



2024

INTERIM REPORT

GREATVIEW ASEPTIC PACKAGING
COMPANY LIMITED



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. BI Hua, Jeff (*Chief Executive Officer and Chairman*) (re-designated with effect from 28 June 2024)

Ms. QI Zhaohui (appointed with effect from 28 June 2024)

Mr. CHANG Fuquan (re-designated as the non-executive director of the Company (the "Director") with effect from 28 June 2024)

Non-Executive Directors

Mr. CHANG Fuquan (re-designated with effect from 28 June 2024)

Ms. WEI Wei (appointed with effect from 13 June 2024)

Mr. HONG Gang (*Chairman*) (retired with effect from 28 June 2024)

Mr. WANG Bangsheng (retired with effect from 28 June 2024)

Independent Non-Executive Directors

Mr. LUETH Allen Warren

Mr. GUO Kai

Mr. TANGEN Einar Hans (appointed with effect from 30 August 2024)

Mr. BEHRENS Ernst Hermann (retired with effect from 28 June 2024)

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. GUO Kai

Mr. CHANG Fuquan (appointed with effect from 28 June 2024)

Mr. TANGEN Einar Hans (appointed with effect from 30 August 2024)

Mr. BEHRENS Ernst Hermann (retired with effect from 28 June 2024)

REMUNERATION COMMITTEE

Mr. LUETH Allen Warren (*Chairman*)

Mr. BI Hua, Jeff

Mr. GUO Kai

Mr. TANGEN Einar Hans (appointed with effect from 30 August 2024)

Mr. BEHRENS Ernst Hermann (retired with effect from 28 June 2024)

NOMINATION COMMITTEE

Mr. BI Hua, Jeff (*Chairman*) (appointed with effect from 28 June 2024)

Mr. GUO Kai

Mr. LUETH Allen Warren (appointed with effect from 28 June 2024 and stepped down with effect from 30 August 2024)

Mr. TANGEN Einar Hans (appointed with effect from 30 August 2024)

Mr. HONG Gang (*Chairman*) (retired with effect from 28 June 2024)

Mr. BEHRENS Ernst Hermann (retired with effect from 28 June 2024)

EXECUTIVE COMMITTEE

Mr. BI Hua, Jeff (*Chairman*) (re-designated with effect from 28 June 2024)

Mr. LUETH Allen Warren

Mr. GUO Kai

Mr. TANGEN Einar Hans (appointed with effect from 30 August 2024)

Mr. HONG Gang (*Chairman*) (retired with effect from 28 June 2024)

Mr. BEHRENS Ernst Hermann (retired with effect from 28 June 2024)

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

Corporate Information

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

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
China Construction Bank
Industrial and Commercial Bank of China
China Merchants Bank
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

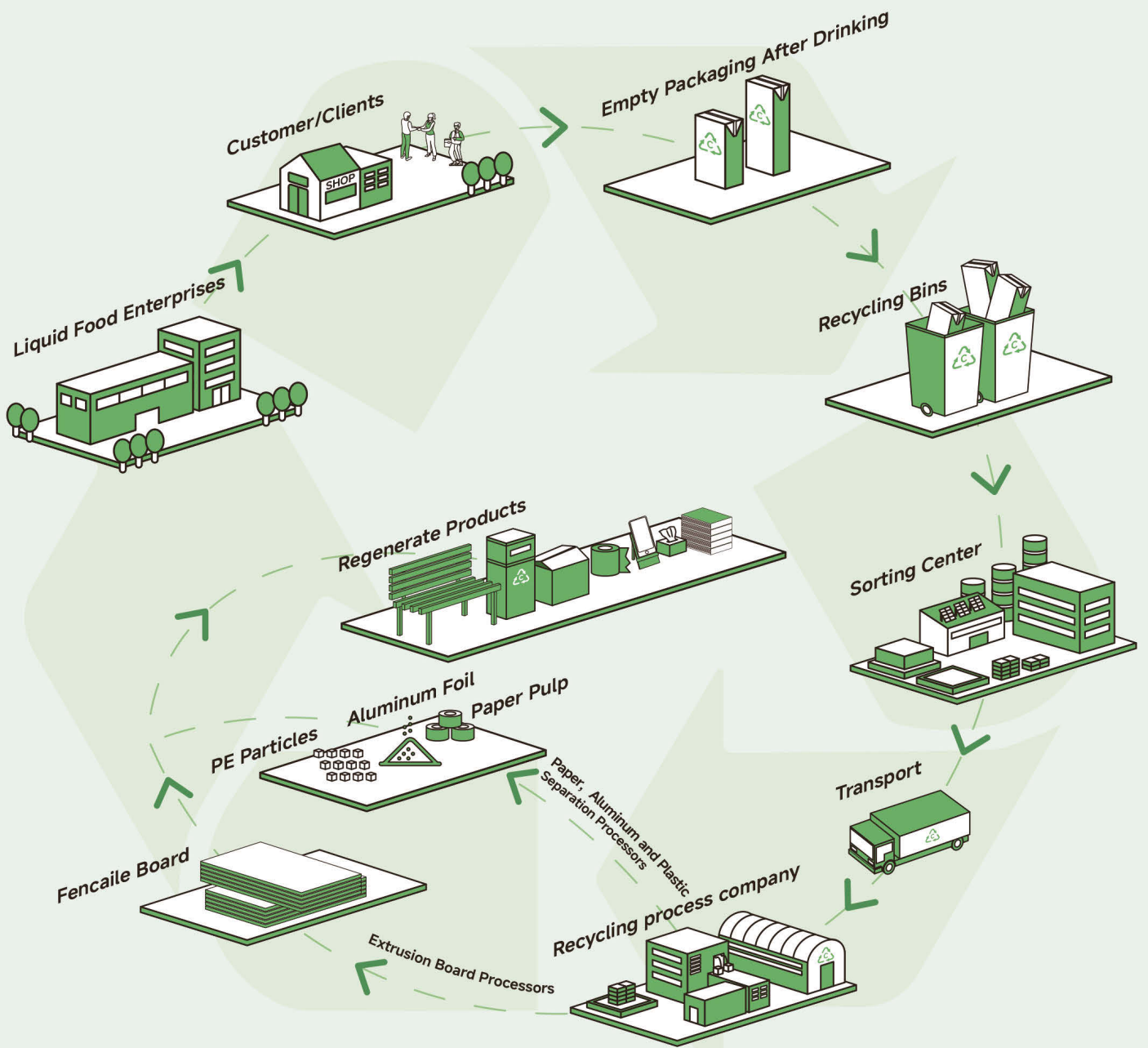
Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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



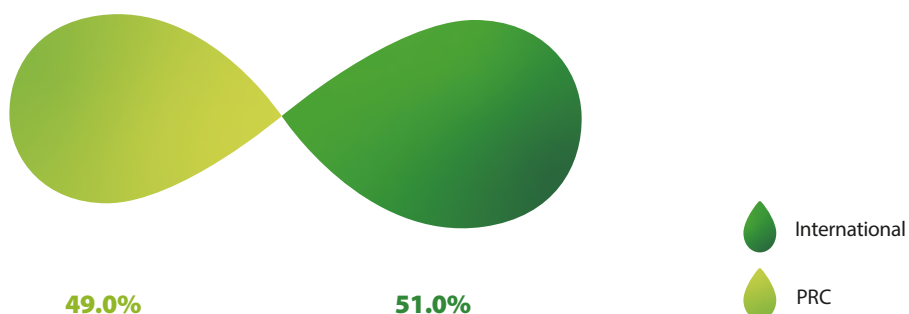
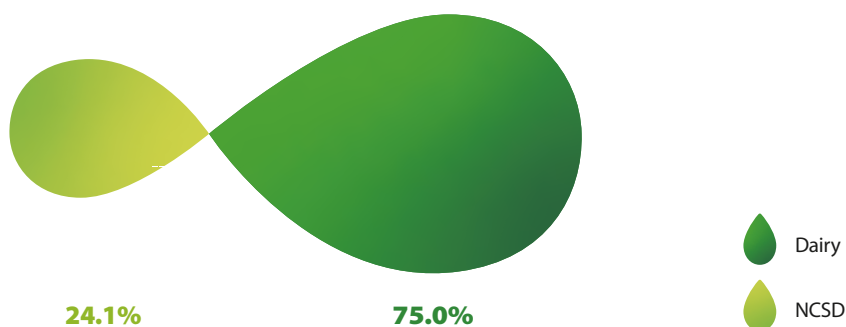
Packaging Recycle

FINANCIAL SUMMARY

For the six months ended 30 June

	2024	2023	Percentage
	RMB million	RMB million	%
	(Unaudited)	(Unaudited)	
Revenue	1,627.3	1,889.5	-13.9
Gross profit	330.0	297.0	11.1
Net profit	117.5	99.8	17.7
Profit attributable to equity holders of the Company	114.8	99.8	15.0
Earnings per share — basic and diluted (RMB)	0.084	0.075	12.0
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 2024, economic growth is gradually stabilising as the global industrial chain and supply chain struggled to recover from the epidemic due to the risk of geopolitical tensions and high interest rates and other factors. According to the World Bank’s latest report of “Global Economic Prospects”, the global economy is expected to grow steadily in 2024 for the first time in three years, but remains weak compared to recent historical levels. Global economic growth is projected to stabilise at 2.6% in 2024, with a slight increase to an average of 2.7% from 2025 to 2026. However, this is well below the 3.1% average for the decade before the COVID-19 pandemic outbreak. This forecast indicates that the growth rates of countries accounting for more than 80% of the world’s population and global GDP from 2024 to 2026 will still be lower than the levels of the pre-pandemic decade.

