



INTERIM REPORT

**GREATVIEW ASEPTIC PACKAGING
COMPANY LIMITED**

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

2023

CONTENTS

- 2** Corporate Information
- 5** Financial Summary
- 6** Management Discussion and Analysis
- 14** Other Information
- 20** Condensed Consolidated Statement of Comprehensive Income
- 21** Condensed Consolidated Statement of Financial Position
- 23** Condensed Consolidated Statement of Changes in Equity
- 24** Condensed Consolidated Statement of Cash Flows
- 25** 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. SUN Yanjun (*alternate to Mr. PANG Yiu Kai*)

Independent Non-Executive Directors

Mr. LUETH Allen Warren
Mr. BEHRENS Ernst Hermann
Mr. GUO Kai (appointed with effect from 27 June 2023)
Mr. ZHU Jia (resigned with effect from 27 June 2023)

JOINT COMPANY SECRETARIES

Ms. QI Zhaohui
Mr. LEUNG Chi Kit

AUTHORISED REPRESENTATIVES

Mr. BI Hua, Jeff
Mr. LEUNG Chi Kit

AUDIT COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)
Mr. BEHRENS Ernst Hermann
Mr. PANG Yiu Kai
Mr. SUN Yanjun (*alternate to Mr. PANG Yiu Kai*)
Mr. GUO Kai (appointed with effect from 27 June 2023)
Mr. ZHU Jia (resigned with effect from 27 June 2023)

REMUNERATION COMMITTEE

Mr. LUETH Allen Warren (*Chairman*) (*re-designated with effect from 27 June 2023*)
Mr. BI Hua, Jeff
Mr. BEHRENS Ernst Hermann
Mr. GUO Kai (appointed with effect from 27 June 2023)
Mr. ZHU Jia (resigned with effect from 27 June 2023)

NOMINATION COMMITTEE

Mr. HONG Gang (*Chairman*)
Mr. BEHRENS Ernst Hermann
Mr. GUO Kai (appointed with effect from 27 June 2023)
Mr. ZHU Jia (resigned with effect from 27 June 2023)

EXECUTIVE COMMITTEE

Mr. HONG Gang (*Chairman*)
Mr. BI Hua, Jeff
Mr. LUETH Allen Warren
Mr. BEHRENS Ernst Hermann
Mr. GUO Kai (appointed with effect from 27 June 2023)
Mr. ZHU Jia (resigned with effect from 27 June 2023)

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
Shun Tak Centre
No. 168-200 Connaught Road Central
Central
Hong Kong

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

A1-4/2F, No. 14 Jiuxianqiao Road
Chaoyang District
Beijing 100015
The PRC

Corporate Information

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
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





Greatview undertakes the corresponding social responsibilities through responsible sourcing, and all of Greatview's factories have passed FSC® or PEFC® chain of custody certification.

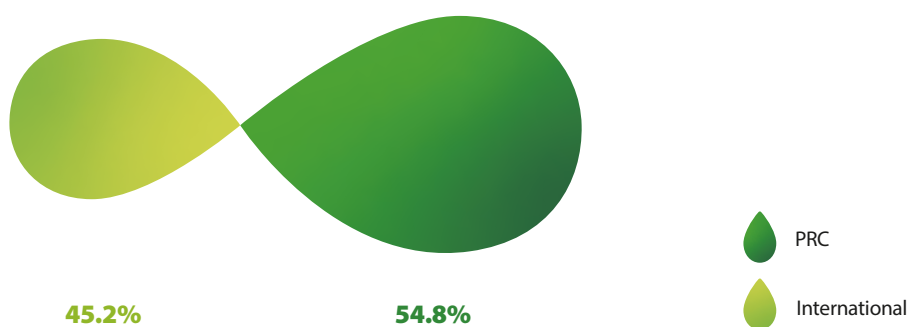
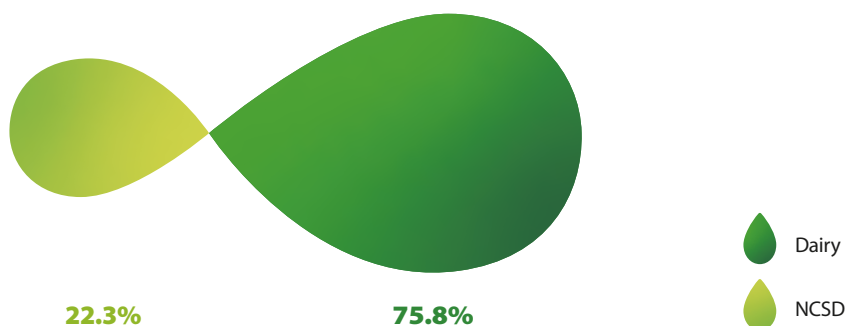


FINANCIAL SUMMARY

For the six months ended 30 June

	2023 RMB million (Unaudited)	2022 RMB million (Unaudited)	Percentage %
Revenue	1,889.5	1,774.2	6.5
Gross profit	297.0	259.9	14.3
Net profit	99.8	67.4	48.2
Profit attributable to shareholders	99.8	67.4	48.2
Earnings per share — basic and diluted (RMB)	0.075	0.050	50.0
Proposed dividend per share (HK\$)	—	—	—

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 leading 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”. Our wholly-owned subsidiary, Qingdao Likang Food Packaging Technology Co., LTD.* (青島利康食品包裝科技有限公司), 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 the first half of 2023, although the world’s major economies have basically emerged from the pandemic, the scarring effect of which, sustained Russia-Ukraine conflict, and negative lag effect of the Federal Reserve’s sharp rate hikes in 2022 restricted the recovery of the world economy. In the latest issue report of “Global Economic Prospects” released by the World Bank in June, it is predicted that the global economy will grow at 2.1% in 2023, adjust upward by 0.4 percentage point from the January forecast, showing optimism outlook about the world economy. However, this predicted growth rate is still lower than 3.1% in 2022. Factors such as slow recovery of the global industrial chain, higher core inflation, tightening monetary policy and financial conditions will affect the whole year, making it uncertain for the overall recovery situation of world economy.

