GREATVIEW

2022

ANNUAL REPORT

GREATVIEW ASEPTIC PACKAGING COMPANY LIMITED

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

CONTENTS

3	Corporate Information
5	Financial Summary
7	Five Years Financial Summary
9	CEO's Statement
10	Management Discussion and Analysis
23	Board of Directors and Senior Management
28	Report of the Directors
42	Corporate Governance Report
61	Independent Auditor's Report
66	Consolidated Statement of Financial Position
68	Consolidated Statement of Comprehensive Income
69	Consolidated Statement of Changes in Equity
70	Consolidated Statement of Cash Flows
71	Notes to the Consolidated Financial Statements


Recreate
Replace
Recycle
Reuse
Reduce

CORPORATE INFORMATION

DIRECTORS

Executive Directors

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

Non-Executive Directors

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

Independent Non-Executive Directors

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

JOINT COMPANY SECRETARIES

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

AUTHORISED REPRESENTATIVES

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

EXECUTIVE COMMITTEE

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

OTHER PLACE OF BUSINESS IN HONG KONG

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

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

14 Jiuxianqiao Road
Chaoyang District
Beijing 100015
The PRC

AUDITOR

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

LEGAL ADVISERS

Iu, Lai & Li Solicitors
Tian Yuan Law Firm

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

COMPANY WEBSITE

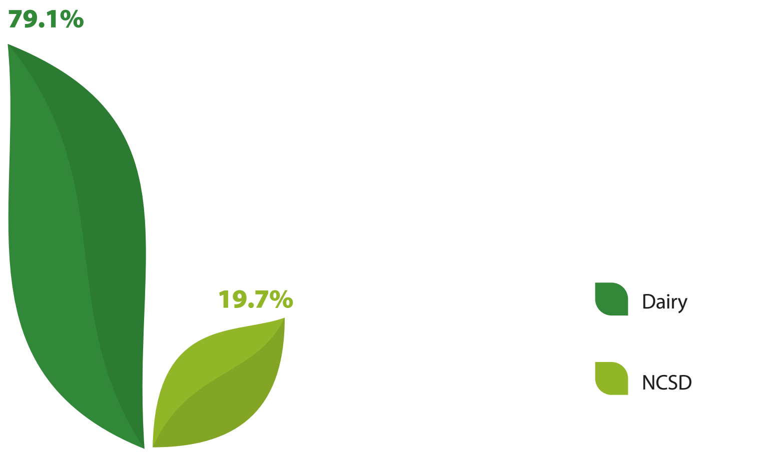
www.greatviewpack.com

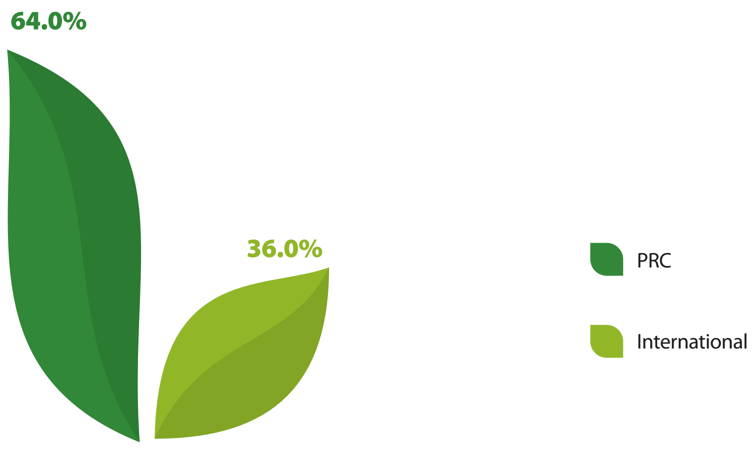

GREATVIEW
Brick
1000mL

FINANCIAL SUMMARY

	Year ended 31 December		
	2022	2021	Percentage
	RMB million	RMB million	%
Revenue	**3,937.0**	3,464.3	13.6
Gross profit	**588.0**	697.7	-15.7
Net profit	**182.4**	285.1	-36.0
Profit attributable to shareholders	**182.4**	285.1	-36.0
Earnings per share — basic and diluted (RMB)	**0.14**	0.21	-33.3
Proposed dividend per share (HK$)	**–**	–	–