Influenced by multiple factors such as global economic development, technological advancement and environmental sustainability, consumers around the world in 2024 have demonstrated a desire for value and innovation. Faced with the impact of changing consumer demands and rapid industry development trends, brands and companies should adopt more transparent and honest product descriptions, offer cost-effective products and services, and provide actionable information to make consumers feel more secure, assured, and capable of coping with uncertainties.

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 environmental-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 9.0 billion packs during the first half of 2024, which represents a decrease of approximately 14.5% as compared with the same period in 2023. Such decrease was primarily due to the intensified competition in the market. “Greatview Brick 250mL Base” remained as our top selling product, followed by “Greatview Brick 1000mL Slim PLH”.

As consumers’ concerns about health and environmental protection increase, packaging in the food and beverage industry also faces unique challenges in the sustainable cycle. On the one hand, companies must provide functional food safety protection with both quality and safety; on the other hand, companies must save more resources during the production process and adopt more environmental-friendly methods to reduce negative impacts on the environment.

Greatview has always been committed to innovation and independent research and development, and constantly launching novel and eco-friendly packaging material solutions. In May 2024, Greatview’s environmentally-friendly product “Greatview Origin” packaging was successfully launched on two major customer products, leading the market with environmental-friendly innovation and significantly enhancing the attractiveness of the customers’ products on the shelves.

With the rapid development of technology in recent years, packaging innovation has become an important means to guide consumers to make smarter choices. Specifically, it can be reflected in different links such as packaging design and production, supply chain, recycling and reuse, as well as in the construction of the extended producer responsibility system.

As a bridge linking brands and products, packaging is crucial to promoting brand competitiveness and influence. It is not only the external protective layer of the product, but also an important medium for communication between the brand and consumers. The new generation of consumers is living in an era of rich materials and diverse cultures, with higher demands on product aesthetics and quality, which means that transparency of information and diversification of packaging design to meet public aesthetics have become particularly important. In the face of the challenge of global sustainable development, Greatview has further helped its customers demonstrate the brand’s sustainable development attitude through the continuous launch of sustainable packaging, while at the same time awakening consumers’ awareness and endeavoring to guide them to make purchasing decisions that are in line with sustainable development.

In terms of digital marketing, the iterative upgrading of the new version of Greatview’s digital product “Marketing Cloud” system not only enriches the Company’s product matrix, but also brings brand new marketing solutions and growth momentum to the majority of customers, especially regional dairy customers.



Management Discussion and Analysis

In the first half of the year, the overall China's dairy market was under pressure. Affected by factors such as supply and demand relationship and declining birth rates, the industry's growth rate slowed down. At the same time, with the rise of e-commerce platforms, residents' demand for dairy products has become diversified and high-end. This change in consumer demand has promoted the market to develop in a more diversified and segmented direction. As domestic aseptic packaging technology gradually matures, competition has become increasingly fierce. In the future, only through stable product quality and continuous technological innovation can packaging companies take the lead in the fierce competition.

Operation Management

In the future, food, beverage and packaging production will need to be more efficient, both to meet the needs of a growing world population and to cope with climate change. However, efficiency improvements cannot be achieved without digital transformation of all process segments, including procurement, manufacturing, and distribution.

In terms of operation and production, Greatview continued to comprehensively promote digital construction and digital operation management. By leveraging artificial intelligence, Internet of Things ("IoT"), 5G and other technologies, seamless coordination between devices is achieved, enabling intelligent production scheduling and enhancing production efficiency. Through the in-depth application of digital technologies, we continued to strengthen intelligent connection with customers, employees, products and partners, allowing real-time understanding of customer needs, ongoing optimisation of product design and production operation processes, and constant improvement of customer satisfaction.

In 2024, the Company achieved comprehensive digital management of filling machines by developing a Production Data Monitoring System (PDMS), significantly improving production efficiency and product added value. The Company automated the integration of product inspection data with major customers and strengthened the construction of quality management systems to significantly improve customer satisfaction and operational efficiency. The Company carried out the construction of a digital partner system to further enhance effective business linkages, leveraging data integration and analysis to guide operation and management and decision-making analysis.

Greatview has always attached great importance to digital transformation, insisting on reducing costs, optimising resource allocation, improving customer experience and enhancing customer loyalty through technology-enabled management and business. In the future, the Company will continue to promote digital transformation, optimize its systems and services, and maintain its leading position in the industry.

In the first half of 2024, 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 industrial 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.

In terms of factory operations, Greatview's Italian factory was successfully put into operation in 2023, which has greatly relieved the production pressure on Greatview's German factory and significantly improved customer satisfaction while increasing production capacity. Currently, the Italian factory is operating normally and product utilisation is gradually increasing.

Meanwhile, we continue to update and improve the hardware facilities. At present, Greatview's new filling equipment factory has been successfully completed in Shandong and officially put into operation, further enhancing the Company's filling equipment and technical service capabilities.

Management Discussion and Analysis

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. However, raw materials may experience price fluctuations due to the uncertainties such as changes in global supply and demand, currency exchange rates, geopolitical events and environmental regulations, which would significantly affect the production cost of manufacturing.

Business Development

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 January 2024, the rooftop solar photovoltaic panel power generation project of Greatview's Likang Factory in Qingdao was completed and put into use. It is expected that the photovoltaic power generation will reach 2.34 million kWh in 2024, which will reduce greenhouse gas emissions by 1,600 tonnes.

In June 2024, Greatview was awarded the 5A certification for the best performance evaluation by the China Quality Certification Centre. This honour not only demonstrates Greatview's long-term excellent practice in the field of packaging recycling and reuse, but also fully recognises its innovative exploration in the field of circular economy.

The recycling of reused cartons has always been a key concern of Greatview. This year, we have further increased our investment in research and development and creative development of Fencaile (紛彩樂)[®] environmental-friendly boards, and have achieved the dual improvement of products environmental performance and practical value by creatively processing the boards into a series of high value-added products such as gift boxes, mobile phone holders, art ornaments and well-designed benches.

At the same time, the milk carton recycling activity themed by "Small Hands in Big Hands, Happy Collection of 'Cartons'" (小手拉大手·快樂集「盒」) launched by Greatview with the Youth League Committee of Gaotang County, the Education and Sports Bureau of Gaotang County and Shandong Shunrun Kang Environmental Protection Housekeeper Co., Ltd.* (山東順潤康環保管家有限公司) in primary and middle schools across the county is still continuing, and has received positive response and enthusiastic participation from teachers, students and parents, and a total of 4,235.2 kilograms of milk cartons have been recycled.



* For identification purpose only

Management Discussion and Analysis

Looking forward, Greatview will continue to uphold the concept of green development, contribute more wisdom and strength to the development of the global dairy industry, and jointly promote the green transformation and sustainable development of the industry.

FINANCIAL REVIEW

Overview

In the first half of 2024, our net profit after tax was higher than the corresponding period in 2023. 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 decreased by approximately 13.9% from approximately RMB1,889.5 million for the six months ended 30 June 2023 to approximately RMB1,627.3 million for the six months ended 30 June 2024. Such decrease was primarily due to the decrease of sales volume.

With respect to the PRC segment, our revenue decreased by approximately RMB237.7 million, or 23.0%, to approximately RMB797.3 million for the six months ended 30 June 2024 from approximately RMB1,035.0 million for the six months ended 30 June 2023. Such decrease was primarily due to that on one hand, since from the second half of 2023, China's dairy product consumption market has been under pressure as a whole, resulting in a slowdown in industry growth. On the other hand, there was a decrease in sales volume resulting from intensified competition from a number of local competitors, including but not limited to Shandong NewJF Technology Packaging Co., Ltd.* (山東新巨豐科技包裝股份有限公司) ("Shandong NewJF"), the parent company of Jingfeng Holding Limited ("Jingfeng" or the "Offeror"), which is Greatview's current largest substantial shareholder (as defined under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")).

