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## **GREATVIEW ASEPTIC PACKAGING COMPANY LIMITED**

### **紛美包裝有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00468)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

#### **HIGHLIGHTS**

- Revenue for the six months ended 30 June 2021 was RMB1,549.8 million, representing an increase of 14.2%.
- Net profit after tax was RMB144.6 million, representing a decrease of 7.1%, mainly due to margin pressure.
- The Company's PRC business was resilient. Sales volume and revenue increased by approximately 23.3% and 14.2% respectively.
- Solid growth in the international business benefited by new customers' take-up, despite the global markets still being affected by COVID-19 pandemic. Sales volume and revenue increased by approximately 18.9% and 14.3% respectively.
- Interim dividend of HK\$0.12 per share.

The board (the “**Board**”) of directors (the “**Directors**”) of Greatview Aseptic Packaging Company Limited (the “**Company**” or “**Greatview**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 together with comparative figures for the corresponding period in 2020 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 June 2021*

		Six Months ended 30 June	
		2021	2020
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	1,549,787	1,357,208
Cost of sales	5	(1,195,202)	(1,001,200)
<b>Gross profit</b>		<b>354,585</b>	356,008
Other income	4	26,276	12,626
Other gains/(losses) – net	4	8,791	4,378
(Impairment)/reversal of losses on financial assets – net		(5,851)	327
Distribution expenses	5	(104,206)	(81,989)
Administrative expenses	5	(84,665)	(82,125)
<b>Operating profit</b>		<b>194,930</b>	209,225
Finance income	6	3,047	2,881
Finance costs	6	(5,773)	(2,151)
Finance (costs)/ income – net		(2,726)	730
<b>Profit before income tax</b>		<b>192,204</b>	209,955
Income tax expense	7	(47,653)	(54,286)
<b>Profit for the period</b>		<b>144,551</b>	155,669
<b>Profit attributable to:</b>			
Owners of the Company		144,551	155,669
Non-controlling interests		–	–
		<b>144,551</b>	155,669
<b>Other comprehensive income:</b>			
Item that may be reclassified to profit or loss		–	–
Currency translation differences		–	–
<b>Total comprehensive income for the period</b>		<b>144,551</b>	155,669
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		144,551	155,669
Non-controlling interests		–	–
		<b>144,551</b>	155,669
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
- Basic and diluted earnings per share	8	<b>RMB0.108</b>	RMB0.116

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2021*

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	<b>144,551</b>	155,669
<b>Other comprehensive income:</b>		
Currency translation differences	<u>(25,612)</u>	<u>12,221</u>
<b>Total comprehensive income for the period</b>	<u><b>118,939</b></u>	<u>167,890</u>
<b>Attributable to:</b>		
– Equity holders of the Company	<u><b>118,939</b></u>	<u>167,890</u>
<b>Total comprehensive income for the period</b>	<u><b>118,939</b></u>	<u>167,890</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	1,280,325	1,312,236
Right-of-use assets	10	45,835	49,851
Intangible assets		91,170	93,843
Deferred income tax assets		39,928	39,018
Trade receivables	12	15,899	18,957
Prepayments	13	9,752	10,407
		<u>1,482,909</u>	<u>1,524,312</u>
<b>Current assets</b>			
Inventories	11	868,230	710,735
Trade and notes receivables	12	582,307	573,051
Prepayments	13	69,015	40,556
Other receivables	13	13,301	11,871
Financial assets at fair value through profit or loss ("FVPL")		5,200	–
Cash and bank equivalents		448,575	577,237
Restricted cash		<u>168,261</u>	<u>183,631</u>
		<u>2,154,889</u>	<u>2,097,081</u>
<b>Total assets</b>		<u>3,637,798</u>	<u>3,621,393</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital, share premium and capital reserve	14	600,260	600,260
Statutory reserve		281,325	281,325
Exchange reserve		(54,341)	(28,729)
Retained earnings		<u>1,627,742</u>	<u>1,638,899</u>
<b>Total equity</b>		<u>2,454,986</u>	<u>2,491,755</u>

		<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	<b>As at 31 December 2020 RMB'000 (Audited)</b>
	<i>Note</i>		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred government grants		<b>70,953</b>	73,173
Lease liabilities		<b>1,606</b>	2,316
Deferred income tax liabilities		<b>17,336</b>	21,257
Borrowings	<i>15</i>	<b>9,608</b>	14,044
		<b>99,503</b>	110,790
<b>Current liabilities</b>			
Deferred government grants		<b>3,615</b>	7,771
Contract liabilities		<b>11</b>	35
Trade and other payables and accruals	<i>16</i>	<b>875,844</b>	746,379
Income tax liabilities		<b>43,561</b>	41,154
Borrowings	<i>15</i>	<b>139,028</b>	191,525
Lease liabilities		<b>2,122</b>	5,206
Derivative financial instruments		<b>19,128</b>	26,778
		<b>1,083,309</b>	1,018,848
<b>Total liabilities</b>		<b>1,182,812</b>	1,129,638
<b>Total equity and liabilities</b>		<b>3,637,798</b>	3,621,393
<b>Net current assets</b>		<b>1,071,580</b>	1,078,233
<b>Total assets less current liabilities</b>		<b>2,554,489</b>	2,602,545