Looking at the entire consumer market, consumption classification has become an indisputable fact under the impact of the pandemic. On the one hand, consumer demand is constantly upgrading, and demand standards are gradually improving; on the other hand, consumers have also begun to return to rationality, and consume according to their needs and in a moderate manner. Facing such an increasingly mature consumer market and an increasingly segmented and crowded array of category, how to understand consumer demand more thoroughly, establish closer and effective communication with consumers, and make innovative products that consumers are willing to pay for and satisfy are the common challenges faced by many food and beverage companies nowadays.

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.

* For identification purpose only

Management Discussion and Analysis

Markets and Products

We sold a total of approximately 10.5 billion packs during the first half of 2023, which represents a decrease of approximately 5.0% as compared with the same period in 2022. Such decrease was primarily due to the decrease in sales volume in the PRC market. “Greatview Brick 250mL Base” remained as our top selling product, followed by “Greatview Brick 1000mL Slim PLH”.

In recent years, the trend towards environmental protection and sustainable development has become a global concern, with environmentally-friendly and green packaging becoming the consensus for industry development. As millennials and Generation Z being the largest consumer group in the future, they will use a variety of tools to ensure minimising their impact on the climate and believing that their choices can bring about changes. Therefore, for brands, the more they launch products and services that meet the expectations of environmentalists, the more they will resonate with their consumers.

In order to meet the ever-diversifying market demands, Greatview continue to focus on research and development and innovation. It launched a more environmentally-friendly aluminum-free packaging product, which replaces the aluminum foil layer used in ordinary aseptic packaging with a high-performance polymer barrier material. While ensuring product quality and safety, it makes the packaging can be heated by microwave, which is suitable for heatable warm drink products and more convenient for the recycling and reuse of the packaging after use. Microwave instant heat packaging can reduce the carbon footprint by approximately 40% as compared with the same specification of aluminum foil packaging.



Management Discussion and Analysis

The global liquid packaging market has seen decent growth in recent years, driven by population growth, urbanisation, changing consumer lifestyle and increased consumption of packaged goods. In particular, the Asia-Pacific region, as the globe's largest market share and fastest growing region, is expected to continue to maintain its dominant position by 2030. According to the research report issued by Ipsos, the scale of global aseptic packaging industry is approximately 486.6 billion packages in 2022, which is expected to grow at a compound annual growth rate (CAGR) of 3.4% in the next three years.

With the gradual lift of pandemic prevention and control since 2023, China's consumer market has also been recovering in an orderly manner. In China, as one of the world's largest consumer markets, the food and beverage market has continued to grow in recent years, driven by factors such as accelerating urbanisation, increasing households' disposable income and consumption upgrade. The increasingly diversified sales channels, such as convenience stores, e-commerce platforms and vending machines, have increased the convenience for consumers to purchase products, thereby increasing the frequency of consumption of products. On the other hand, affected by the pandemic, the direction of food and beverage development has also changed, focusing on "health, wellness, immunity and sustainability", while subtle changes have also occurred in the direction of functional ingredients, flavor characteristics, application specificity and other subdivisions.

In terms of dairy products, with the wave of consumption upgrades and the increasing popularity of national health awareness, the per capita consumption of dairy products in China has gradually increased, and the consumption of dairy products has also shown a trend of high-end consumption. More public tend to buy higher prices and more functional dairy products. "Quality assurance" is the biggest attraction point of high-end dairy products. According to Euromonitor data, the market size of China's liquid milk has increased from RMB209.6 billion in 2018 to RMB261.3 billion in 2022, with a CAGR of 5.7%. It is expected that from 2023 to 2027, the market size of China's liquid milk will increase from RMB281.5 billion to RMB332.3 billion, with a CAGR of 4.2%.

Currently, although China's downstream market maintains a stage of rapid development, the liquid aseptic packaging industry has entered a stage of domestic substitution. With the continuous development and application promotion of aseptic packaging technology, as well as the support of domestic policies, competition will become even more intense.

Operation Management

In terms of operation and production, the Company continued to promote the development of digital operation. Through technologies such as the Internet of Things ("IoT") and mobile internet, Greatview's digital construction maintains the connection with customers, employees, products and partners, as well as the connection between business and production, so as to ensure a real-time perception of enterprise-related behaviours and status.

In the first half of 2023, we continued to put a lot of effort in data collection and data governance. With a well-established data system, on the one hand, enterprises can gain insights into their own entire business chain; on the other hand, such data system can also provide overall operational guidance for enterprises, improve the synergistic efficiency between enterprises and their customers and suppliers, and improve their experience.

At present, through construction of digitalisation, Greatview has successfully helped our factory managers to better control production lines, improve product quality, optimise production processes, reduce costs and improve efficiency.

Under the support of our sound supply chain management, the supply of the Company's major raw materials remains basically stable. We conduct reviews on the basic information and qualifications of suppliers on a regular basis, and conduct risk assessments on suppliers according to the management needs of environment, quality, food safety and social responsibility. We conduct the annual performance evaluation and audit on all suppliers to ensure that the materials, services and its operation meet Greatview's requirements.