With respect to the international segment, our revenue decreased by approximately RMB24.5 million, or 2.9%, to approximately RMB830.0 million for the six months ended 30 June 2024 from approximately RMB854.5 million for the six months ended 30 June 2023. Such decrease was primarily due to the decrease in sales volume.

Our revenue from dairy customers decreased by approximately RMB211.5 million, or 14.8%, to approximately RMB1,220.5 million for the six months ended 30 June 2024 from approximately RMB1,432.0 million for the six months ended 30 June 2023, and our revenue from NCS D customers decreased by approximately RMB29.3 million, or 6.9%, to approximately RMB392.9 million for the six months ended 30 June 2024 from approximately RMB422.2 million for the six months ended 30 June 2023. It was mainly due to the decrease in sales volume.

Cost of Sales

Our cost of sales decreased by approximately RMB295.2 million, or 18.5%, to approximately RMB1,297.3 million for the six months ended 30 June 2024 from approximately RMB1,592.5 million for the six months ended 30 June 2023. The decline in cost of sales was mainly due to the decrease in sales volume.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit increased by approximately RMB33.0 million, or 11.1% from approximately RMB297.0 million for the six months ended 30 June 2023 to approximately RMB330.0 million for the six months ended 30 June 2024. Our gross margin increased by approximately 4.6 percentage points to approximately 20.3% for the six months ended 30 June 2024 from approximately 15.7% for the six months ended 30 June 2023.

* For identification purpose only

Management Discussion and Analysis

Other Income

Our other income increased by approximately RMB1.3 million, or 5.2%, to approximately RMB26.1 million for the six months ended 30 June 2024 from approximately RMB24.8 million for the six months ended 30 June 2023. It was primarily due to the increase in subsidy income from government.

Other Gains – Net

Our other gains – net decreased by approximately RMB9.1 million, or 65.1%, to approximately RMB4.9 million for the six months ended 30 June 2024 from approximately RMB14.0 million for the six months ended 30 June 2023. It was primarily due to the fluctuation of foreign exchange rate.

Distribution Expenses

Our distribution expenses decreased by approximately RMB4.6 million, or 4.0%, to approximately RMB109.3 million for the six months ended 30 June 2024 from approximately RMB113.9 million for the six months ended 30 June 2023. It was primarily due to the decrease in promotion expenses and agency expenses.

Administrative Expenses

Our administrative expenses increased by approximately RMB8.9 million, or 9.4%, to approximately RMB103.6 million for the six months ended 30 June 2024 from approximately RMB94.7 million for the six months ended 30 June 2023. It was primarily due to the increase in professional fees.

Taxation

Our income tax expenses increased by approximately RMB3.4 million, or 11.4%, to approximately RMB33.2 million for the six months ended 30 June 2024 from approximately RMB29.8 million for the six months ended 30 June 2023. Our effective tax rate decreased by approximately 1.0 percentage point to approximately 22.0% for the six months ended 30 June 2024 from approximately 23.0% for the corresponding period in 2023.

Profit for the Period and Net Profit Margin

Driven by the factors as aforementioned, our net profit increased by approximately RMB17.7 million, or 17.7%, to approximately RMB117.5 million for the six months ended 30 June 2024 from approximately RMB99.8 million for the six months ended 30 June 2023. Our net profit margin increased by approximately 1.9 percentage points to approximately 7.2% for the six months ended 30 June 2024 from approximately 5.3% for the six months ended 30 June 2023.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, we had approximately RMB780.3 million (31 December 2023: approximately RMB866.7 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.

Management Discussion and Analysis

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) decreased from approximately 122.3 days as at 31 December 2023 to approximately 119.5 days as at 30 June 2024. Our turnover days for trade receivables (trade receivables/revenue) increased from approximately 68.2 days as at 31 December 2023 to approximately 73.7 days as at 30 June 2024. Our turnover days for trade payables (trade payables/cost of sales) decreased from approximately 47.8 days as at 31 December 2023 to approximately 42.0 days as at 30 June 2024.

Borrowings and Finance Cost

Borrowings of our Group as at 30 June 2024 were bank borrowings which amounted to approximately RMB34.5 million (31 December 2023: approximately RMB140.8 million) and denominated in EUR. Amongst the borrowings, approximately RMB34.5 million (31 December 2023: approximately RMB140.8 million) will be repayable within one year. For the period under review, the net finance income of our Group was approximately RMB4.9 million (for the six months ended 30 June 2023: approximately RMB4.3 million). For details of the borrowings and finance income of our Group, please refer to notes 16 and 6 to the consolidated financial statements contained in this interim report respectively.

Gearing Ratio

As at 30 June 2024, the gearing ratio of our Group was approximately 0.01 (31 December 2023: approximately 0.05), 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 2024 was approximately RMB1,831.2 million (31 December 2023: approximately RMB1,590.7 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 gain of approximately RMB1.8 million (for the six months ended 30 June 2023: approximately RMB9.2 million).

Capital Expenditure

As at 30 June 2024, our Group's total capital expenditure amounted to approximately RMB77.2 million (31 December 2023: approximately RMB104.4 million), which was mainly used for purchasing production machines and equipment for the Group.

Capital Commitments

As at 30 June 2024, our Group had capital commitments of approximately RMB75.3 million (31 December 2023: approximately RMB63.2 million) in respect of acquisitions of property, plant and equipment.

Charge on Assets

As at 30 June 2024, our Group neither pledged any property, plant and equipment (31 December 2023: nil) nor land use right (31 December 2023: 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 are of the view that there were no material contingent liabilities as at 30 June 2024 (31 December 2023: nil).

Management Discussion and Analysis

Pre-conditional Voluntary General Cash Offer (the “Offer”)

On 9 May 2024, Jingfeng announced that China International Capital Corporation Hong Kong Securities Limited and CCB International Capital Limited, on behalf of the Offeror, will, subject to the satisfaction or (if capable of being waived) waiver of the pre-condition(s) to the Offer (the “Pre-Conditions”) as set out in the section headed “Pre-Conditions to the Offer” in the announcement of the Offeror dated 9 May 2024 (the “Offeror Announcement”), make a voluntary conditional general cash offer to acquire all of the issued shares of the Company (the “Shares”) (other than those already held or agreed to be acquired by the Offeror and the parties acting in concert with the Offeror in relation to the Company (the “Offeror Concert Parties”)) from the shareholders of the Company at the offer price of HK\$2.65 per Share (the “Offer Price”).

On 13 May 2024, the Company issued an announcement pursuant to Rule 3.8 of The Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) to disclose details about the class and number of relevant securities of the Company in issue.

On 27 May 2024, the Company issued a clarification announcement in response to the Offer (the “Clarification Announcement”), stating the unsolicited nature of the Offer and that the Offeror and the Company are competitors. The executive Directors hold the view that the Offer is not in the best interests of the Company and should be rejected and is of the view that a motivation of the Offer, in making the Offer which is highly conditional and accordingly may or may not be made, is to circumscribe and restrict the actions of the Company during the Offer the life of which can run on at the discretion of the Offeror until the conditions long stop date of 6 May 2025, or such later date as the Offeror may (where applicable, subject to the consent of the Executive Director (the “Executive”) of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate for the time being of the Executive) determine. It also stated that the Offer was wholly unsolicited and was made without any prior discussions with the board of Directors (the “Board”), and is highly conditional, subject to wide ranging Pre-Conditions and conditions as set out in the Offeror Announcement and is a possibility only and may or may not be made.

In addition to the aforementioned clarification, the Company announced in the Clarification Announcement that an independent board committee (the “Independent Board Committee”) has been established pursuant to Rules 2.1 and 2.8 of the Takeovers Code to make recommendation to the shareholders of the Company other than the Offeror and the Offer Concert Parties (“Independent Shareholders”) in respect of the Offer and to advise the Independent Shareholders as to whether or not the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The Company further announced that Anglo Chinese Corporate Finance Limited (the “Financial Advisor”) has been appointed as the Company’s financial advisor to advise the Board in respect of the Offer.

On 30 May 2024, the Offeror issued an announcement setting out the progress of the Offer. As additional time is required to fulfil the Pre-Conditions and to prepare and finalise the information to be included in the offer document to be issued by the Offeror in connection with the Offer in compliance with the Takeovers Code (the “Offer Document”), an application for consent has been made to the Executive under Note 2 to Rule 8.2 of the Takeovers Code, and the Executive has indicated that it is minded to grant its consent to extend the latest date for the despatch of the Offer Document to (i) the seventh day after the fulfilment of the Pre-Conditions or (ii) 14 April 2025 (being seven days after the Pre-Conditions long stop date of 7 April 2025), whichever is the earlier.