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to equity owners (unaudited)				
	Share				
	capital, share				
	premium and				
	capital	Statutory	Exchange	Retained	Total
	reserve	reserve	reserve	earnings	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 14)				
As at 31 December 2019 (Audited)	<u>651,247</u>	<u>256,855</u>	<u>(46,467)</u>	<u>1,591,535</u>	<u>2,453,170</u>
<b>Comprehensive income</b>					
Profit for the year	–	–	–	342,763	342,763
<b>Other comprehensive income</b>					
Currency translation differences	–	–	17,738	–	17,738
Shares repurchased	(1,001)	–	–	–	(1,001)
Transfer to statutory reserve	–	24,470	–	(24,470)	–
Dividend	<u>(49,986)</u>	<u>–</u>	<u>–</u>	<u>(270,929)</u>	<u>(320,915)</u>
As at 31 December 2020 (Audited)	<u>600,260</u>	<u>281,325</u>	<u>(28,729)</u>	<u>1,638,899</u>	<u>2,491,755</u>
<b>Comprehensive income</b>					
Profit for the period	–	–	–	144,551	144,551
<b>Other comprehensive income</b>					
Currency translation differences	–	–	(25,612)	–	(25,612)
Dividend	<u>–</u>	<u>–</u>	<u>–</u>	<u>(155,708)</u>	<u>(155,708)</u>
As at 30 June 2021 (Unaudited)	<u>600,260</u>	<u>281,325</u>	<u>(54,341)</u>	<u>1,627,742</u>	<u>2,454,986</u>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six Months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	40,061	158,182
Interest paid	(1,232)	(2,664)
Income tax paid	(50,076)	(41,107)
Net cash (used in)/generated from operating activities	(11,247)	114,411
<b>Cash flows from investing activities</b>		
Property, plant and equipment (“PPE”)	(55,840)	(30,655)
Proceeds from disposal of PPE	15	764
Acquisition of right-of-use assets	–	(6,204)
Purchase of intangible assets	(1,791)	(115)
Purchases of financial assets at FVPL	(361,200)	(552,000)
Disposals of financial assets at FVPL	358,410	463,988
Interest received	3,047	2,881
Net cash used in investing activities	(57,359)	(121,341)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	81,370	110,424
Repayments of borrowings	(133,091)	(159,042)
Principal elements of lease payments	(3,794)	(3,419)
Net cash used in financing activities	(55,515)	(52,037)
<b>Net increase in cash and cash equivalents</b>	(124,121)	(58,967)
Cash and cash equivalents at beginning of year	577,237	562,782
Exchange gains on cash and cash equivalents	(4,541)	513
<b>Cash and cash equivalents at end of period</b>	448,575	504,328

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2021*

## 1 GENERAL INFORMATION

Greatview Aseptic Packaging Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 29 July 2010 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and together with its subsidiaries (the “**Group**”) are principally engaged in the business of manufacturing, distribution and selling of paper packaging and filling machines to dairy and non-carbonated soft drink (“**NCSD**”) producers.

The Company’s ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 December 2010.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to nearest thousand yuan, unless otherwise stated.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated.

### 2.1 Basis of preparation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board (“**IASB**”) 34 Interim Financial Reporting. The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020.

### 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 2020 annual report except for the adoption of the new standards, amendments or interpretations issued by the IASB which are mandatory for the annual period beginning on or after 1 January 2021. 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.



## 2.3 Fair value estimation

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the groups is the current bid price. These instruments are included in level 1.
- The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets at FVPL are wealth management products.

### Recurring fair value measurements

At 30 June 2021	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Available-for-sale financial assets</b>				
— Wealth management products	—	—	5,200	5,200
<b>Total assets</b>	<b>—</b>	<b>—</b>	<b>5,200</b>	<b>5,200</b>

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.

### 3 SEGMENT REPORT

Management has determined the operating segments based on the reports reviewed by the board of Directors of the Company (the “**Board**”) which are used for making strategic decisions.

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

	<b>PRC</b> <i>RMB'000</i> (Unaudited)	<b>International</b> <i>RMB'000</i> (Unaudited)	<b>Total</b> <i>RMB'000</i> (Unaudited)
<b>For the six months ended 30 June 2021</b>			
Sales – Revenue from external customers	<b>1,020,373</b>	<b>529,414</b>	<b>1,549,787</b>
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>–</u>
<b>Revenue from external customers</b>	<b>1,020,373</b>	<b>529,414</b>	<b>1,549,787</b>
Cost of sales	<u>(778,124)</u>	<u>(417,078)</u>	<u>(1,195,202)</u>
Segment result	<u><b>242,249</b></u>	<u><b>112,336</b></u>	<u><b>354,585</b></u>
<b>For the six months ended 30 June 2020</b>			
Sales – Revenue from external customers	893,864	463,344	1,357,208
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>–</u>
<b>Revenue from external customers</b>	893,864	463,344	1,357,208
Cost of sales	<u>(639,233)</u>	<u>(361,967)</u>	<u>(1,001,200)</u>
Segment result	<u>254,631</u>	<u>101,377</u>	<u>356,008</u>

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

	<b>Six Months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Segment result for reportable segments	<b>354,585</b>	356,008
Other income	<b>26,276</b>	12,626
Other gains/(losses) – net	<b>8,791</b>	4,378
(Impairment)/reversal of losses on financial assets – net	<b>(5,851)</b>	327
Distribution expenses	<b>(104,206)</b>	(81,989)
Administrative expenses	<b>(84,665)</b>	(82,125)
Operating profit	<b><u>194,930</u></b>	<u>209,225</u>
Finance income	<b>3,047</b>	2,881
Finance costs	<b>(5,773)</b>	(2,151)
Finance (costs)/income – net	<b><u>(2,726)</u></b>	<u>730</u>
<b>Profit before income tax</b>	<b>192,204</b>	209,955
Income tax expenses	<b>(47,653)</b>	(54,286)
<b>Profit for the period</b>	<b><u><u>144,551</u></u></b>	<u><u>155,669</u></u>