Management Discussion and Analysis

Production Capacity and Utilisation

Our Group has a total annual production capacity of approximately 33.8 billion packs as of 30 June 2023 (30 June 2022: approximately 30.0 billion packs). Approximately 11.2 billion packs were produced for the six months ended 30 June 2023 which represented a utilisation rate of approximately 66.3% (30 June 2022: approximately 77.0%). The decrease in the utilisation rate was mainly due to the decrease in sales volume.

Business Development

In the first half of 2023, Greatview has provided ever increasing variety of packaging material specifications and end-to-end packaging solutions, including filling machines, to global customers.

In terms of sustainable development, Greatview has been strictly fulfilling its corporate social responsibilities, accelerating the realisation of dual-carbon goals, deeply building a green and low-carbon whole industrial chain, continuously optimising product packaging, and minimising carbon emissions.

In February 2023, Greatview's German factory increased its solar power generation capacity to 4.5 Gigawatt-hour, saving more than 20% of purchased electricity and reducing carbon emissions by approximately 2,000 tons per year. As one of Greatview's efforts to combat climate changes worldwide, this initiative has a direct impact on the development of our carbon footprint. In addition, Greatview intends to achieve the goal of net zero carbon emissions from energy in 2025.

In April 2023, teachers and students of the China Central Academy of Fine Arts (中央美術學院) made chipboards converted from the recycled Greatview waste cartons into works of art and unveiled them at the opening ceremony of the Shenzhen International Urban Furniture Art Season. A total of 38,186 cartons were used in the five art works, which showed the beauty of modern urban furniture design with artistic expression and infiltration of sustainable concepts, and were well received by participating artists, media representatives and other guests. Greatview expects this art exhibition to be another successful attempt to explore the means of low-carbon emission reduction and green and environmental protection. While helping Shenzhen to build a humanistic city, it can further bring the concept of green and sustainable development and the lifestyle of advocating low-carbon environmental protection into thousands of households.



Management Discussion and Analysis

In May 2023, the 2023 Beverage Paper-based Composite Packaging Sustainable Development Summit Forum (飲料紙基複合包裝可持續發展高峰論壇) with the theme of “Coordinating Carbon Reduction to Boost Circular Economy · Green Engine to Promote Low-carbon Development – Implementing the System of Extended Responsibility by Producer of Beverage Paper-based Composite Packaging” organised by the Strategic Alliance of Technological Innovation in Compulsory Resources Recycling Industry of Beijing and the Beverage Paper-based Composite Packaging Recycling and Utilisation Special Committee (the “Special Committee”) was successfully held in Quzhou, Zhejiang Province. As a council member of the Special Committee, Greatview participated the summit and, together with upstream and downstream enterprises of the industry chain, explored the scientific way of green, low-carbon, circular and sustainable development of the beverage paper-based composite packaging industry under the new development pattern.

In June 2023, jointly with the Youth League Committee of Gaotang County, the Education and Sports Bureau of Gaotang County and Shandong Shunrunkang (山東順潤康), Greatview launched milk carton recycling activities themed by “Small Hands in Big Hands, Happy Collection of ‘Cartons’” (小手拉大手 · 快樂集「盒」) in primary and middle schools across the county.

FINANCIAL REVIEW

Overview

In the first half of 2023, both revenue and profit were higher than the corresponding period in 2022 primarily due to the continuous growth of the international business and ongoing normalisation of freight costs. We continuously endeavoured to optimise 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.

Revenue

We primarily derive revenue from the PRC and international sales of aseptic packaging and related services to dairy and NCS D producers. Revenue of our Group increased by approximately 6.5% from approximately RMB1,774.2 million for the six months ended 30 June 2022 to approximately RMB1,889.5 million for the six months ended 30 June 2023. Such increase was primarily due to the growth of the international markets.

With respect to the PRC segment, our revenue decreased by approximately RMB105.9 million, or 9.3%, to approximately RMB1,035.0 million for the six months ended 30 June 2023 from approximately RMB1,140.9 million for the six months ended 30 June 2022. Such decrease was primarily due to the decrease in sales volume, resulting from intensified competition.

With respect to the international segment, our revenue increased by approximately RMB221.2 million, or 34.9%, to approximately RMB854.5 million for the six months ended 30 June 2023 from approximately RMB633.3 million for the six months ended 30 June 2022. There were good growth in Europe and South East Asia.

Our revenue from dairy customers increased by approximately RMB17.1 million, or 1.2%, to approximately RMB1,432.0 million for the six months ended 30 June 2023 from approximately RMB1,414.9 million for the six months ended 30 June 2022, and our revenue from NCS D customers increased by approximately RMB83.6 million, or 24.7%, to approximately RMB422.2 million for the six months ended 30 June 2023 from approximately RMB338.6 million for the six months ended 30 June 2022. It was mainly contributed by the growth of sales volume.

* For identification purpose only

Management Discussion and Analysis

Cost of Sales

Our cost of sales increased by approximately RMB78.2 million, or 5.2%, to approximately RMB1,592.5 million for the six months ended 30 June 2023 from approximately RMB1,514.3 million for the six months ended 30 June 2022. The growth in cost of sales was mainly due to the increase in the key raw materials price.