On 3 June 2024, Shandong NewJF, the parent company of Jingfeng, published certain announcements on the website of the Shenzhen Stock Exchange in relation to the Offer (the “Initial A Share Announcements”) in response to Pre-Condition (ii) as set out in the section headed “Pre-Conditions to the Offer” in the Offeror Announcement. Extracts of the relevant parts of the Initial A Share Announcements containing material information with Takeovers Code implications and a valuation assessment report on the total equity value issued by Shandong NewJF in connection with the Offer are appended to the announcement of the Offeror on the same date.

On 12 June 2024, Shandong NewJF further published certain announcements on the website of the Shenzhen Stock Exchange in connection with the Initial A Share Announcements (the “Further A Share Announcements”) in response to the comments from the Shenzhen Stock Exchange on the material asset restructuring report issued by Shandong NewJF in connection with the Offer included in the Initial A Share Announcements. Extracts of the relevant parts of the Further A Share Announcements containing material information with Takeovers Code implications are appended to the announcement of the Offeror on the same date.

Management Discussion and Analysis

On 27 June 2024, the Company received an open letter from Mr. BI Hua, Jeff and Mr. CHANG Fuquan to the shareholders of the Company regarding the Offer (the “Open Letter”), which sets out their views in their capacities as the executive Directors as at the even date after consulting with and receiving advice from the Financial Advisor. As stated in the Open Letter, Mr. BI and Mr. CHANG expressed serious concerns over the hostile nature of the Offer, the mischaracterisation of the Offer in the public disclosures of Shandong NewJF, and the highly uncertain nature of the Offer. Therefore, they strongly encourage the shareholders of the Company to hold their Shares and support the executive management of the Company to prevent the Offeror from obtaining control of the Board or statutory control of the Company. The full context of the Open Letter is set out in the appendix to the announcement of the Company dated 27 June 2024.

On 28 June 2024, the Offeror announced that the shareholders of Shandong NewJF have approved the Offer at a shareholders’ meeting of Shandong NewJF held on the same day. As the shareholders of Shandong NewJF have also approved the loans and guarantees proposed for the financing of the Offer, Pre-Condition (ii) as set out in the section headed “Pre-Conditions to the Offer” in the Offeror Announcement has been satisfied. The Offeror also announced a status update on other Pre-Conditions and provided responses to the Open Letter.

On 8 July 2024, the Company issued an announcement to provide an update on the members of the Independent Board Committee following the conclusion of the annual general meeting of the Company held on 28 June 2024 (the “AGM”).

On 16 July 2024, the Company issued an announcement pursuant to Rule 2.1 of the Takeovers Code in respect of the appointment of Opus Capital Limited as an independent financial advisor of the Company which has been approved by the Independent Board Committee.

On 29 July 2024, the Offeror issued an announcement setting out the progress update of the Offer in relation to the Pre-Conditions (i) and (iii).

On 6 August 2024, the Company issued an announcement stating that on 5 August 2024, the Board has received a non-binding letter of interest from (i) Mr. BI Hua, Jeff, an executive Director, the chairman and chief executive officer of the Company; and (ii) Mr. HONG Gang, the co-founder of the Group and a former non-executive director of the Company stating that they are contemplating a possible voluntary conditional offer (the “Possible Management Offer”) under the Takeovers Code in light of the unsolicited, wholly unwelcome and highly pre-conditional Offer announced by the Offeror.

On 29 August 2024, the Offeror issued an announcement setting out the progress update of the Offer in relation to the Pre-Conditions (i) and (iii).

On 30 August 2024, the Company issued an announcement to appoint Mr. TANGEN Einar Hans as a member of the Independent Board Committee pursuant to Rule 2.8 of the Takeovers Code.

On 6 September 2024, the Company issued a monthly update announcement setting out the progress of the Possible Management Offer.

For further details of the Offer and the Possible Management Offer, please refer to the announcements of the Offeror dated 9 May 2024 (the Offeror Announcement), 30 May 2024, 3 June 2024, 12 June 2024, 28 June 2024, 29 July 2024 and 29 August 2024, and the announcements of the Company dated 13 May 2024, 27 May 2024 (the Clarification Announcement), 27 June 2024, 8 July 2024, 16 July 2024, 6 August 2024, 30 August 2024 and 6 September 2024.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, our Group employed approximately 1,831 employees (31 December 2023: approximately 1,791 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 2024 amounted to approximately RMB187.8 million (for the six months ended 30 June 2023: approximately RMB175.9 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

In 2024, after experiencing turbulence caused by the epidemic, conflicts, inflation and monetary tightening policies, the global economy began to recover moderately. However, uncertainties such as geopolitics still exist. Faced with challenges such as increased global economic uncertainty, accelerated technological innovation and diversified consumer demands, the supply chain sector is undergoing unprecedented changes. While ensuring production and operation safety, Greatview will continue to accelerate the pace of digital transformation, strengthen the resilience of the supply chain, actively explore green and sustainable development paths, and consistently 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 2024, interests and 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 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 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 C3 to 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 3)
Mr. Bi Hua, Jeff	129,000,000	1	Founder of a discretionary trust	Long position	9.17%
Mr. CHANG Fuquan	4,500,000	2	Interest of controlled corporation	Long position	0.32%

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) 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.
- (3) As at 30 June 2024, the Company had 1,407,129,000 Shares in issue.

Save as disclosed above, as at 30 June 2024, 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 2024, 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 7)
Jingfeng	377,132,584	1	Beneficial owner	Long position	26.80%
Shanghai Zhuli Enterprise Management Consulting Co., Ltd. (上海鑄礫企業管理諮詢有限公司) ("Shanghai Zhuli")	377,132,584	1	Interest of controlled corporation	Long position	26.80%
Shandong NewJF	377,132,584	1	Interest of controlled corporation	Long position	26.80%
Foxing	129,000,000	2	Beneficial owner	Long position	9.17%
Hill Garden	129,000,000	2	Interest of controlled corporation	Long position	9.17%
Madam BI Wei Li	129,000,000	3	Interest of spouse	Long position	9.17%
Brown Brothers Harriman & Co.	79,594,000		Approved lending agent	Long position	5.66%
	79,594,000		Approved lending agent	Lending pool	5.66%
Phanron Holdings Limited ("Phanron")	78,141,966	4	Beneficial owner	Long position	5.55%
Mr. HONG Gang	78,141,966	4	Interest of controlled corporation	Long position	5.55%
Madam XU Zhen	78,141,966	4	Interest of spouse	Long position	5.55%
Mr. HONG Ounan	78,141,966	4	Interest of controlled corporation	Long position	5.55%
Xue Yu Investment Ltd. ("Xue Yu")	70,498,000	5, 6	Beneficial owner	Long position	5.01%
Beijing Xueyu Enterprise Management Consulting Partnership (Limited Partnership)* (北京雪譽企業管理諮詢合夥企業(有限合夥)) ("Beijing Xueyu")	70,498,000	6	Interest of controlled corporation	Long position	5.01%
Inner Mongolia Fangding Zhihe Enterprise Management Co., Ltd.* (內蒙古方鼎志合企業管理有限責任公司) ("Fangding Zhihe")	70,498,000	6	Interest of controlled corporation	Long position	5.01%
Xueyu Enterprise Management Consulting (Tianjin) Partnership (Limited Partnership) (雪譽企業管理諮詢(天津)合夥企業(有限合夥)) ("Tianjin Xueyu")	70,498,000	5, 6	Interest of controlled corporation	Long position	5.01%

* For identification purpose only

Other Information

Name of substantial shareholder	No. of Shares	Notes	Capacity	Nature of interest	Percentage of total number of Shares in issue (%) (Note 7)
Inner Mongolia Mengniu Dairy (Group) Co., Ltd. ("Mengniu Group")	70,498,000	6	Interest of controlled corporation	Long position	5.01%
Inner Mongolia Mengniu Fangding Industrial Management Co., Ltd. ("Fangding")	70,498,000	6	Interest of controlled corporation	Long position	5.01%
China Dairy (Mauritius) Limited	70,498,000	6	Interest of controlled corporation	Long position	5.01%
China Dairy Holdings	70,498,000	6	Interest of controlled corporation	Long position	5.01%
China Mengniu Dairy Company Limited ("Mengniu Company")	70,498,000	6	Interest of controlled corporation	Long position	5.01%

Notes:

- (1) Jingfeng has a direct interest in 377,132,584 Shares. Shanghai Zhuli is interested in 100% of Jingfeng and is wholly-owned by Shandong NewJF. Therefore, Shanghai Zhuli and Shandong NewJF 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.
- (4) Madam XU Zhen is the spouse of Mr. HONG Gang who previously wholly-owned Phanron directly. On 8 May 2024, Mr. HONG Gang transferred 50% interest of Phanron to his son Mr. HONG Ounan. Therefore, Mr. HONG Gang, Madam XU Zhen and Mr. HONG Ounan are deemed to be interested in the 78,141,966 Shares held by Phanron as at 30 June 2024.