	<b>Six Months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue		
Dairy products	<b>1,278,674</b>	1,142,524
NCSD products	<b>266,078</b>	205,365
Filling machines	<b>3,143</b>	6,830
Digital services	<b>1,892</b>	2,489
	<b><u><u>1,549,787</u></u></b>	<u><u>1,357,208</u></u>

#### 4 REVENUE AND OTHER INCOME AND OTHER GAINS/(LOSSES) — NET

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Sales of products	<u>1,549,787</u>	<u>1,357,208</u>
Other income – net:		
– Income from sales of scrap materials	13,485	8,267
– Subsidy income from government	<u>12,791</u>	<u>4,359</u>
	26,276	12,626
Other gains/(losses) – net:		
– Net fair value gains on wealth management products at FVPL	2,411	3,219
– Loss/(gain) on disposal of assets	(34)	(101)
– Unrealised net fair value gains on derivative financial instruments	7,650	–
– Realised net fair value losses on derivative financial instruments	(11,197)	–
– Foreign exchange gain/(loss)	5,314	(2,615)
– Others	<u>4,647</u>	<u>3,875</u>
	<u>8,791</u>	<u>4,378</u>

## 5 EXPENSES BY NATURE

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Raw materials and consumables used	975,702	796,115
Taxes and Surcharges	6,799	7,845
Provision for obsolescence on inventories	–	3,658
Depreciation and amortisation charges	76,790	85,147
– Depreciation of PPE	68,765	75,859
– Depreciation of right-of-use assets	4,016	4,417
– Amortisation of intangible assets	4,009	4,871
Employee benefit expenses	151,003	134,148
Auditors' remuneration		
– Audit services	1,240	1,233
– Non-audit services	–	–
Transportation expenses	63,441	46,718
Repair and maintenance expenses	13,587	13,843
Research and development expenses	8,306	6,661
Electricity and utilities	23,403	21,612
Rental expenses	1,086	222
Plating expenses	8,591	6,935
Professional fees	8,472	5,320
Travelling expenses	5,158	2,944
Advertising and promotional expenses	11,740	9,645
Other expenses	28,755	23,268
Total cost of sales, distribution expenses and administrative expenses	<u>1,384,073</u>	<u>1,165,314</u>

## 6 FINANCE INCOME AND FINANCE COSTS

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income	<u>3,047</u>	<u>2,881</u>
<b>Finance income</b>	<u>3,047</u>	<u>2,881</u>
Interest expense – bank borrowings	(1,138)	(2,419)
Interest expense – lease	(94)	(245)
Exchange loss – net	<u>(4,541)</u>	<u>513</u>
<b>Finance costs</b>	<u>(5,773)</u>	<u>(2,151)</u>

## 7 INCOME TAX EXPENSE

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax:		
Enterprise income tax (“EIT”)	52,412	56,977
Deferred income tax:	(4,759)	(2,691)
<b>Income tax expense</b>	<b>47,653</b>	<b>54,286</b>

The Group’s subsidiaries established in the PRC except for Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd. and Qingdao Likang Food Packaging Technology Co., LTD. are subject to the PRC statutory income tax rate of 25% (2020: 25%) on the taxable income for the year. Hong Kong profits tax has been provided at rate of 16.5% for the current year (2020: 16.5%). The profits tax of Greatview Aseptic Packaging Manufacturing GmbH and Greatview Aseptic Packaging Service GmbH has been provided at rate of 30.8%. Greaview Aseptic Packaging Europe GmbH is subject to the Swiss statutory income tax rate of 11.35%.

Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd. is located in a special economic zone with 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 2021.

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

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit before tax	192,204	209,955
Tax calculated at domestic tax rates applicable to profits in the respective countries	41,957	52,938
Withholding tax on dividends	6,620	8,775
Preferential tax treatment for a subsidiary	(7,607)	(4,789)
Income not subject to tax	(37)	(644)
Expenses not deductible for tax purposes	5,064	(1,488)
Tax losses for which no deferred income tax asset is recognised	3,519	2,447
Utilisation of previously unrecognised tax losses	(76)	—
Others	(1,787)	(2,953)
<b>Income tax expense</b>	<b>47,653</b>	<b>54,286</b>

## 8 EARNINGS PER SHARE

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company ( <i>RMB'000</i> )	<b>144,551</b>	155,669
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<u><b>1,336,631</b></u>	<u>1,337,019</u>
Basic and diluted earnings per share ( <i>RMB per share</i> )	<u><b>0.108</b></u>	<u>0.116</u>

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.