Gross Profit and Gross Profit Margin

As a result of the foregoing factors, our gross profit increased by approximately RMB37.1 million, or 14.3% from approximately RMB259.9 million for the six months ended 30 June 2022 to approximately RMB297.0 million for the six months ended 30 June 2023. Our gross margin increased by approximately 1.1 percentage points to approximately 15.7% for the six months ended 30 June 2023 from approximately 14.6% for the six months ended 30 June 2022. It was primarily due to the change of sales mix and the selling price in the international market.

Other Income

Our other income decreased by approximately RMB5.1 million, or 17.0%, to approximately RMB24.8 million for the six months ended 30 June 2023 from approximately RMB29.9 million for the six months ended 30 June 2022. It was primarily due to the decrease in income from subsidy income from government.

Other Gains – Net

Our other gains – net increased by approximately RMB9.9 million, or 239.0%, to approximately RMB14.0 million for the six months ended 30 June 2023 from approximately RMB4.1 million for the six months ended 30 June 2022. It was primarily due to the fluctuation of foreign exchange.

Distribution Expenses

Our distribution expenses decreased by approximately RMB10.4 million, or 8.4%, to approximately RMB113.9 million for the six months ended 30 June 2023 from approximately RMB124.3 million for the six months ended 30 June 2022. It was primarily due to the decrease in freight costs.

Administrative Expenses

Our administrative expenses increased by approximately RMB11.5 million, or 13.8%, to approximately RMB94.7 million for the six months ended 30 June 2023 from approximately RMB83.2 million for the six months ended 30 June 2022. The increase was primarily due to the increase in salary and welfare as well as research and development expenses.

Taxation

Our income tax expenses increased by approximately RMB8.8 million, or 42.2%, to approximately RMB29.8 million for the six months ended 30 June 2023 from approximately RMB21.0 million for the six months ended 30 June 2022. Our effective tax rate decreased by approximately 0.7 percentage point to approximately 23.0% for the six months ended 30 June 2023 from approximately 23.7% for the corresponding period in 2022.

Profit for the Year and Net Profit Margin

Driven by the factors as aforementioned, our net profit increased by approximately RMB32.4 million, or 48.2%, to approximately RMB99.8 million for the six months ended 30 June 2023 from approximately RMB67.4 million for the six months ended 30 June 2022. Our net profit margin increased by approximately 1.5 percentage points to approximately 5.3% for the six months ended 30 June 2023 from approximately 3.8% for the six months ended 30 June 2022.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, we had approximately RMB493.1 million (31 December 2022: approximately RMB607.4 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

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 110.4 days as at 31 December 2022 to approximately 132.3 days as at 30 June 2023. Our turnover days for trade receivables (trade receivables/revenue) increased from approximately 66.8 days as at 31 December 2022 to approximately 70.5 days as at 30 June 2023. Our turnover days for trade payables (trade payables/cost of sales) decreased from approximately 45.3 days as at 31 December 2022 to approximately 44.9 days as at 30 June 2023.

Borrowings and Finance Cost

Borrowings of our Group as at 30 June 2023 were bank borrowings which amounted to approximately RMB126.3 million (31 December 2022: approximately RMB223.6 million) and denominated in EUR. Amongst the borrowings, approximately RMB126.3 million (31 December 2022: approximately RMB223.6 million) will be repayable within one year. For the period under review, the net finance income of our Group was approximately RMB4.3 million (for the six months ended 30 June 2022: approximately RMB4.0 million). For details of the borrowings and finance income of our Group, please refer to notes 15 and 6 to the consolidated financial statements contained in this interim report respectively.

Gearing Ratio

As at 30 June 2023, the gearing ratio of our Group was approximately 0.05 (31 December 2022: approximately 0.09), which was in line with the reduction 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 2023 was approximately RMB1,435.9 million (31 December 2022: approximately RMB1,299.8 million). The working capital is calculated by the difference between the current assets and current liabilities.

Foreign Exchange Exposure

Our Group's sales and purchases were primarily denominated in RMB, EUR and USD. During the period under review, our Group recorded exchange gain of approximately RMB9.2 million (for the six months ended 30 June 2022: exchange loss of approximately RMB1.7 million).

Capital Expenditure

As at 30 June 2023, our Group's total capital expenditure amounted to approximately RMB15.1 million (31 December 2022: approximately RMB88.6 million), which was mainly used for purchasing production machines and equipment for the Group.

Capital Commitments

As at 30 June 2023, our Group had capital commitments of approximately RMB19.2 million (31 December 2022: approximately RMB72.5 million) in respect of acquisitions of property, plant and equipment.

Charge on Assets

As at 30 June 2023, our Group neither pledged any property, plant and equipment (31 December 2022: nil) nor land use right (31 December 2022: nil).

Management Discussion and Analysis

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 were no material contingent liabilities as at 30 June 2023 (31 December 2022: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, our Group employed approximately 1,785 employees (31 December 2022: approximately 1,780 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 2023 amounted to approximately RMB175.9 million (for the six months ended 30 June 2022: approximately RMB160.6 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.

PROSPECTS

In 2023, despite the global pandemic is almost over, there remains geopolitical crisis as the political tension in Ukraine has an important impact on stable development of the global economy. The increased complexity in global supply chain is at risk of reshaping, with high levels of inflation. Facing the weak global economy and trade situation, Greatview will continue to undertake corporate social responsibility while ensuring production and operation safety, so as to provide high-quality and diversified products for global customers.

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;
- Strengthening technological and application innovation, broadening the application of packaging material and filling equipment, and improving after-sales service;
- 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, IoT 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 2023, 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 2023, the Company had 1,336,631,000 Shares in issue.

Save as disclosed above, as at 30 June 2023, 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.