On 26 August 2024, Mr. HONG Ounan transferred all of his interest in Phanron to Mr. HONG Gang. Therefore, as at the date of this interim report, Mr. HONG Gang and Madam XU Zhen are deemed to be interested in the 78,141,966 Shares held by Phanron.
- (5) On 30 November 2023, the Company entered into a subscription agreement (the "Subscription Agreement") with Tianjin Xueyu, pursuant to which the Company has conditionally agreed to allot and issue, and Tianjin Xueyu has conditionally agreed to subscribe or designate its affiliated entity to subscribe for a total of 70,498,000 new Shares (the "Subscription Shares") at the subscription price (the "Subscription Price") of HK\$1.62 per Subscription Share (the "Subscription"). The Subscription was completed on 28 March 2024 and a total of 70,498,000 Subscription Shares have been allotted and issued to Xue Yu, which has been designated by Tianjian Xueyu pursuant to the Subscription Agreement to subscribe for the Subscription Shares. For further details, please refer to the circular of the Company dated 17 January 2024 and the announcement of the Company dated 28 March 2024.
- (6) Xue Yu has a direct interest in 70,498,000 Shares. Beijing Xueyu is interested in 100% of Xue Yu, Tianjin Xueyu and Fangding Zhihe are interested in 99.99% and 0.01% of Beijing Xueyu respectively, Mengniu Group and Fangding are interested in 98.04% and 0.01% of Tianjin Xueyu respectively and Fangding is interested in 100% of Fangding Zhihe, Mengniu Group is interested in 100% of Fangding, China Dairy (Mauritius) Limited and Mengniu Company are interested in 91.01% and 8.99% of Mengniu Group respectively, China Dairy Holdings is interested in 100% of China Dairy (Mauritius) Limited, and China Dairy Holdings is wholly-owned by Mengniu Company. Therefore, Beijing Xueyu, Fangding Zhihe, Tianjin Xueyu, Mengniu Group, Fangding, China Dairy (Mauritius) Limited, China Dairy Holdings and Mengniu Company are deemed to be interested in 70,498,000 Shares.
- (7) As at 30 June 2024, the Company had 1,407,129,000 Shares in issue.

Save as disclosed above, as at 30 June 2024, 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 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules), if any). The Company does not have any treasury shares as at 30 June 2024.

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

On 30 November 2023, the Company entered into the Subscription Agreement with Tianjin Xueyu, pursuant to which the Company has conditionally agreed to allot and issue, and Tianjin Xueyu has conditionally agreed to subscribe or designate its affiliated entity to subscribe for the Subscription Shares at the Subscription Price of HK\$1.62 per Subscription Share in accordance with the terms and conditions as set out in the Subscription Agreement. The Subscription Shares have an aggregate nominal value of HK\$704,980 and market value of HK\$114,206,760 based on the Subscription Price. The Subscription Price of HK\$1.62 per Subscription Share represented: (i) a discount of approximately 4.71% to the closing price of HK\$1.7 per Share as quoted on the Stock Exchange on 29 November 2023, being the last trading day immediately preceding the date of the Subscription Agreement; (ii) a discount of approximately 3.57% to the average closing price of HK\$1.68 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement; (iii) a discount of approximately 2.06% to the average closing price of HK\$1.654 per Share as quoted on the Stock Exchange for the last ten trading days immediately preceding the date of the Subscription Agreement; and (iv) a discount of approximately 26.03% over the audited consolidated net assets value attributable to the shareholders of the Company per Share of approximately HK\$2.19 as at 31 December 2022. The net price for the Subscription, after deduction of all related expenses to be borne or incurred by the Company, is estimated to be approximately HK\$1.61 per Subscription Share.

Tianjin Xueyu is a limited partnership incorporated in the PRC which is primarily engaged in enterprise management consulting, and it is managed and controlled by a subsidiary of Mengniu Company, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2319). On 28 March 2024, all conditions precedent to the Subscription had been fulfilled and the Subscription was completed on the even date. For further details, please refer to the circular of the Company dated 17 January 2024 and the announcement of the Company dated 28 March 2024.

The Company entered into the Subscription Agreement as it desired to apply the net proceeds of approximately HK\$113,206,760 from the Subscription towards the purchase of equipment and expansion of its production facilities in order to increase its production capacity as mentioned in the Company's announcement dated 25 May 2023 (the "Expansion Plan"), which the Company has estimated would require approximately RMB441.3 million for the purchase of the necessary equipment to expand one of the Company's production facilities. The Company estimates that approximately RMB70.9 million, RMB210.8 million and RMB159.6 million would need to be incurred during each of the years ending 31 December 2024, 2025 and 2026 respectively for the Expansion Plan. Considering that numerous customers of the Company have reflected to the Company its long lead time to fulfill their purchase orders and the anticipated growth in the volume of purchase orders from the Group's international segment in the coming years, the Board believes that it is imperative to carry out the Expansion Plan as soon as practicable or risk losing its global market share in an increasingly competitive aseptic packaging industry. For further details of the Expansion Plan and the intended use of proceeds from the Subscription towards the Expansion Plan, please refer to the announcement of the Company dated 25 May 2023 and the circular of the Company dated 17 January 2024. For details of the use of proceeds from the Subscription for the six months ended 30 June 2024, please refer to the section headed "Use of Proceeds from the Subscription" in this interim report.

Other Information

On 25 January 2024, Glorious Sea Global Limited (the “Subscriber”), an indirect wholly-owned subsidiary of the Company, entered into a subscription agreement (the “Fund Subscription Agreement”) with Future Strategy GP Limited (the “General Partner”), the general partner for and on behalf of the Cayman Islands exempted limited partnership established by an initial exempted limited partnership agreement entered into between the General Partner and the initial limited partner(s) (the “Limited Partner(s)”) of the Fund (as defined below), with the name Future Strategy Investment Fund Limited Partnership (the “Fund”), pursuant to which, the Subscriber has agreed to make a capital commitment of US\$72 million (equivalent to approximately HK\$561.60 million) for subscription of 90% of the partnership interest owned by a limited partner in the Fund designated as Class A (“Class A Interests”) having the rights set out in the second amended and restated exempted limited partnership agreement dated 25 January 2024 entered into between the General Partner (for itself and in its capacity as the general partner of the Fund) and each Limited Partner, as amended from time to time (the “Limited Partnership Agreement”).

Following the acceptance of the Fund Subscription Agreement by the General Partner and subject to the terms and conditions of the Fund Subscription Agreement, the Subscriber has been admitted as a holder of 90% of Class A Interests in the Fund and bound by the Limited Partnership Agreement.

On the even date, Glorious Sea Holdings Limited (“GSH”), a wholly-owned subsidiary of the Fund, the Company, Greatview Holdings Limited (“Greatview Holdings”) and Greatview Holdings International Limited (the “Target Company”), a wholly-owned subsidiary of Greatview Holdings, entered into a restructuring agreement (the “Restructuring Agreement”). Immediately after completion of the transactions under the Restructuring Agreement, GSH became interested in 51% of the equity interest in the Target Company, and the Group’s interest in the Target Company (holding through Greatview Holdings) was diluted from 100% to 49%. According to Rule 14.29 of the Listing Rules, the relevant dilution is considered to be a deemed disposal of the Company’s interest in a subsidiary.

The consideration of the Restructuring Agreement is approximately RMB389.97 million (equivalent to approximately HK\$429.18 million), which is based on the 51% of the aggregate amount of (i) the unaudited consolidated net assets value of the Target Company as of 30 November 2023 of approximately RMB172 million (equivalent to approximately HK\$189.29 million); and (ii) the principal amount of the interest free loan note issued by the Target Company to Greatview Holdings dated 15 January 2024 of approximately RMB593 million (equivalent to approximately HK\$652.61 million) owed by the Target Company to Greatview Holdings.

Pursuant to the Fund Subscription Agreement, the Group (through the Subscriber) has to pay its total capital commitment of US\$72 million (equivalent to approximately HK\$561.60 million) to the Fund. On the other hand, the Fund (through GSH) has to repay the Group (through Greatview Holdings) the sum of RMB389,974,342.23 (equivalent to approximately HK\$429.18 million) under the second loan note arising from the assignment of debt under the Restructuring Agreement. The Group and the Fund agreed to set-off their respective payment obligations to each other under the Fund Subscription Agreement, the Limited Partnership Agreement, the Restructuring Agreement and related ancillary letters, resulting in the net balance of RMB122,478,457.77 (equivalent to approximately HK\$134.79 million) payable by the Group to the Fund. This net balance was fully paid by the Group to the Fund on 25 January 2024.