## 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
<b>Cost</b>						
<b>As at 1 January 2020 (Audited)</b>	707,640	1,605,077	67,548	17,536	1,742	2,399,543
Additions	7,379	11	355	75,029	–	82,774
Transfer upon completion	1,413	8,734	2,629	(12,776)	–	–
Disposals	–	(39,231)	(4,311)	(14)	–	(43,556)
Exchange adjustment	8,121	10,612	(145)	799	48	19,435
<b>As at 31 December 2020 (Audited)</b>	724,553	1,585,203	66,076	80,574	1,790	2,458,196
Additions	–	–	239	55,601	–	55,840
Transfer upon completion	96	10,273	4,488	(14,857)	–	–
Disposals	–	(272)	(681)	–	–	(953)
Exchange adjustment	(11,799)	(17,457)	(1,221)	(11)	(77)	(30,565)
<b>As at 30 June 2021</b>	<b>712,850</b>	<b>1,577,747</b>	<b>68,901</b>	<b>121,307</b>	<b>1,713</b>	<b>2,482,518</b>
<b>Accumulated depreciation</b>						
<b>As at 1 January 2020 (Audited)</b>	(130,297)	(849,698)	(52,980)	–	(1,323)	(1,034,298)
Charge for the year	(25,853)	(106,503)	(8,832)	–	(167)	(141,355)
Disposals	–	31,886	3,870	–	–	35,756
Exchange differences	(1,417)	(4,015)	(594)	–	(37)	(6,063)
<b>As at 31 December 2020 (Audited)</b>	(157,567)	(928,330)	(58,536)	–	(1,527)	(1,145,960)
Charge for the year	(12,689)	(52,716)	(3,280)	–	(80)	(68,765)
Disposals	–	250	654	–	–	904
Exchange differences	2,826	7,637	1,100	–	65	11,628
<b>As at 30 June 2021</b>	<b>(167,430)</b>	<b>(973,159)</b>	<b>(60,062)</b>	<b>–</b>	<b>(1,542)</b>	<b>(1,202,193)</b>
<b>Net book value</b>						
<b>As at 31 December 2020 (Audited)</b>	<u>566,986</u>	<u>656,873</u>	<u>7,540</u>	<u>80,574</u>	<u>263</u>	<u>1,312,236</u>
<b>As at 30 June 2021 (Unaudited)</b>	<u>545,420</u>	<u>604,588</u>	<u>8,839</u>	<u>121,307</u>	<u>171</u>	<u>1,280,325</u>

As at 30 June 2021, our Group received certain banking facilities of approximately RMB130.0 million, through pledging properties with net book value of approximately RMB88.9 million (31 December 2020: approximately RMB90.9 million) and land use rights with net book value of approximately RMB24.8 million (31 December 2020: approximately RMB25.1 million) to banks.



## 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 2021	42,646	6,257	948	49,851
Additions	—	—	—	—
Depreciation	(515)	(3,396)	(105)	(4,016)
<b>Net book value at 30 June 2021 (Unaudited)</b>	<b>42,131</b>	<b>2,861</b>	<b>843</b>	<b>45,835</b>

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

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

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

## 11 INVENTORIES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Raw materials	670,227	542,722
Work in progress	28,661	24,388
Finished goods	182,885	157,175
	881,773	724,285
Less: Provision for obsolescence		
Raw materials	(11,824)	(11,824)
Finished goods	(1,719)	(1,726)
	868,230	710,735

The cost of inventories recognised as expense and included in cost of sales amounted to approximately RMB1,188,403,000 (30 June 2020: RMB993,355,000).

## 12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade receivables — gross	591,157	562,084
Less: Provision for impairment of trade receivables	(27,682)	(22,053)
Trade receivables – net	563,475	540,031
Note receivables	34,731	51,977
Less non-current portion: Trade receivables	<u>(15,899)</u>	<u>(18,957)</u>
	<u><b>582,307</b></u>	<u><b>573,051</b></u>

The credit terms granted to customers by the Group were usually 0 to 90 days during the period (31 December 2020: 0 to 90 days).

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

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
0-90 days	477,370	436,414
91-180 days	53,151	72,148
181-365 days	21,838	12,394
Over 365 days	<u>38,798</u>	<u>41,128</u>
	<u><b>591,157</b></u>	<u><b>562,084</b></u>

### 13 PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Prepayments		
— advances to suppliers	69,015	36,517
— others deferred expenses	1,854	6,548
— prepayment for land use rights	7,898	7,898
	<u>78,767</u>	<u>50,963</u>
Less non-current portion: Prepayments	<u>(9,752)</u>	<u>(10,407)</u>
	<u>69,015</u>	<u>40,556</u>
Other receivables		
— income tax receivable due to the decrease of tax rate	—	3,632
— staff advances and other payments for employees	4,616	3,071
— value added tax deductible	5,990	1,105
— value added tax receivable	2,674	1,418
— others	21	2,645
	<u>13,301</u>	<u>11,871</u>
	<u>82,316</u>	<u>52,427</u>

### 14 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Share capital	11,442	11,442
Share premium	465,970	465,970
Capital reserve	<u>122,848</u>	<u>122,848</u>
	<u>600,260</u>	<u>600,260</u>

(a) **Share capital and share premium**

*Share capital*

**Authorised:**

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

**Issued and fully paid:**

1,336,631,000 ordinary shares of HK\$0.01 each

The total authorised number of ordinary shares is 3,000,000,000 shares (31 December 2020: 3,000,000,000 shares) with a par value of HK\$0.01 per share (31 December 2020: HK\$0.01 per share). The number of ordinary shares issued is 1,336,631,000 (31 December 2020: 1,336,631,000) with nominal value of HK\$0.01 per share (31 December 2020: HK\$0.01 per share).

*Share premium*

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	As at 31 December 2020 RMB'000 (Audited)
As at 1 January	465,970	516,953
Share buyback	–	(997)
Share premium make up for loss	–	–
Transfer (to)/from retained earnings	–	–
Dividends	–	(49,986)
As at the end of period/year	<u><b>465,970</b></u>	<u><b>465,970</b></u>

(b) **Capital reserve**

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	As at 31 December 2020 RMB'000 (Audited)
As at 1 January	122,848	122,848
Share options – value of employee services	–	–
Capitalisation as issued shares as part of the Reorganisation	–	–
As at the end of period/year	<u><b>122,848</b></u>	<u><b>122,848</b></u>

## 15 BORROWINGS

		As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>Current</b>			
Secured			
Bank borrowings	– EUR	44,711	61,027
	– USD	94,317	130,498
		<u>139,028</u>	<u>191,525</u>
<b>Non-Current</b>			
Secured			
Bank borrowings	– EUR	9,608	14,044
<b>Total borrowing</b>		<u><b>148,636</b></u>	<u><b>205,569</b></u>

All secured bank borrowings of RMB148,636,000 were guaranteed by the Company (2020: RMB205,569,000 were guaranteed by the Company).

