021	-	86,898
Transfer upon completion	139	32,361	3,316	(35,816)	-	-
Disposals	-	(272)	(1,535)	-	-	(1,807)
Exchange adjustment	(27,944)	(41,596)	(2,903)	(39)	(183)	(72,665)
As at 31 December 2021 (Audited)	696,748	1,575,782	65,745	130,740	1,607	2,470,622
Acquisition of subsidiaries						
Additions	-	-	-	20,225	-	20,225
Transfer upon completion	11,895	12,687	641	(25,223)	-	-
Disposals	-	(46)	(25)	-	-	(71)
Exchange adjustment	(6,449)	(12,036)	(772)	(460)	(48)	(19,765)
As at 30 June 2022	702,194	1,576,387	65,589	125,282	1,559	2,471,011
Accumulated depreciation						
As at 1 January 2021 (Audited)	(157,567)	(928,329)	(58,536)	-	(1,527)	(1,145,960)
Charge for the year	(24,827)	(99,560)	(5,772)	-	(150)	(130,309)
Disposals	-	250	1,465	-	-	1,715
Exchange differences	6,701	18,161	2,614	-	155	27,632
As at 31 December 2021 (Audited)	(175,693)	(1,009,478)	(60,229)	-	(1,522)	(1,246,922)
Charge for the year	(12,364)	(50,464)	(2,351)	-	(73)	(65,252)
Disposals	-	41	24	-	-	65
Exchange differences	1,847	5,708	720	-	45	8,320
As at 30 June 2022	(186,210)	(1,054,193)	(61,836)	-	(1,550)	(1,303,789)
Net book value						
As at 31 December 2021 (Audited)	521,055	566,304	5,516	130,740	85	1,223,700
As at 30 June 2022 (Unaudited)	515,984	522,194	3,753	125,282	9	1,167,222

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

10 RIGHT-OF-USE ASSETS

	Land use Rights (a) RMB'000	Buildings (b) RMB'000	Office equipment (b) RMB'000	Total RMB'000
Net book value at 1 January 2022	41,617	21,695	689	64,001
Additions	–	–	–	–
Depreciation	(515)	(3,961)	(105)	(4,581)
Net book value at 30 June 2022 (Unaudited)	41,102	17,734	584	59,420

This note provides information for leases where the Group is a lessee.

The Group has lease contracts for land and buildings and various items of machinery and equipment used in its operations. The movements during the period are set out below:

- (a) All of the Group's land use rights are located in the PRC with the leasehold period of 50 years.
- (b) The Group has leased several assets for buildings and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Tenures of the leases range from 1 to 5 years.

11 INVENTORIES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Raw materials	688,148	601,465
Work in progress	22,221	33,018
Finished goods	222,945	181,592
	933,314	816,075
Less: Provision for obsolescence		
Raw materials	(14,480)	(14,480)
Finished goods	(7,025)	(2,981)
	911,809	798,614

The cost of inventories recognized as expense and included in cost of sales amounted to approximately RMB1,507,608,000 (30 June 2021: RMB1,188,403,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

12 TRADE AND NOTES RECEIVABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade receivables — gross	689,995	726,262
Less: Provision for impairment of trade receivables	(29,922)	(27,907)
Trade receivables-net	660,073	698,355
Note receivables	22,649	51,980
Less non-current portion: Trade receivables	(21,441)	(27,614)
	661,281	722,721

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2021: 0 to 90 days).

The ageing analysis of the Group's trade receivables based on invoice date are as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
0-90 days	549,117	607,075
91-180 days	60,885	49,501
181-365 days	23,043	14,923
Over 365 days	56,950	54,763
	689,995	726,262

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

13 PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Prepayments		
— tariffs	–	6,952
— advances to suppliers	53,661	25,679
— others deferred expenses	2,594	7,914
— prepayment for land use rights	7,898	7,898
	64,153	48,443
Less non-current portion: prepayments	(10,492)	(10,984)
	53,661	37,459
Other receivables		
— staff advances and other payments for employees	4,312	2,974
— value added tax deductible	–	3,826
— value added tax receivable	22,910	3,437
— others	548	1,982
	27,770	12,219
	81,431	49,678

14 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Share capital	11,442	11,442
Share premium	416,418	416,418
Capital reserve	123,598	123,598
	551,458	551,458

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

14 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE (continued)

(a) Share capital and share premium

Share capital

Authorised:

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

Issued and fully paid:

The total authorised number of ordinary shares is 3,000,000,000 shares (31 December 2021: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2021: HK\$0.01 per share). The number of ordinary shares issued is 1,336,631,000 (31 December 2021: 1,336,631,000) with nominal value of HK\$0.01 per share (31 December 2021: HK\$0.01 per share).

Share premium

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
As at 1 January	416,418	465,970
Dividends	–	(49,552)
As at the end of period/year	416,418	416,418

(b) Capital reserve

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
As at 1 January	123,598	123,598
Share options-value of employee services	–	–
Capitalisation as issued shares as part of the reorganisation	–	–
	123,598	123,598

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

15 BORROWINGS

		As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Current			
Secured			
Bank borrowings	– EUR	40,591	42,452
	– USD	214,765	140,265
	– HK\$	46,203	100,404
		301,559	283,121
Non-Current			
Secured			
Bank borrowings	– EUR	1,752	5,415
Total borrowing		303,311	288,536

All secured bank borrowings of RMB303,311,000 were guaranteed by the Company (2021: RMB288,536,000 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 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within 1 year	301,559	283,121
Between 1 and 2 years	1,752	5,415
Between 2 and 5 years	–	–
	303,311	288,536

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade payables	376,465	333,639
Notes payables	353,119	313,030
Accrued expenses	115,606	91,095
Salary and welfare payable	23,368	37,639
Other tax payables	13,664	10,246
Other payables	1,358	6,634
	883,580	792,283

As at 30 June 2022, the ageing analysis of the Group's trade payables based on invoice date were as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within 30 days	299,446	278,306
31-90 days	65,420	53,955
91-365 days	8,590	1,171
Over 365 days	3,009	207
	376,465	333,639

17 DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2022 (30 June 2021: HK\$0.12 per share, amounting to a total of approximately HK\$160,396,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

18 COMMITMENTS

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

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Contracted but not provided for — Property, plant and equipment	23,841	16,815

19 RELATED-PARTY TRANSACTIONS

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

Key management compensation

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

	Six Months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Salaries and other short-term employees benefits	5,477	6,424
Social security cost	378	399
	5,856	6,823

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 30 August 2022.