REVENUE ANALYSIS

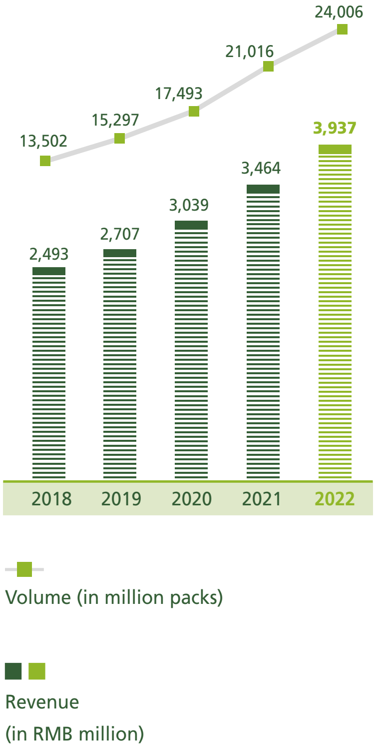




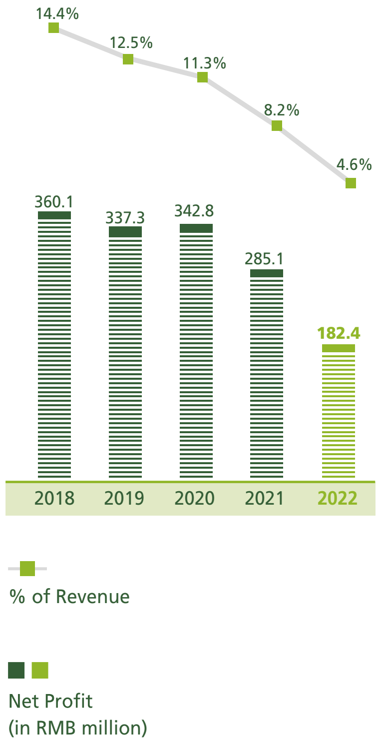

GREATVIEW
Planet
SIMPLY BECAUSE WE LOVE THE EARTH
RSB
1000mL
GREATVIEW ECO-PACKAGING
GREATVIEW
330mL
GREATVIEW
MICROWAVABLE
PORTABLE
HOT
250mL
GREATVIEW
100% FRESH PINEAPPLE JUICE
ORGANIC
Pineapple is also a fine apple.
GREATVIEW
SOY MILK 100% FRESH
330mL

FIVE YEARS FINANCIAL SUMMARY

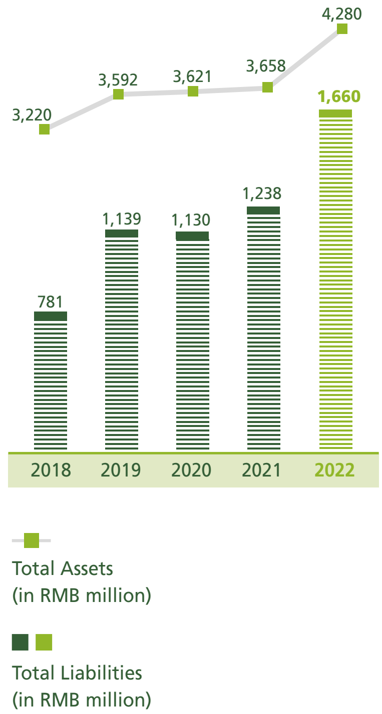
REVENUE TREND



PROFIT TREND



ASSET AND LIABILITY TRENDS



	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
Assets					
Non-current assets	**1,392,709**	1,447,371	1,524,312	1,581,743	1,427,761
Current assets	**2,886,944**	2,211,109	2,097,081	2,010,630	1,792,699
Total assets	**4,279,653**	3,658,480	3,621,393	3,592,373	3,220,460
Liabilities					
Non-current liabilities	**72,551**	96,434	110,790	124,230	119,480
Current liabilities	**1,587,178**	1,142,012	1,018,848	1,014,973	661,621
Total liabilities	**1,659,729**	1,238,446	1,129,638	1,139,203	781,101
Total equity	**2,619,924**	2,420,034	2,491,755	2,453,170	2,439,359

CEO'S STATEMENT

STRIVING FOR STABILITY WHILE MOVING FORWARD AND MAKE STEADY PROGRESS IN THE FUTURE

2022 is an exceptional year. There were multiple pressures, such as the spread of COVID-19 variants, high inflation and the impact of the Russia-Ukraine conflict on the energy landscape, nevertheless, Greatview rose to the challenge and forged ahead in the process of transformation, and continued to live up to our mission of protecting human food safety.

Looking back, Greatview showed strong resilience to withstand the various external challenges. In 2022, our sales volume exceeded 24.0 billion packs, representing an increase of approximately 14.2%.