### Payment schedule

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

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within 1 year	139,028	191,525
Between 1 and 2 years	7,686	8,025
Between 2 and 5 years	1,922	6,019
	<u><b>148,636</b></u>	<u><b>205,569</b></u>

## 16 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade payables	307,079	270,888
Notes payables	239,383	276,155
Advance from customers	12,409	29,894
Accrued expenses	130,565	116,270
Salary and welfare payable	23,632	35,362
Other tax payables	4,700	11,304
Other payables	158,076	6,506
	<b>875,844</b>	<b>746,379</b>

As at 30 June 2021, the ageing analysis of the Group's trade payables based on invoice date are as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within 30 days	255,399	227,268
31-90 days	48,260	42,457
91-365 days	1,050	499
Over 365 days	2,370	664
	<b>307,079</b>	<b>270,888</b>

## 17 DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.12 per share (30 June 2020: HK\$0.13 per share), amounting to a total of approximately HK\$160,396,000 (30 June 2020: HK\$173,812,000) for the six months ended 30 June 2021.

## 18 COMMITMENTS

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

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	<b>As at 31 December 2020 RMB'000 (Audited)</b>
Contracted but not provided for		
– Property, plant and equipment	<b><u>22,335</u></b>	<b><u>27,967</u></b>

## 19 RELATED-PARTY TRANSACTIONS

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

	<b>Six Months ended 30 June 2021 RMB'000 (Unaudited)</b>	<b>2020 RMB'000 (Unaudited)</b>
Salaries and other short-term employees benefits	<b>6,424</b>	5,561
Social security cost	<b><u>399</u></b>	<u>161</u>
	<b><u>6,823</u></b>	<b><u>5,722</u></b>

## 20 APPROVAL OF THE PUBLICATION OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements were approved and authorised for issue by the Board on 27 August 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

Our Group 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 second largest supplier of roll-fed aseptic packaging materials globally. Our aseptic packaging materials are branded under the trademark of “GREATVIEW”, which includes “Greatview Brick”, “Greatview Pillow”, “Greatview Crown”, “Greatview Octagon” and “Greatview Blank-Fed”. In March 2019, we completed the acquisition of Qingdao Likang Food Packaging Technology Co., LTD.\* (青島利康食品包裝科技有限公司) (“**Likang**”), which sells its aseptic packaging materials under the trademark of “Century Pack”, including “Century Pack” Aseptic Brick, “Century Pack” Aseptic Pillow, etc. Our aseptic packaging materials are fully compatible with industry-standard roll-fed and blank-fed aseptic carton filling machines, which has benefited most of the dairy and non-carbonated soft drink (“**NCSD**”) producers in the People’s Republic of China (the “**PRC**” or “**China**”) as well as a large range of international customers.

As COVID-19 pandemic (the “**pandemic**”) stretches into 2021, the spread of the pandemic has not only affected the economic growth, but also the food and beverage consumption in all aspects, which has evolved new habit and attitude of consumers. Consumers, while pursuing maximum convenience, focus more on long-term health and wellness through mindful eating. They proactively choose food related to preventive health, which has brought more market opportunities for the food manufacturers. At the same time, companies are also required to strengthen safety measures and improve food hygiene standards to eliminate consumers’ hygienic concerns. All of these factors are subtly changing and driving the development of the global food and beverage industry.

The global economy is currently expected to grow by approximately 6.0% in 2021 after a sharp contraction of some 3.0% in 2020. Globally, the dairy market is still exposed to some risks and pressure in 2021. As the growth of global milk production capacity is limited, the supply is expected to increase by only approximately 1.0% in key regions. Under an environment where the global pandemic is gradually easing yet still posing risks, Greatview is committed to ensuring safety of its employees, and being at the forefront of supply with its customers in keeping essential food flowing from farms to the tables of individuals and families around the world.

\* *For identification purpose only*



In 2021, Greatview continued to explore the global market in an active manner, providing more diverse product choices and customised services to customers all over the world. Following success in improving existing customer penetration and the take-up of new customers, sales volume in the international markets has increased by approximately 18.9%. This is particularly encouraging when most of the global markets are still affected by impact arising from the pandemic. Under the global pricing pressure, raw material and transportation costs remain at a high level, Greatview strives to control costs, reduce the impact of price fluctuation and improve production efficiency, to ensure steady and continuous production and supply.

As China's fast-moving consumer goods market has gradually recovered to its pre-pandemic level and showing signs of moderate recovery, sales volumes of beverage, dairy products and packaged food have steadily increased. Consumers are becoming increasingly demanding for food that is healthy, nutritious and high-quality when upgrading their consumption. In the current stage of the pandemic, consumers are more concerned about their mental health, and therefore, the proportion of consumers who select foods and beverages that consider psychological factors such as their own interests and consumption experience has increased. Greatview's business in the PRC achieved steady growth in the first half of 2021, with sales volume increased by approximately 23.3% as compared with the same period of last year.