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

As at 30 June 2023, 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 ("JSH Venture")	377,132,584	1, 2	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%
Shandong Xinjufeng Technology packaging Co., Ltd. ("Shandong Xinjufeng")	377,132,584	2	Beneficial owner	Long position	28.22%
Foxing	129,000,000	3	Beneficial owner	Long position	9.65%
Hill Garden	129,000,000	3	Interest of controlled corporation	Long position	9.65%
Madam BI Wei Li	129,000,000	4	Interest of spouse	Long position	9.65%
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%

Notes:

- JSH Venture has a direct interest in 377,132,584 Shares. Jardine Strategic Limited is interested in 100% of JSH Venture. 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.
- Shandong Xinjufeng and JSH Venture entered into an agreement on 27 January 2023, pursuant to which, JSH Venture conditionally agreed to sell, and Shandong Xinjufeng conditionally agreed to acquire, 377,132,584 Shares at a price of HK\$2.65 per Share for an aggregate consideration of HK\$999,401,347.60 (the "Proposed Disposal"). The completion of the Proposed Disposal shall be conditional upon and subject to, among others, the approval of the shareholders of Shandong Xinjufeng and the necessary consents from the relevant authorities in the PRC. Upon completion of the Proposed Disposal, JSH Venture would cease to hold any Shares in the Company, and Shandong Xinjufeng would become a substantial shareholder and the single largest shareholder of the Company. As of 30 June 2023, the Proposed Disposal has not been completed.
- 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.

Other Information

- (4) 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.
- (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 2023, the Company had 1,336,631,000 Shares in issue.

Save as disclosed above, as at 30 June 2023, 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 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

On 16 May 2023, the board of Directors of the Company (the "Board") approved the Company's plan for the purchase of equipment and expansion of the Company's production facilities in order to increase the production capacity of the Company (the "Expansion Plan"). With a view to allowing the Company to obtain funding to finance the purchase of equipment and expansion of production facilities according to the Expansion Plan, the Board is currently exploring different avenues to finance the Expansion Plan, including but not limited to issuing and allotting new Shares, utilising working capital generated from operations, obtaining loans from banks, other forms of debt or equity financing and/or any combination of the above. For further details of the Expansion Plan, please refer to the announcement of the Company dated 25 May 2023.

Save for the Expansion Plan, the Company had no significant investments, material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2023. As at the date of this interim report, the Group has no future plan to make any significant investments or acquisitions 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 2023.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2023, the aggregate amount of guarantees provided for the banking facilities granted to affiliated companies of the Group by the Company was approximately RMB955.6 million, which exceeded 8% of the assets ratios as defined under Rule 14.07(1) of the Listing Rules. Details of which were set out below:

Other Information

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	758,709	86,648
Greatview Aseptic Packaging Europe GmbH	100	196,928	37,708
Greatview Aseptic Packaging Manufacturing GmbH	100	196,928	1,969

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 2023 is presented as follows:

	Proforma combined statement of financial position RMB'000
Non-current assets	1,037,207
Current assets	746,699
Current liabilities	(497,776)
Non-current liabilities	(732,601)
Net assets	553,529

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 2023.

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 2023 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 2023.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: nil).

Other Information

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS AND INTERIM REPORT

As at 30 June 2023, 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. GUO Kai, one non-executive Director, Mr. PANG Yiu Kai (“Mr. Pang”), and the alternate Director to Mr. Pang, Mr. SUN Yanjun. Mr. GUO Kai has been appointed as a member of the Audit Committee, and Mr. ZHU Jia ceased to be a member of the Audit Committee, with effect from 27 June 2023.

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 Company’s processes for compliance with the Listing Rules, review of the Group’s financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board, oversight of the integrity of financial information of the Company and its disclosure, review of the accounting principles and practices adopted by the Group, 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 2023 have been reviewed by the Audit Committee.

CHANGE OF INFORMATION IN RESPECT OF DIRECTORS

Mr. Pang, a non-executive Director, has been appointed as the chairman of Gammon China Limited, with effect from 1 January 2023.

The executive committee of the Company (the “Executive Committee”) was established on 1 February 2023, which comprises five members. Mr. HONG Gang, a non-executive Director, has been appointed as the chairman of the Executive Committee. Mr. BI Hua, Jeff, an executive Director, Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia, the independent non-executive Directors, have been appointed as the members of the Executive Committee.

Mr. ZHU Jia has resigned as an independent non-executive Director, the chairman of the remuneration committee of the Company (the “Remuneration Committee”), and a member of the Audit Committee, the nomination committee of the Company (the “Nomination Committee”) and the Executive Committee for better business opportunities with effect from 27 June 2023. For further details, please refer to the circular of the Company dated 24 May 2023 and the announcement of the Company dated 27 June 2023.

Mr. GUO Kai has been appointed as an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee with effect from 27 June 2023. For further details, please refer to the circular of the Company dated 24 May 2023 and the announcement of the Company dated 27 June 2023.

Mr. LUETH Allen Warren, an independent non-executive Director, has been re-designated from a member of the Remuneration Committee to the chairman of the Remuneration Committee, with effect from 27 June 2023.

EVENTS AFTER THE REPORTING PERIOD

On 25 August 2023, the shareholders of the Company have approved the proposed amendments to the previous second amended and restated articles of association of the Company (the “Previous Articles”) at the extraordinary general meeting and adopted the third amended and restated articles of association of the Company (the “Current Articles”) in substitution for and to the exclusion of the Previous Articles by way of a special resolution with effect from 25 August 2023.