We have firmly established ourselves in the industry. We also uphold the principle of creating value for our customers, based on the situation of further recovery of domestic macroeconomy and good prospects for the development of the dairy industry. We launched "Greatview® Planet" and Greatview aluminum-free packaging products. We actively embraced changes and launched the "Marketing Cloud" system, which enable our expertise and digital content to empower business development and deliver quality and experience directly to our customers.

We continued to make efforts in the industry, and expanded our "footprint" around the world. It's worth mentioning that we successfully acquired our fifth factory globally this year, the factory is located in Italy and formerly owned by another aseptic packaging company.

We are gathering momentum and building up our strengths, and adhering to green operations. Greatview has proposed a medium- to long-term carbon reduction target and a 2050 carbon neutral target to promote the sustainable development of the Company. We were awarded the title of "Demonstration Enterprise for Performing Extended Responsibility by Producer of Beverage Paper-based Composite Packaging" by the China National Resources Recycling Association (CRRA) and the Alliance of Technological Innovation in Compulsory Resources Recycling Industry (ATCRR). Greatview was also awarded the 2022 "CHKD Corporate Social Responsibility Practice Award" by the Chinesische Handelskammer in Deutschland, and ranked fourth in the list of the Top 50 Companies in the first "Eco-Innovation Award" launched by Real Leaders® globally.

Looking towards the future, digitalisation and decarbonisation are the established direction and opportunities for the Company in an uncertain macro environment. We need to maintain our determination in a complex and ever-changing environment, stick to our vision and mission, continue to communicate and cooperate with all stakeholders in an open, transparent and responsible manner, focus on building long-term competitiveness, and promote green and sustainable development, with a view to creating value for society, customers and partners.

BI Hua, Jeff
CEO and Executive Director

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) ("Likang"), 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.

After experiencing a rapid rebound in 2021, the global economy showed a significant slowdown in recovery in 2022, and continued to be in the midst of uncertainty. The continuous spread of new variants of COVID-19 pandemic (the "pandemic" or "COVID-19"), high inflation, the continued trade weakness and the disruption to international energy and food markets from the political tension in Ukraine are among many uncertainties that have seriously slowed down the pace of world economic recovery. According to the forecast from the International Monetary Fund ("IMF"), the global economic growth rate will decline from 6.0% in 2021 to 3.4% in 2022, and the global economic growth rate is expected to be 2.9% in 2023. In the face of many uncertain risks in the global economy, Greatview continued to put "Customer-Oriented" service mindset and the "Quality-Based" quality standard in the core of our value, with strict control of all aspects of procurement, production and sales, and provided stable and high-quality product supply to customers.

Apart from the long-term disruptions and uncertainties in the macro environment, consumers were deeply affected by inflation and rising food prices. According to the IMF's estimation, the global average annual inflation rate in 2022 was 8.8%, up by 4.0 percentage points from 2021. Although the affordability in consumption is still the key consideration for food and beverage consumption, consumers are becoming more and more conscious of food health and food safety nowadays, under the influence of COVID-19 in recent years, and the traceability of food and beverages can raise consumers' willingness to purchase. On the other hand, with the increasing awareness of eco-conservation among consumers, improving packaging to reduce the ecological footprint of products has become one of the social responsibilities that companies must take on.

* *For identification purposes only*

Management Discussion and Analysis

In 2022, Greatview continued to deepen its global market strategy, consolidate and strengthen its cooperative relationship with the liquid dairy and NCSD producers, and its sales volume in the international business increased by approximately 33.5%. Under the influence of the spread of the pandemic and the Russia-Ukraine conflict, the energy crisis broke out in Europe, and the global industrial supply chain continued to face greater pressure under a series of impacts such as soaring prices of bulk raw materials, high labour costs, obstructed logistics and high transportation costs. Under the circumstances of many difficulties, Greatview has risen to the challenge. As a trusted partner, we have not only ensured the security of our customers' supply chains, but we also acquired a factory in Italy to upgrade our supply chains again, aiming to respond to the wider global market demand.

The overall consumer market in China was hit hard by the pandemic in 2022, particularly aggregate consumption and contact consumption are restricted, which resulted in a decline in consumers' willingness to spend. However, with the gradual liberalisation of the pandemic prevention and control policies at the end of the year, and the continued rise in public concern on proper diet and improved immunity, dairy consumption is also in the process of recovering. According to the report of "China Nutritious Dietary Guidelines 2022", 82.2% of the public agreed with the effect of drinking milk to improve immunity, and were particularly concerned about the effectiveness of lactoferrin in boosting immunity, dairy consumption also showing a trend towards high-end consumption. With the increasing frequency of intake, improving category awareness and purchasing habits of Chinese consumers, Greatview's China business achieved an increase in sales volume of approximately 6.9% in 2022.