In terms of sustainability, Greatview, in order to help customers to achieve sustainable development goals and ease the burden of production and consumption on the environment, provides customers with new products such as paper straws and "Greatview Eco-packaging", and offers more choices of environmentally-friendly products.

"Greatview Eco-packaging" uses pull-tabs to replace plastic caps, with 86% less plastic comparing with an equivalent plastic bottle. The product has been used for ready-to-drink water products, replacing the traditional plastic bottle packaging and helping customers to promote the product concepts of environmental protection and plastic reduction. The packaging of the drinking water product is recyclable after use and has been made into an environmentally-friendly artwork to be exhibited in Hong Kong. In 2021, "Greatview Eco-packaging" won Silver in the Sustainable Innovation Award at the Packcon Star Awards 2021.

Since 2018, Greatview, as a founding member, has been actively participating in the Paper-based Composite Beverage Packaging Recycling Committee in China with industry members. The committee is the first organisation in China to perform producer responsibilities through industry self-discipline and self-planning. Greatview, as one of the initiators, is committed to promoting the establishment of a paper-based beverage composite packaging recycling industry chain, actively exploring waste packaging recycling industry chain technology, and achieving the goal of a 40% resource utilisation rate of paper-based beverage composite packaging in China by 2025 with other members. In June 2021, Greatview participated in the Summit Forum on Sustainable Development of Paper-based Beverage Packaging in the 7th Industry Conference on Renewable Resource Recycling in China.

## Markets and Products

We sold a total of approximately 9.4 billion packs during the first half of 2021, which represents an increase of approximately 21.9% as compared with the same period in 2020. Such increase was primarily due to the growth of sales volume in many markets around the world. “Greatview Brick 250mL Base” remained as our top selling product, followed by “Greatview Brick 1000mL Slim PLH”.

In markets around the world, consumers are increasingly concerned about environmental protection and sustainable development. As a more plastic-reducing material, aseptic paper packaging still has considerable room for development in the dairy and beverage industries due to also its safety, convenience, and ease of storage and transportation. In the Top 10 Global Consumer Trends 2021 published by Euromonitor, nearly 70% of professionals believed that consumers would be more concerned about sustainability when compared to the time before the pandemic. The report also indicated an increase in demands by consumers for digitalised products such as digital tools and virtual reality, due to staying at home during the pandemic. These factors have provided positive market dynamics for aseptic paper packaging materials.

In the PRC market, the dairy industry has reached a phase of maturity, and China is currently the world’s second largest dairy market. We believe that liquid room temperature dairy would still remain as the main choice for Chinese consumers in the long run. Meanwhile, more high-end liquid dairy products have flowed into the market, bringing new growth opportunities.

In response to the growing and subdivided market demand of aseptic packaging products, we will strive to step up research and development of new products, launch various formats and sizes of packaging products, and commit to the research and development of environmentally-friendly products, enrich our product portfolio, so as to widen our customer base, and to improve customer relationship management, thereby enhancing our brand image in the global market.

Digitalisation plays an increasingly important role in ensuring the efficient management of the Company and the rapid coordination of the organisation. The application of production big data provides accurate basic information and scientific analysis tools for product quality improvement and cost reduction. Greatview is stepping forward to lean management and intelligent production by means of digitalisation.

Greatview offers digitalisation services to upstream and downstream partners while implementing internal control. For example, Greatview's Smart Packaging Traceability Solution first applies variable traceability codes on the surface of product packaging through pre-printing methods, and then generates the connections such as those between packaging and batches, packaging and boxes through data collection, so as to achieve multi-level data management. The solution collects data in each node in the industrial chain, and eventually realise the visual traceability of the product life cycle. Through digitalisation services, we not only provide customers with powerful support of information technology, but also help customers expand their own markets and strengthen channel control.

### **Production Capacity and Utilisation**

Our Group has a total annual production capacity of approximately 30.0 billion packs as of 30 June 2021 (30 June 2020: approximately 30.0 billion packs). Approximately 9.6 billion packs were produced for the six months ended 30 June 2021 which represented an utilisation rate of approximately 64.3% (30 June 2020: approximately 54.0%). The increase in the utilisation rate was mainly due to the increase in production volume.

### **Suppliers and Raw Materials**

For the six months ended 30 June 2021, affected by the global pandemic, large-scale natural disasters, Suez Canal blockage, European trade protectionism and other factors, some upstream factories suspended work or production, and result in production capacities reduced. Prices of base paper, polyethylene, aluminum ingots and other raw materials continued to rise under the impact of supply and demand.

In the face of the above situation, the Company has actively responded by strengthening supply chain management, optimising raw materials and product structure, reducing costs and increasing efficiency, so as to maximise the overall interests of the Company.

### **Business Development**

Greatview adheres to the spirit of continuous innovation, providing more packaging material product choices and end-to-end filling machine solutions to global customers.

Following the launch of the brand new "Greatview Brick 1000mL Square" format in 2020 with market attention and positive reviews received, the product sales volume reached a new high in 2021, and continuous orders received from customers all over the world.

In June 2021, Greatview's self-developed filling machine was installed and operated smoothly in the factory of a Southeast Asian customer, bringing professional and comprehensive filling machines, spare parts and technical support services to more global customers.

Greatview attaches great importance to customer experience and is committed to continuously optimising production and supply chains, while providing services including design and marketing to offer customers an enhanced experience and more added value.

In 2021, Greatview has launched supplier inventory management services based on customers' production conditions and needs, providing customised and flexible supply services to customers, greatly shortening the customers' receiving cycle as well as saving production and management costs. This service is being piloted to our customers in China.