The Current Articles have been updated for the purposes of bringing the articles of association of the Company in alignment with Appendix 3 of the Listing Rules which has come into effect on 1 January 2022, as well as to make certain other housekeeping amendments.

The full text of the Current Articles is available on both the websites of the Company and the Stock Exchange. Save as disclosed above, there is no other change in the Company’s constitutional documents or any other significant events after the reporting period and up to the date of this interim report.

On behalf of the Board

Mr. HONG Gang

Chairman

Beijing, the PRC, 30 August 2023

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

	Note	Six Months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	3	1,889,542	1,774,154
Cost of sales	5	(1,592,523)	(1,514,268)
Gross profit		297,019	259,886
Other income	4	24,836	29,914
Other gains-net	4	13,972	4,122
(Impairment)/reversal of losses on financial assets-net		(1,917)	(2,015)
Distribution expenses	5	(113,935)	(124,330)
Administrative expenses	5	(94,685)	(83,210)
Operating profit		125,290	84,367
Finance income	6	4,628	4,025
Finance costs	6	(279)	(58)
Finance income – net		4,349	3,967
Profit before income tax		129,639	88,334
Income tax expense	7	(29,810)	(20,963)
Profit for the period		99,829	67,371
Profit attributable to:			
Owners of the Company		99,829	67,371
Non-controlling interests		–	–
Other comprehensive income:			
Item that may be reclassified to profit or loss			
Currency translation differences		39,115	(18,091)
Total comprehensive income for the period		138,944	49,280
Total comprehensive income attributable to:			
Owners of the Company		138,944	49,280
Non-controlling interests		–	–
		138,944	49,280
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
-Basic and diluted earnings per share	8	RMB0.075	RMB0.050

Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,168,691	1,195,950
Right-of-use assets	10	54,375	56,957
Intangible assets		59,826	61,411
Deferred income tax assets		49,800	41,853
Trade receivables	12	60,790	26,537
Prepayments	13	9,653	10,001
		1,403,135	1,392,709
Current assets			
Inventories	11	1,058,124	1,181,862
Trade and notes receivables	12	703,785	739,926
Prepayments	13	21,081	21,995
Other receivables	13	22,273	28,802
Cash and bank equivalents		493,069	607,439
Restricted cash		195,148	306,920
		2,493,480	2,886,944
Total assets		3,896,615	4,279,653
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		309,087	309,087
Exchange reserve		(41,062)	(80,177)
Retained earnings		1,939,385	1,839,556
Total equity		2,758,868	2,619,924

Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred government grants		57,030	54,476
Lease liabilities		3,886	6,602
Deferred income tax liabilities		19,219	11,473
		80,135	72,551
Current liabilities			
Deferred government grants		3,618	6,844
Contract liabilities		66,206	111,478
Trade and other payables and accruals	16	843,923	1,205,531
Income tax liabilities		6,756	29,383
Borrowings	15	126,325	223,561
Lease liabilities		10,784	10,381
		1,057,612	1,587,178
Total liabilities		1,137,747	1,659,729
Total equity and liabilities		3,896,615	4,279,653
Net current assets		1,435,868	1,299,766
Total assets less current liabilities		2,839,003	2,692,475

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to equity owners (unaudited)				Total RMB'000
	Share capital, share premium and capital reserve RMB'000 (Note 14)	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	
As at 31 December 2021 (Audited)	551,458	296,211	(97,670)	1,670,035	2,420,034
Comprehensive income					
Profit for the year	-	-	-	182,397	182,397
Other comprehensive income					
Currency translation differences	-	-	17,493	-	17,493
Changes in Fair value of financial assets	-	-	-	-	-
share based payment	-	-	-	-	-
Shares repurchased	-	-	-	-	-
Adjust of prior year's profit & loss	-	-	-	-	-
Transfer to statutory reserve	-	12,876	-	(12,876)	-
Dividend	-	-	-	-	-
As at 31 December 2022 (Audited)	551,458	309,087	(80,177)	1,839,556	2,619,924
Comprehensive income					
Profit for the year	-	-	-	99,829	99,829
Other comprehensive income					
Currency translation differences	-	-	39,115	-	39,115
Transfer to statutory reserve	-	-	-	-	-
Dividend	-	-	-	-	-
As at 30 June 2023 (Unaudited)	551,458	309,087	(41,062)	1,939,385	2,758,868

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Six Months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	53,301	188,211
Interest paid	(3,985)	(1,902)
Income tax paid	(52,638)	(19,227)
Net cash (used in)/generated from operating activities	(3,322)	167,082
Cash flows from investing activities		
Property, plant and equipment ("PPE")	(15,083)	(20,225)
Proceeds from disposal of PPE	791	(1)
Purchase of intangible assets	(63)	(134)
Purchases of financial assets at fair value through profit or loss	(105,000)	(425,000)
Disposals of financial assets at fair value through profit or loss	106,186	425,675
Interest received	4,628	4,025
Net cash (used in) investing activities	(8,541)	(15,660)
Cash flows from financing activities		
Proceeds from borrowings	38,631	113,100
Repayments of borrowings	(140,662)	(102,782)
Principal elements of lease payments	(4,182)	(3,712)
Net cash (used in)/generated from financing activities	(106,213)	6,606
Net increase in cash and cash equivalents	(118,076)	158,028
Cash and cash equivalents at beginning of year	607,439	425,242
Exchange gains on cash and cash equivalents	3,706	1,844
Cash and cash equivalents at end of period	493,069	585,114

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

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 (“**NCS**”) 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 2023 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 2022.