The restructuring of the Group’s international business is strategically important to the Group’s continued survival, development and expansion. The Group has received much feedbacks from their customers who have expressed their concerns on the growing geopolitical tensions between the United States of America and European countries and their allies (together the “Western Countries and their Allies”) with mainland China leading to the rising trend of de-risking by customers in the Western Countries and their Allies from mainland China companies, and in particular, the recent change of the single largest and substantial shareholder of the Company to a PRC competitor that competes with the Group, possible changes to the Board and managements, and the possible impact to the Group’s prospect. Certain customers have expressed to the Company that they may cease trading with the Group considering the aforementioned factors.

Other Information

The restructuring paved way for the introduction of a more robust board and local management teams and partners for the Target Company and its subsidiaries (the “Target Group”) that will be working hand in hand with the Fund and its team, and independently from the Board. With this new structure, the Target Group will be able to better cope with the current challenging geopolitical environment and improve its business performance, whilst the Company and its shareholders will also reap benefits from such better performance by maintaining a significant portion in the economic interest of the Target Group. The restructuring will also help the Target Group to build a resilient supply chain and reduce perceived conflicts of interest and enhance client confidence and cohesion. It further facilitates the repositioning of the Target Group’s image in the international market and attracting more branded customers. The Board is of the view that the transactions contemplated under the Fund Subscription Agreement, the Limited Partnership Agreement, the Restructuring Agreement and related ancillary letters (the “Transactions”) are strategically important to the Company and the Target Group, and that the terms of which are fair and reasonable, and in the interests of the Group and the shareholders of the Company as a whole. For further details of the Transactions, please refer to the announcements of the Company dated 29 January 2024 and 30 April 2024.

Save as disclosed above, the Company had no significant investments (including any investment in an investee company with a value of 5% or more of the Company’s total assets as at 30 June 2024), material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2024. As at the date of this interim report, the Group has no future plan to make any significant investments or acquisitions of capital assets.

USE OF PROCEEDS FROM THE SUBSCRIPTION

The Subscription was completed on 28 March 2024 and the net proceeds from the Subscription, after deducting related expenses, were approximately HK\$113,206,760 (equivalent to approximately RMB102,814,000). During the six months ended 30 June 2024, the Company had applied the net proceeds according to the disclosure as set out in the circular of the Company dated 17 January 2024. There is no material change in the intended use of the net proceeds from the Subscription.

Details of the utilisation of the net proceeds from the Subscription for the six months ended 30 June 2024 are set out below:

Intended uses	Intended amount of the net proceeds RMB'000	Actual use of the net proceeds up to 30 June 2024 RMB'000	Unutilised net proceeds as at 30 June 2024 RMB'000	Expected timeline on utilisation of the unutilised net proceeds RMB'000
Purchase of the necessary equipment to expand the Company’s production facilities	102,814	26,376	76,438	Use by 31 December 2026
Total	102,814	26,376	76,438	

Other Information

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 2024.

NON-COMPLIANCE WITH RULES 3.10(1) AND 3.10A OF THE LISTING RULES

Following Mr. BEHRENS Ernst Hermann's retirement as an independent non-executive Director at the conclusion of the AGM, the total number of independent non-executive Directors was less than three and less than one-third of the Board as required under Rules 3.10(1) and 3.10A of the Listing Rules, which resulted in the non-compliance with Rules 3.10(1) and 3.10A of the Listing Rules. The Board is pleased to announce that, with the appointment of Mr. TANGEN Einar Hans as an independent non-executive Director with effect from 30 August 2024, the Company has re-complied with Rules 3.10(1) and 3.10A of the Listing Rules. For further details on the biography of Mr. TANGEN Einar Hans, please refer to the announcement of the Company dated 30 August 2024.

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 C1 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 2024 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 2024 except for the deviation from Code Provision C.2.1 which stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

After the retirement of Mr. HONG Gang as the non-executive Director and the chairman of the Board with effect from the conclusion of the AGM, Mr. BI Hua, Jeff, the chief executive officer of the Company, has been re-designated as the chairman of the Board on the even date. Accordingly, the Company had not segregated the roles of its chairman and chief executive officer.

The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in the same person has the benefit of ensuring consistent leadership of the Group and enables more effective and efficient overall strategic planning. In addition, since the major decisions of the Group, including but not limited to material transactions undertaken by the Group and corporate governance, require discussion and approval by all Board members, the Board believes that the other Board members have sufficient power in scrutinising and/or monitoring the exercise of power by the chairman of the Board and the chief executive officer of the Company. Taking into account the corporate governance measures that the Company has implemented, the Board considers that the balance of power and authority for the abovementioned arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS AND INTERIM REPORT

As at 30 June 2024, the audit committee of the Company (the "Audit Committee") comprises all the two independent non-executive Directors namely, Mr. LUETH Allen Warren (chairman of the Audit Committee) and Mr. GUO Kai, and a non-executive Director, Mr. CHANG Fuquan. Mr. CHANG Fuquan has been appointed as a member of the Audit Committee, and Mr. BEHRENS Ernst Hermann has ceased to be a member of the Audit Committee, with effect from 28 June 2024. On 30 August 2024, Mr. TANGEN Einar Hans, an independent non-executive Director, has been appointed as a member of the Audit Committee.

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, assessment of the independence and qualification of the external auditor of the Company, review of the relationship with the external auditor of the Company, and development and implementation of policy on engaging an external auditor to supply non-audit services. The Group's interim report and the unaudited consolidated interim financial statements for the six months ended 30 June 2024 have been reviewed by the Audit Committee.

CHANGE OF INFORMATION IN RESPECT OF DIRECTORS

Mr. LUETH Allen Warren, an independent non-executive Director, has resigned as the chief executive officer of Great Leap Brewing with effect from 18 March 2024. On the even date, Mr. LUETH has been appointed as the chief operating officer of Wellington College China, a company primarily engaged in providing education services in the PRC and the United States of America.

Ms. WEI Wei has been appointed as a non-executive Director with effect from 13 June 2024. For further details, please refer to the announcement of the Company dated 13 June 2024 and the supplemental circular of the Company dated 13 June 2024.

Mr. WANG Bangsheng has retired and ceased to be a non-executive Director with effect from 28 June 2024. For further details, please refer to the announcement of the Company dated 28 June 2024.

Mr. HONG Gang has retired and ceased to be a non-executive Director, the chairman of the Board, the chairman of the nomination committee of the Company (the "Nomination Committee") and the chairman of the executive committee of the Company (the "Executive Committee") with effect from 28 June 2024. For further details, please refer to the announcement of the Company dated 28 June 2024.

Other Information

Mr. BEHRENS Ernst Hermann has retired and ceased to be an independent non-executive Director, a member of each of the Audit Committee, the remuneration committee of the Company (the “Remuneration Committee”), the Nomination Committee and the Executive Committee with effect from 28 June 2024. For further details, please refer to the announcement of the Company dated 28 June 2024.

Ms. QI Zhaohui, the joint company secretary of the Company, has been appointed as an executive Director with effect from 28 June 2024. For further details, please refer to the announcement of the Company dated 28 June 2024.

Mr. CHANG Fuquan, an executive Director, has been re-designated as a non-executive Director and appointed as a member of the Audit Committee with effect from 28 June 2024. For further details, please refer to the announcement of the Company dated 28 June 2024.

Mr. BI Hua, Jeff, the chief executive officer of the Company and an executive Director, has been re-designated as the chairman of the Board and the chairman of the Executive Committee with effect from 28 June 2024. Mr. BI has also been appointed as the chairman of the Nomination Committee with effect from the same date. For further details, please refer to the announcement of the Company dated 28 June 2024.

Mr. LUETH Allen Warren was appointed as a member of the Nomination Committee with effect from 28 June 2024. Following the appointment of Mr. TANGEN Einar Hans as a member of the Nomination Committee, Mr. LUETH Allen Warren has stepped down as a member of the Nomination Committee with effect from 30 August 2024. For further details, please refer to the announcements of the Company dated 28 June 2024 and 30 August 2024.

Mr. TANGEN Einar Hans has been appointed as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Executive Committee and the Independent Board Committee with effect from 30 August 2024. For further details, please refer to the announcement of the Company dated 30 August 2024.

EVENTS AFTER THE REPORTING PERIOD

On 19 July 2024 and 23 July 2024, the Company published two announcements in response to the purported shareholder requisition (the “First Purported Requisition”) issued by Jingfeng on 28 June 2024. Based on the Company’s register of members as at the date of the deposit of the First Purported Requisition on 28 June 2024, Jingfeng’s name did not appear as a registered holder on the Company’s register of members. Accordingly, the Board has concluded that Jingfeng is not a member on record holding at the date of deposit of the First Purported Requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per Share basis and thus, the First Purported Requisition issued by Jingfeng was invalid. For further details of the First Purported Requisition, please refer to the announcements of the Company dated 28 June 2024, 19 July 2024 and 23 July 2024.