In January 2021, Greatview developed a customised digital marketing platform for customers aiming to solve the daily operations and maintenance management as well as management and control problems of promotional activities existing in the Company's offline marketing process. The platform assists customers with achieving online distributors management, and improves the management and control ability of supply chains.

In April 2021, Greatview with its wholly owned subsidiary, Beijing Greatdata Technology Co., Ltd.\* (北京數碼通科技有限公司), appeared at the 104th China Food & Drinks Fair to bring smart packaging, product traceability solutions and production testing equipment to Chinese food and beverage companies.

## **FINANCIAL REVIEW**

### **Overview**

In the first half of 2021, top line was higher while bottom line was lower than the corresponding period in 2020. We continuously endeavored to optimise the product portfolio and production efficiency, meanwhile we strived to expand market share. We were taking measures to cope with the difficult situation and maintained free cash flow for interim dividend. 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.

\* *For identification purpose only*

## **Revenue**

We primarily derive revenue from the PRC and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by approximately 14.2% from approximately RMB1,357.2 million for the six months ended 30 June 2020 to approximately RMB1,549.8 million for the six months ended 30 June 2021. Such increase was primarily due to the increase of sales volume in many markets around the world.

With respect to the PRC segment, our revenue increased by approximately RMB126.5 million, or 14.2%, to approximately RMB1,020.4 million for the six months ended 30 June 2021 from approximately RMB893.9 million for the six months ended 30 June 2020. Such increase was primarily due to the growth of sales volume from existing customers.

With respect to the international segment, our revenue increased by approximately RMB66.1 million, or 14.3%, to approximately RMB529.4 million for the six months ended 30 June 2021 from approximately RMB463.3 million for the six months ended 30 June 2020. Such increase was primarily due to the growth of sales volume from existing customers and new customers.

Our revenue from dairy customers increased by approximately RMB136.2 million, or 11.9%, to approximately RMB1,278.7 million for the six months ended 30 June 2021 from approximately RMB1,142.5 million for the six months ended 30 June 2020, and our revenue from NCSD customers increased by approximately RMB60.7 million, or 29.6%, to approximately RMB266.1 million for the six months ended 30 June 2021 from approximately RMB205.4 million for the six months ended 30 June 2020. It was mainly contributed by the increase in sales volume.

## **Cost of Sales**

Our cost of sales increased by approximately RMB194.0 million, or 19.4%, to approximately RMB1,195.2 million for the six months ended 30 June 2021 from approximately RMB1,001.2 million for the six months ended 30 June 2020. The growth in cost of sales was mainly due to the increase in sales volume and raw material price while higher production volume diluted the unit labour cost and fixed overhead.

## **Gross Profit and Gross Margin**

As a result of the foregoing factors, our gross profit decreased by approximately RMB1.4 million, or 0.4% from approximately RMB356.0 million for the six months ended 30 June 2020 to approximately RMB354.6 million for the six months ended 30 June 2021. Our gross margin decreased by approximately 3.3 percentage points to approximately 22.9% for the six months ended 30 June 2021 from approximately 26.2% for the six months ended 30 June 2020. It was primarily due to the change of sales mix, decline of sales price and increase in cost of raw materials.

## **Other Income**

Our other income increased by approximately RMB13.7 million, or 108.7%, to approximately RMB26.3 million for the six months ended 30 June 2021 from approximately RMB12.6 million for the six months ended 30 June 2020. It was primarily due to the increase in government subsidy and sales of materials.

## **Other Gains/(Losses) – Net**

Our other gains increased by approximately RMB4.4 million, or 100.0%, to approximately RMB8.8 million for the six months ended 30 June 2021 from other gains of approximately RMB4.4 million for the six months ended 30 June 2020. It was primarily due to the fluctuation of foreign exchange.

## **Distribution Expenses**

Our distribution expenses increased by approximately RMB22.2 million, or 27.1%, to approximately RMB104.2 million for the six months ended 30 June 2021 from approximately RMB82.0 million for the six months ended 30 June 2020. It was primarily due to the increase in freight costs and traveling expenses.

## **Administrative Expenses**

Our administrative expenses increased by approximately RMB2.6 million, or 3.2%, to approximately RMB84.7 million for the six months ended 30 June 2021 from approximately RMB82.1 million for the six months ended 30 June 2020. The increase was primarily due to the increase in salary, welfare and research and development expenses.

## **Taxation**

Our income tax expenses decreased by approximately RMB6.6 million, or 12.2%, to approximately RMB47.7 million for the six months ended 30 June 2021 from approximately RMB54.3 million for the six months ended 30 June 2020. Our effective tax rate decreased by approximately 1.1 percentage point to approximately 24.8% for the six months ended 30 June 2021 from approximately 25.9% for the corresponding period in 2020.

## **Profit for the Period and Net Profit Margin**

Driven by the factors as aforementioned, our net profit decreased by approximately RMB11.1 million, or 7.1%, to approximately RMB144.6 million for the six months ended 30 June 2021 from approximately RMB155.7 million for the six months ended 30 June 2020. Our net profit margin decreased by 2.2 percentage points to approximately 9.3% for the six months ended 30 June 2021 from approximately 11.5% for the six months ended 30 June 2020.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2021, we had approximately RMB448.6 million (31 December 2020: approximately RMB577.2 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

### **Analysis of Turnover of Inventories, Trade Receivables and Payables**

Our Group's inventories primarily consist of raw materials and finished goods. Our turnover days for inventory (inventories/cost of sales) increased from approximately 111.4 days as at 31 December 2020 to approximately 122.6 days as at 30 June 2021. Our turnover days for trade receivables (trade receivables/revenue) increased from approximately 65.7 days as at 31 December 2020 to approximately 65.8 days as at 30 June 2021. Our turnover days for trade payables (trade payables/cost of sales) increased from approximately 41.9 days as at 31 December 2020 to approximately 44.1 days as at 30 June 2021.