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 2022 annual report except for the adoption of the new standards, amendments or interpretations issued by the IASB which are mandatory for the annual period beginning on or after 1 January 2023. 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 2023

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 2023	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 2023

3 REVENUE AND SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-maker (the "CODM").

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as 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 Board is as follows:

	PRC RMB'000 (Unaudited)	International RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the six months ended 30 June 2023			
Sales-Revenue from external customers	1,035,002	854,540	1,889,542
Inter-segment revenue	-	-	-
Revenue from external customers	1,035,002	854,540	1,889,542
Cost of sales	(856,195)	(736,328)	(1,592,523)
Segment result	178,807	118,212	297,019
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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

3 REVENUE AND SEGMENT INFORMATION (continued)

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

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Segment result for reportable segments	297,019	259,886
Other income	24,836	29,914
Other gains-net	13,972	4,122
(Impairment)/reversal of losses on financial assets – net	(1,917)	(2,015)
Distribution expenses	(113,935)	(124,330)
Administrative expenses	(94,685)	(83,210)
Operating profit	125,290	84,367
Finance income	4,628	4,025
Finance costs	(279)	(58)
Finance income – net	4,349	3,967
Profit before income tax	129,639	88,334
Income tax expenses	(29,810)	(20,963)
Profit for the period	99,829	67,371

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue		
Dairy products	1,431,962	1,414,887
NCSD products	422,238	338,569
Filling machines	34,770	18,330
Digital services	572	2,368
	1,889,542	1,774,154

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

4 REVENUE AND OTHER INCOME AND OTHER GAINS – NET

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Sales of products	1,889,542	1,774,154
Other income – net:		
– Income from sales of scrap materials and other materials	20,965	14,729
– Subsidy income from government	3,871	15,185
	24,836	29,914
Other gains-net:		
– Net fair value gains on wealth management products at fair value through profit or loss	1,186	675
– Gain/(loss) on disposal of assets	2	(7)
– Foreign exchange gains/(losses)	9,241	(1,667)
– Others	3,543	5,121
	13,972	4,122

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

5 EXPENSES BY NATURE

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Raw materials and consumables used	1,340,347	1,278,342
Taxes and Surcharges	8,325	6,660
Provision for obsolescence on inventories	13,640	4,044
Depreciation and amortisation charges	73,325	73,246
– Depreciation of PP&E	66,805	65,252
– Depreciation of right-of-use assets	4,451	4,581
– Amortisation of intangible assets	2,069	3,413
Employee benefit expenses	175,853	160,569
Auditors' remuneration		
– Audit services	1,250	1,240
Transportation expenses	66,706	86,936
Repair and maintenance expenses	19,227	16,952
Research and development expenses	13,038	9,687
Electricity and utilities	32,981	36,897
Rental expenses	2,744	555
Plating expenses	8,545	9,184
Professional fees	13,520	8,905
Travelling expenses	7,784	4,814
Advertising and promotional expenses	13,253	9,394
Other expenses	10,605	14,383
Total cost of sales, distribution expenses and administrative expenses	1,801,143	1,721,808

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

6 FINANCE INCOME AND FINANCE COSTS

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest income	4,628	4,025
Finance income	4,628	4,025
Interest expense – bank borrowings	(3,535)	(1,400)
Interest expense – lease	(450)	(502)
Exchange gains – net	3,706	1,844
Finance costs	(279)	(58)

7 INCOME TAX EXPENSE

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current income tax:		
Enterprise income tax (“EIT”)	29,610	23,112
Deferred income tax:	200	(2,149)
Income tax expense	29,810	20,963

The Group’s subsidiaries established in the PRC except for Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. (“**GA Inner Mongolia**”) and Qingdao Likang Food Packaging Technology Co., LTD. (“**Likang**”) are subject to the PRC statutory income tax rate of 25% (2022: 25%) on the taxable income for the year. Hong Kong profits tax rate is 16.5% up to 1 April 2018. When the two-tiered profits tax regime took effect on 1 April 2018, the applicable Hong Kong profits tax rate is 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million. The profits tax of Greatview Aseptic Packaging Manufacturing GmbH and Greatview Aseptic Packaging Service GmbH has been provided at rate of 30.83%. Greatview Aseptic Packaging Europe GmbH is subject to the Swiss statutory income tax rate of 12.80%.

GA Inner Mongolia is located in a special economic zone with a 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 2023.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

7 INCOME TAX EXPENSE (continued)

Likang 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. And the new high technology enterprise certificate is on process.

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Profit before tax	129,639	88,334
Tax calculated at domestic tax rates applicable to profits in the respective countries	29,376	15,093
Withholding tax on dividends	4,481	3,825
Preferential tax treatment for a subsidiary	(7,719)	(4,161)
Income not subject to tax	(17)	(8)
Expenses not deductible for tax purposes	(755)	3,462
Tax losses for which no deferred income tax asset is recognised	177	91
Utilisation of previously unrecognised tax losses	(668)	(686)
Others	4,935	3,347
Income tax expense	29,810	20,963

8 EARNINGS PER SHARE

	Six Months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	99,829	67,371
Weighted average number of ordinary shares in issue (thousands)	1,336,631	1,336,631
Basic and diluted earnings per share (RMB per share)	0.075	0.050