On 21 August 2024, the Company received a written requisition dated 20 August 2024 (the “Requisition Notice”) from HKSCC Nominees Limited. Pursuant to the Requisition Notice, Jingfeng has requisitioned for an extraordinary general meeting to be convened by the Company and issue to the Company’s shareholders a notice for such extraordinary general meeting for the purpose of considering and, if thought fit, passing the ordinary resolutions to appoint its proposed candidates as non-executive Director and independent non-executive Director respectively (the “Second Purported Requisition”). The Board is seeking advice as to the appropriate course of action regarding the Second Purported Requisition. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules and/or the provisions of inside information under Part XIVA of the SFO. For further details of the Second Purported Requisition, please refer to the announcement of the Company dated 22 August 2024.

Mr. TANGEN Einar Hans has been appointed as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Executive Committee and the Independent Board Committee with effect from 30 August 2024. For further details, please refer to the announcement of the Company dated 30 August 2024.

Following the appointment of Mr. TANGEN Einar Hans as a member of the Nomination Committee, Mr. LUETH Allen Warren has stepped down as a member of the Nomination Committee with effect from 30 August 2024. For further details, please refer to the announcement of the Company dated 30 August 2024.

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. BI Hua, Jeff

Chairman

Beijing, the PRC, 30 August 2024

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Note	Six Months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	1,627,319	1,889,542
Cost of sales	5	(1,297,261)	(1,592,523)
Gross profit		330,058	297,019
Other income	4	26,140	24,836
Other gains – net	4	4,870	13,972
Impairment losses on financial assets		(2,364)	(1,917)
Distribution expenses	5	(109,340)	(113,935)
Administrative expenses	5	(103,598)	(94,685)
Operating profit		145,766	125,290
Finance income	6	7,183	8,334
Finance costs	6	(2,240)	(3,985)
Finance income – net		4,943	4,349
Profit before income tax		150,709	129,639
Income tax expense	7	(33,212)	(29,810)
Profit for the period		117,497	99,829
Profit attributable to:			
Equity holders of the Company		114,824	99,829
Non-controlling interests		2,673	–
		117,497	99,829
Other comprehensive income:			
Item that may be reclassified to profit or loss			
Currency translation differences		(17,763)	39,115
Total comprehensive income for the period		99,734	138,944
Total comprehensive income attributable to:			
Equity holders of the Company		97,576	138,944
Non-controlling interests		2,158	–
		99,734	138,944
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic and diluted earnings per share	8	RMB0.084	RMB0.075

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,181,650	1,185,136
Right-of-use assets	10	59,259	65,461
Intangible assets		59,997	59,292
Deferred income tax assets		34,894	38,929
Trade receivables	12	41,742	44,091
Prepayments	13	2,271	2,455
		1,379,813	1,395,364
Current assets			
Inventories	11	771,736	859,912
Trade and notes receivables	12	716,927	660,983
Prepayments	13	12,846	14,955
Other receivables	13	34,295	32,739
Cash and cash equivalents		780,290	866,658
Financial assets at fair value through profit and loss	14	159,278	–
Restricted cash		115,386	197,757
		2,590,758	2,633,004
Total assets		3,970,571	4,028,368
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital, share premium and capital reserve	15	655,181	551,458
Statutory reserve		325,966	325,966
Exchange reserve		(60,068)	(42,820)
Retained earnings		2,181,715	2,066,891
Sub-total		3,102,794	2,901,495
Non-controlling interests		41,155	–
Total equity		3,143,949	2,901,495

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred government grants		44,729	49,642
Lease liabilities		13,468	15,179
Deferred income tax liabilities		8,820	19,796
		67,017	84,617
Current liabilities			
Deferred government grants		7,346	7,211
Contract liabilities		39,105	51,468
Trade payables, other payables and accruals	17	641,696	794,946
Income tax liabilities		29,251	36,108
Borrowings	16	34,478	140,823
Lease liabilities		7,729	11,700
		759,605	1,042,256
Total liabilities		826,622	1,126,873
Total equity and liabilities		3,970,571	4,028,368
Net current assets		1,831,153	1,590,748
Total assets less current liabilities		3,210,966	2,986,112

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to equity owners (unaudited)						
	Share capital, share premium and capital reserve RMB'000 (Note 15)	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-con- trolling interests RMB'000	Total RMB'000
As at 31 December 2022 (Audited)	551,458	309,087	(80,177)	1,839,556	2,619,924	–	2,619,924
Comprehensive income							
Profit for the year	–	–	–	244,214	244,214	–	244,214
Other comprehensive income							
Currency translation differences	–	–	37,357	–	37,357	–	37,357
Transfer to statutory reserve	–	16,879	–	(16,879)	–	–	–
As at 31 December 2023 (Audited)	551,458	325,966	(42,820)	2,066,891	2,901,495	–	2,901,495
Comprehensive income							
Profit for the period	–	–	–	114,824	114,824	2,673	117,497
Other comprehensive income							
Currency translation differences	–	–	(17,248)	–	(17,248)	(515)	(17,763)
Issuance of shares to Xue Yu Investment Ltd. (“Xue Yu”)	103,723	–	–	–	103,723	–	103,723
Transaction with non-controlling interest	–	–	–	–	–	38,997	38,997
As at 30 June 2024 (Unaudited)	655,181	325,966	(60,068)	2,181,715	3,102,794	41,155	3,143,949

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six Months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	158,097	53,301
Interest paid	(2,240)	(3,985)
Income tax paid	(47,011)	(52,638)
Net cash generated from operating activities	108,846	(3,322)
Cash flows from investing activities		
Purchase of Property, plant and equipment ("PPE")	(74,142)	(15,083)
Proceeds from disposal of PPE	155	791
Purchase of intangible assets	(3,047)	(63)
Purchases of financial assets at fair value through profit or loss	(643,996)	(105,000)
Disposals of financial assets at fair value through profit or loss	525,582	106,186
Interest received	5,457	4,628
Net cash (used in) investing activities	(189,991)	(8,541)
Cash flows from financing activities		
Proceeds from borrowings	27,186	38,631
Repayments of borrowings	(132,035)	(140,662)
Issuance of shares to shareholder	103,723	–
Principal elements of lease payments	(5,823)	(4,182)
Net cash (used in) financing activities	(6,949)	(106,213)
Net (decrease)/increase in cash and cash equivalents	(88,094)	(118,076)
Cash and cash equivalents at beginning of year	866,658	607,439
Exchange gains on cash and cash equivalents	1,726	3,706
Cash and cash equivalents at end of period	780,290	493,069

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

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 2024 have been prepared in accordance with International Accounting Standards (“**IAS**”) 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 2023.

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 2023 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 2024. 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 2024

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 Group 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 2024	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit and loss	–	–	159,278	159,278
Total assets	–	–	159,278	159,278

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 2024

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.

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

	PRC RMB'000 (Unaudited)	International RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the six month ended 30 June 2024			
Revenue	797,266	830,053	1,627,319
Inter-segment revenue	–	–	–
Revenue from external customers	797,266	830,053	1,627,319
Cost of sales	(632,102)	(665,159)	(1,297,261)
Segment result	165,164	164,894	330,058
For the six month ended 30 June 2023			
Revenue	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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

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	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Segment result for reportable segments	330,058	297,019
Other income	26,140	24,836
Other gains – net	4,870	13,972
Impairment losses on financial assets	(2,364)	(1,917)
Distribution expenses	(109,340)	(113,935)
Administrative expenses	(103,598)	(94,685)
Operating profit	145,766	125,290
Finance income	7,183	8,334
Finance costs	(2,240)	(3,985)
Finance income – net	4,943	4,349
Profit before income tax	150,709	129,639
Income tax expenses	(33,212)	(29,810)
Profit for the period	117,497	99,829

	Six Months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue by product		
Dairy products	1,220,478	1,431,962
NCS D products	392,933	422,238
Filling machines	10,442	34,770
Digital services	3,466	572
	1,627,319	1,889,542

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

4 REVENUE AND OTHER INCOME AND OTHER GAINS – NET

	Six Months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of products	1,627,319	1,889,542
Other income		
– Income from sales of scrap materials and other materials	20,454	20,965
– Subsidy income from government	5,686	3,871
	26,140	24,836
Other gains-net:		
– Net fair value gains on wealth management products at fair value through profit or loss	2,382	1,186
– Gain on disposal of assets	48	2
– Foreign exchange gain	1,808	9,241
– Net fair value losses on fund investment at fair value through profit or loss	(2,198)	–
– Others	2,830	3,543
	4,870	13,972