### **Borrowings and Finance Cost**

Borrowings of our Group as at 30 June 2021 were bank borrowings which amounted to approximately RMB148.6 million (31 December 2020: approximately RMB205.6 million) and denominated in Euro and USD. Amongst the borrowings, approximately RMB139.0 million (31 December 2020: approximately RMB191.5 million) will be repayable within one year and approximately RMB9.6 million (31 December 2020: approximately RMB14.0 million) will be repayable after one year. For the period under review, the net finance cost of our Group was approximately RMB2.7 million (for the six months ended 30 June 2020: net finance income of approximately RMB0.7 million). For details of the borrowings and finance cost of our Group, please refer to notes 15 and 6 to the consolidated financial statements contained in this announcement respectively.

### **Gearing Ratio**

As at 30 June 2021, the gearing ratio of our Group was approximately 0.06 (31 December 2020: approximately 0.08), 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 2021 was approximately RMB1,071.6 million (31 December 2020: approximately RMB1,078.2 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, Euro and USD. During the period under review, our Group recorded exchange gain of approximately RMB5.3 million (for the six months ended 30 June 2020: exchange loss of approximately RMB2.6 million).

## **Capital Expenditure**

As at 30 June 2021, our Group's total capital expenditure amounted to approximately RMB57.6 million (31 December 2020: approximately RMB80.3 million), which was mainly used for purchasing production machines and equipment for the Group.

## **Capital Commitments**

As at 30 June 2021, our Group had capital commitments of approximately RMB22.3 million (31 December 2020: approximately RMB28.0 million) in respect of acquisitions of property, plant and equipment.

## **Charge on Assets**

As at 30 June 2021, our Group received certain banking facilities of approximately RMB130.0 million, through pledging properties with net book value of approximately RMB88.9 million (31 December 2020: approximately RMB90.9 million) and land use rights with net book value of approximately RMB24.8 million (31 December 2020: approximately RMB25.1 million) to banks.

## **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 are no material contingent liabilities as at 30 June 2021 (31 December 2020: nil).



## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2021, our Group employed approximately 1,713 employees (31 December 2020: approximately 1,673 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 2021 amounted to approximately RMB151.0 million (for the six months ended 30 June 2020: approximately RMB134.1 million). In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. In order to ensure that our Group's employees remain competitive in the industry, the Company has adopted training schemes for our employees managed by our human resources department.

## **PROSPECTS**

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;
- Increasing the utilisation rate of production capacity, and at the same time paying more attention to the impact on the environment, society and economy, and continuously enhancing sustainability; and
- Continuing to strictly control product quality and cost, and to promote operational excellence. Building the core competitiveness of digital intelligence products based on big data, Internet of Things and artificial intelligence technologies.

## **PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

During the six months ended 30 June 2021, there were no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company. As at the date of this announcement, the Group has no future plan to make any significant investment or acquisition of capital assets.

## **CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). 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 2021.

## **CORPORATE GOVERNANCE**

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

During the period under review, the Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the CG Code during the six months ended 30 June 2021 and up to the date of this announcement.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the CG Code during the six months ended 30 June 2021.

## **INTERIM DIVIDEND**

The Board has resolved to declare an interim dividend of HK\$0.12 per share (30 June 2020: HK\$0.13 per share), amounting to a total of approximately HK\$160,396,000 (30 June 2020: approximately HK\$173,812,000) for the six months ended 30 June 2021 which shall be payable on or about 18 October 2021 to shareholders whose names appear on the register of members of the Company (the "**Register of Members**") on 23 September 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from 20 September 2021 to 23 September 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 17 September 2021.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS AND INTERIM REPORT**

The audit committee of the Company (the "**Audit Committee**") comprises all the three independent non-executive Directors namely, Mr. LUETH Allen Warren (chairman of the Audit Committee), Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia, and one non-executive Director, Mr. PANG Yiu Kai.

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 system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditor of the Company. The Group's interim report and the unaudited consolidated interim financial statements for the six months ended 30 June 2021 have been reviewed by the Audit Committee.

## **CHANGE OF INFORMATION IN RESPECT OF DIRECTORS**

Mr. LUETH Allen Warren, an independent non-executive Director, has been appointed as the chief executive officer of Great Leap Brewing (Tianjin) Co., Ltd., a company mainly engaged in producing and distributing beer in the PRC, with effect from 1 February 2021. Mr. Lueth has resigned as a president and chief financial officer of International Institute of Education Group, a company mainly engaged in language education in the PRC, with effect from 28 February 2021.

Mr. PANG Yiu Kai, a non-executive Director, has ceased to be a director of Jardine Strategic Holdings Limited, a company previously listed on the London Stock Exchange, Bermuda Stock Exchange and Singapore Exchange (with stock codes JDS, JSHBD.BH and J37, respectively), with effect from 15 April 2021.

## **EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any significant events after the reporting period and up to the date of this announcement which requires disclosure.

## **PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE**

The Company's interim report containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company ([www.greatviewpack.com](http://www.greatviewpack.com)) in due course.

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

Beijing, the PRC, 27 August 2021

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. BI Hua, Jeff and Mr. CHANG Fuquan; two non-executive Directors, namely Mr. HONG Gang and Mr. PANG Yiu Kai; and three independent non-executive Directors, namely Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia.*