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 2023

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 2022 (Audited)	696,748	1,575,782	65,745	130,740	1,607	2,470,622
Acquisition of subsidiaries	2,415	37,197	746	206	–	40,564
Additions	–	–	722	47,052	–	47,774
Transfer upon completion	20,132	86,926	802	(107,860)	–	–
Disposals	–	(399)	(1,440)	–	–	(1,839)
Exchange adjustment	7,055	10,421	1,043	455	46	19,020
As at 31 December 2022 (Audited)	726,350	1,709,927	67,618	70,593	1,653	2,576,141
Acquisition of subsidiaries	–	–	–	–	–	–
Additions	–	(19)	–	14,313	–	14,294
Transfer upon completion	13,270	14,427	2,376	(30,073)	–	–
Disposals	–	(4,793)	(48)	–	–	(4,841)
Exchange adjustment	16,865	26,795	1,602	885	103	46,250
As at 30 June 2023	756,485	1,746,337	71,548	55,718	1,756	2,631,844
Accumulated depreciation						
As at 1 January 2022 (Audited)	(175,693)	(1,009,478)	(60,229)	–	(1,522)	(1,246,922)
Charge for the year	(25,527)	(96,757)	(4,414)	–	(116)	(126,814)
Disposals	–	184	1,362	–	–	1,546
Exchange differences	(1,943)	(5,122)	(921)	–	(15)	(8,001)
As at 31 December 2022 (Audited)	(203,163)	(1,111,173)	(64,202)	–	(1,653)	(1,380,191)
Charge for the year	(13,745)	(51,189)	(1,871)	–	–	(66,805)
Disposals	–	4,027	37	–	–	4,064
Exchange differences	(5,197)	(13,375)	(1,546)	–	(103)	(20,221)
As at 30 June 2023	(222,105)	(1,171,710)	(67,582)	–	(1,756)	(1,463,153)
Net book value						
As at 31 December 2022 (Audited)	523,187	598,754	3,416	70,593	–	1,195,950
As at 30 June 2023 (Unaudited)	534,380	574,627	3,966	55,718	–	1,168,691

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

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 2023	40,588	15,889	480	56,957
Additions	–	1,869	–	1,869
Depreciation	(515)	(3,838)	(98)	(4,451)
Net book value at 30 June 2023 (Unaudited)	40,073	13,920	382	54,375

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 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Raw materials	859,577	980,114
Work in progress	18,218	35,343
Finished goods	221,936	194,372
	1,099,731	1,209,829
Less: Provision for obsolescence		
Raw materials	(35,642)	(21,885)
Finished goods	(5,965)	(6,082)
	1,058,124	1,181,862

The cost of inventories recognised as expense and included in cost of sales amounted to approximately RMB1,584,198,000 (30 June 2022: RMB1,507,608,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

12 TRADE AND NOTES RECEIVABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade receivables – gross	778,359	769,777
Less: Provision for impairment of trade receivables	(31,805)	(28,900)
Trade receivables – net	746,554	740,877
Note receivables	18,021	25,586
Less non-current portion: trade receivables	(60,790)	(26,537)
	703,785	739,926

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2022: 0 to 90 days).

As at 30 June 2023, the ageing analysis of the Group's trade receivables based on invoice date were as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
0-90 days	605,217	637,310
91-180 days	70,039	49,976
181-365 days	7,844	11,463
Over 365 days	95,259	71,028
	778,359	769,777

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

13 PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Prepayments		
— advances to suppliers	21,081	16,477
— others deferred expenses	1,755	7,621
— prepaid for land	7,898	7,898
	30,734	31,996
Less non-current portion: prepayments	(9,653)	(10,001)
	21,081	21,995
Other receivables		
— staff advances and other payments for employees	1,475	1,778
— value added tax deductible	4,533	–
— value added tax receivable	15,761	26,252
— others	504	772
	22,273	28,802
	43,354	50,797

14 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Share capital (a)	11,442	11,442
Share premium (a)	416,418	416,418
Capital reserve (b)	123,598	123,598
	551,458	551,458

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

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

(a) Share capital and share premium

Share capital

The total authorised number of ordinary shares is 3,000,000,000 (31 December 2022: 3,000,000,000) with per value of HK\$0.01 per share (31 December 2022: HK\$0.01 per share).

The number of ordinary shares issued as of 30 June 2023 is 1,336,631,000 (31 December 2022: 1,336,631,000). All issued shares are fully paid.

Share premium

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
As at 1 January	416,418	416,418
Share buyback	–	–
Share premium make up for loss	–	–
Transfer (to)/from retained earnings	–	–
Dividends	–	–
As at the end of period/year	416,418	416,418

(b) Capital reserve

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 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 2023

15 BORROWINGS

		As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Current			
Secured			
Bank borrowings	– EUR	126,325	91,748
	– USD	–	83,575
	– HK\$	–	48,238
		126,325	223,561
Non-Current			
Secured			
Bank borrowings	– EUR	–	–
Total borrowing		126,325	223,561

All secured bank borrowings of RMB126,325,000 were guaranteed by the Company (2022: RMB223,561,000).

Payment schedule

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	126,325	223,561
	126,325	223,561

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade payables	286,328	496,987
Notes payables	329,724	468,428
Accrued expenses	174,781	174,594
Salary and welfare payable	24,802	40,664
Other tax payables	13,564	9,795
Other payables	14,724	15,063
	843,923	1,205,531

As at 30 June 2023, the ageing analysis of the Group's trade payables based on invoice date were as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 30 days	234,422	413,875
31-90 days	22,637	71,473
91-365 days	28,196	8,285
Over 365 days	1,073	3,354
	286,328	496,987

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

17 DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2023 (nil 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 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Contracted but not provided for — Property, plant and equipment	19,218	72,464

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	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Salaries and other short-term employees benefits	5,179	5,477
Social security cost	465	378
	5,645	5,856

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 2023.