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

5 EXPENSES BY NATURE

	Six Months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials and consumables used	1,028,951	1,340,347
Taxes and Surcharges	8,792	8,325
Provision for obsolescence on inventories	4,133	13,640
Depreciation and amortisation charges	74,497	73,325
– Depreciation of PP&E	65,961	66,805
– Depreciation of right-of-use assets	6,342	4,451
– Amortisation of intangible assets	2,194	2,069
Employee benefit expenses	187,849	175,853
Auditors' remuneration		
– Accrual audit expense	1,250	1,250
Transportation expenses	66,772	66,706
Repair and maintenance expenses	18,470	19,227
Research and development expenses	8,926	13,038
Electricity and utilities	31,805	32,981
Rental expenses	1,430	2,744
Plating expenses	13,240	8,545
Professional fees	24,992	13,520
Travelling expenses	8,164	7,784
Advertising and promotional expenses	11,232	13,253
Other expenses	19,696	10,605
Total cost of sales, distribution expenses and administrative expenses	1,510,199	1,801,143

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

6 FINANCE INCOME AND FINANCE COSTS

	Six Months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income	5,457	4,628
Exchange gains – net	1,726	3,706
Finance income	7,183	8,334
Interest expense – bank borrowings	(1,654)	(3,535)
Interest expense – lease	(586)	(450)
Finance costs	(2,240)	(3,985)

7 INCOME TAX EXPENSE

	Six Months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current income tax:		
Enterprise income tax (“EIT”)	40,153	29,610
Deferred income tax:	(6,941)	200
Income tax expense	33,212	29,810

The Group’s subsidiaries established in the PRC are subject to the PRC statutory income tax rate of 25% (2023: 25%) on the taxable income for the period, except for Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd. (“GA Inner Mongolia”) and Qingdao Likang Food Packaging Technology Co., LTD. (“Likang”).

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 2024.

Likang obtains a high-technology enterprise certificate which is valid for 3 years from 2023 to 2025 and subjects to a preferential statutory income tax rate of 15% according to the law of People’s Republic of China on EIT.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

7 INCOME TAX EXPENSE (continued)

Since 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, the Group's subsidiaries located in Germany is provided at rate of 32.0%. Greatview Aseptic Packaging Europe GmbH is subject to the Swiss statutory income tax rate of 12.5%.

	Six Months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	150,709	129,639
Tax calculated at domestic tax rates applicable to profits in the respective countries	28,393	29,376
Withholding tax on dividends	4,376	4,481
Preferential tax treatment for a subsidiary	(832)	(7,719)
Income not subject to tax	(274)	(17)
Expenses not deductible for tax purposes	2,233	(755)
Tax losses for which no deferred income tax asset is recognised	96	177
Utilisation of previously unrecognised tax losses	(360)	(668)
Others	(420)	4,935
Income tax expense	33,212	29,810

8 EARNINGS PER SHARE

	Six Months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	114,824	99,829
Weighted average number of ordinary shares in issue (thousands)	1,373,290	1,336,631
Basic and diluted earnings per share (RMB per share)	0.084	0.075

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 2024

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 2023 (Audited)	726,350	1,709,927	67,618	70,593	1,653	2,576,141
Acquisition of subsidiaries	-	-	-	-	-	-
Additions	-	-	3,133	97,949	-	101,082
Transfer upon completion	17,242	26,838	-	(44,080)	-	-
Disposals	-	(8,818)	(2,714)	-	-	(11,532)
Exchange adjustment	16,200	25,399	1,651	885	99	44,234
As at 31 December 2023 (Audited)	759,792	1,753,346	69,688	125,347	1,752	2,709,925
Acquisition of subsidiaries	-	-	-	-	-	-
Additions	8	-	265	73,869	-	74,142
Transfer upon completion	38	8,130	2,060	(10,228)	-	-
Disposals	-	(250)	(207)	-	-	(457)
Exchange adjustment	(7,702)	(11,833)	(762)	(1,238)	(45)	(21,580)
As at 30 June 2024	752,136	1,749,393	71,044	187,750	1,707	2,762,030
Accumulated depreciation						
As at 1 January 2023 (Audited)	(203,163)	(1,111,173)	(64,202)	-	(1,653)	(1,380,191)
Charge for the year	(27,804)	(103,828)	(3,397)	-	-	(135,029)
Disposals	-	7,399	2,494	-	-	9,893
Exchange differences	(4,736)	(13,104)	(1,523)	-	(99)	(19,462)
As at 31 December 2023 (Audited)	(235,703)	(1,220,706)	(66,628)	-	(1,752)	(1,524,789)
Charge for the year	(13,738)	(50,648)	(1,575)	-	-	(65,961)
Disposals	-	150	200	-	-	350
Exchange differences	2,443	6,826	706	-	45	10,020
As at 30 June 2024	(246,998)	(1,264,378)	(67,297)	-	(1,707)	(1,580,380)
Net book value						
As at 31 December 2023 (Audited)	524,089	532,640	3,060	125,347	-	1,185,136
As at 30 June 2024 (Unaudited)	505,138	485,015	3,747	187,750	-	1,181,650

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

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 2024	39,558	25,619	284	65,461
Additions	–	–	140	140
Depreciation	(515)	(5,725)	(102)	(6,342)
Net book value at 30 June 2024 (Unaudited)	39,043	19,894	322	59,259

- (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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Raw materials	606,325	678,440
Work in progress	15,779	17,041
Finished goods	185,409	196,075
	807,513	891,556
Less: Provision for obsolescence		
– Raw materials	(25,419)	(25,162)
– Finished goods	(10,358)	(6,482)
	771,736	859,912

The cost of inventories recognised as expense and included in cost of sales amounted to approximately RMB1,288,469,000 (30 June 2023: RMB1,584,198,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

12 TRADE AND NOTES RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables – gross	672,155	727,397
Less: Provision for impairment of trade receivables	(30,101)	(32,936)
Trade receivables – net	642,054	694,461
Note receivables	116,615	10,613
Less non-current portion: Trade receivables	(41,742)	(44,091)
	716,927	660,983

The credit terms granted to customers by the Group were usually 0 to 120 days during the period (31 December 2023: 0 to 90 days).

As at 30 June 2024, the ageing analysis of the Group's trade receivables based on invoice date is as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
0-90 days	500,558	550,095
91-180 days	58,921	57,361
181-365 days	34,835	27,724
Over 365 days	77,841	92,217
	672,155	727,397

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

13 PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Prepayments		
– advances to suppliers	7,785	11,490
– others deferred expenses	6,701	5,920
– tariffs	631	–
	15,117	17,410
Less non-current portion: prepayments	(2,271)	(2,455)
	12,846	14,955
Other receivables		
– staff advances and other payments for employees	6,849	1,631
– value added tax deductible	482	4,735
– value added tax receivable	24,188	20,157
– others	2,776	6,216
	34,295	32,739
	47,141	47,694

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets at fair value through profit and loss related to the Group investment in Future Strategy Investment Fund Limited Partnership (the “Fund”) acquired on 25 January 2024. The fair value of this instrument is determined based on the net asset value of the underlying investment portfolio and adjustments of related expenses.

15 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Share capital (a)	12,083	11,442
Share premium (a)	519,500	416,418
Capital reserve (b)	123,598	123,598
	655,181	551,458

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

15 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 2023: 3,000,000,000) with per value of HK\$0.01 per share (31 December 2023: HK\$0.01 per share).

The number of ordinary shares issued as of 30 June 2024 is 1,407,129,000 (31 December 2023: 1,336,631,000). All issued shares are fully paid.

Share premium

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
As at 1 January	416,418	416,418
Issuance of shares to Xue Yu	103,082	–
As at the end of period	519,500	416,418

(b) Capital reserve

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 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 2024

16 BORROWINGS

		As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Current			
Secured			
Bank borrowings	– EUR	34,478	86,451
	– HK\$	–	54,372
		34,478	140,823
Non-Current			
Secured			
Bank borrowings	– EUR	–	–
Total borrowing		34,478	140,823

All secured bank borrowings of RMB34,478,000 were guaranteed by the Company (2023: RMB140,823,000).

Payment schedule

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 1 year	34,478	140,823

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

17 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables	272,632	324,906
Notes payables	211,875	267,916
Accrued expenses	120,196	132,594
Salary and welfare payable	26,471	48,752
Other tax payables	4,559	8,574
Other payables	5,963	12,204
	641,696	794,946

As at 30 June 2024, the ageing analysis of the Group's trade payables based on invoice date is as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 30 days	230,695	268,312
31-90 days	35,049	50,469
91-365 days	3,176	3,771
Over 365 days	3,712	2,354
	272,632	324,906

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

18 DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2024 (Nil for the six months ended 30 June 2023).

19 COMMITMENTS

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Contracted but not provided for – Property, plant and equipment	75,296	63,208

20 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	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Salaries and other short-term employees benefits	4,791	5,179
Social security cost	301	465
	5,092	5,645

21 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 2024.