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

Management Discussion and Analysis

Markets and Products

We sold a total of approximately 24.0 billion packs during the year ended 31 December 2022 which represents an increase of approximately 14.2% as compared to 2021. Such increase was primarily due to the growth of sales volume in both the PRC and international markets. "Greatview Brick 250mL Base" remained as our top selling product, followed by "Greatview Brick 200mL Slim".

In order to continuously meet the new demands of our customers and consumers, this year, we launched the "Greatview Brick 180mL Slim" to consumers in North America for the first time. At the same time, we continued to expand our smart packaging solutions to customers in Southeast Asia, offering highly differentiated services in highly competitive regions to increase the penetration of existing customers and expand new customers. In addition, we have also expanded the production of "Greatview Octagon 200mL Square" and "Greatview Octagon 250mL Square" to our German factory, enriching Greatview's packaging solutions in Europe and providing more options for our customers. By continuing to expand the range of formats and options available to liquid dairy and beverage producers, such solutions are perfectly-suited to the dynamic environmental development needs of the modern food and beverage industry.

The global aseptic packaging market has become highly competitive and has maintained its growth momentum in recent years. According to WK Research's report "The Global Aseptic Packaging Professional Survey 2022", the global aseptic packaging market is expected to grow at a compound annual growth rate (CAGR) of 10.62% from 2022 to 2027. The rapid growth rate was partly due to the increasing demand for ready-to-eat food; on the other hand, increasing urbanisation and the growth in the packaging industry have led to increased demand for aseptic packaging, especially in the emerging economies of Asia Pacific and South America. As the Asia-Pacific region accounts for the largest share of the global packaging industry, producers from developed economies will likely to increase their production facilities in the region and further expand their production capacity to meet growing end-user demand in the future.

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

In 2022, as an industry-leading provider of sustainable aseptic packaging solutions, Greatview officially announced the launch of our first pack specifically designed to put sustainability at its core, "Greatview® Planet", which empowers liquid dairy and beverage producers to live up to their positioning on sustainable development and responsible sourcing, and helps our Company

Management Discussion and Analysis

to enhance its brand image. The incorporation of bio-attributed polymers under a mass balance approach certified by the Roundtable on Sustainable Biomaterials ("RSB") allows customers to adopt "Greatview® Planet" materials on their existing filling lines without necessitating any equipment changes, validations or loss of efficiency. At present, both Greatview's Halle Factory in Germany and Greatview's Shandong Factory have been successfully certified by RSB and the International Sustainability & Carbon Certificate (ISCC) respectively to produce packaging materials that incorporate bio-attributed polymers under a mass-balance approach. In addition, we also launched a more environmentally-friendly aluminum-free packaging product, which replaces the aluminum foil layer used in ordinary aseptic packaging with a high-performance polymer barrier material. While ensuring product quality and safety, it makes the packaging can be heated by microwave, which is more convenient for the recycling and reuse of the packaging after use.

In the post-epidemic era, consumers are demanding more traceability of food products. More transparent and detailed product information on product packaging can increase consumers' purchase intention. In order to provide consumers with more confidence in their purchases, food and beverage producers have also started to incorporate digital solutions such as traceable QR codes on their packaging.

In 2022, Greatview closely followed the development of the industry, and developed a print manuscript management system for the brand supply chain based on years of advanced experience in brand supply chain services, packaging design manuscript processing and enterprise digital intelligence management. The system was successfully delivered to a well-known dairy brand in China, helping the brand to improve its packaging supply chain efficiency through a digital platform. Through the integration of "one-code-per-pack" and Internet of Things ("IoT") technology, Greatview has helped another leading dairy brand to complete projects including product traceability solutions consultation, production line transformation and system construction. Greatview's "Traceability System" has assisted them to complete the product life cycle monitoring. At the same time, Greatview launched a "Marketing Cloud" platform, bringing more marketing methods to our customers. With a simple set-up, the marketing activities of brand owners can be made simple and diversified, thus enhancing the added value of our products and services.

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

Management Discussion and Analysis

Operation Management

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

In 2022, we invested a lot of effort in data collection and data governance. With a well-established data system, on the one hand, enterprises can gain insights into their own entire business chain; on the other hand, such data system can also provide overall operational guidance for enterprises, improve the synergistic efficiency between enterprises and their customers and suppliers, and improve their experience.

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

Production Capacity and Utilisation

Our Group has a total annual production capacity of approximately 33.8 billion packs as at 31 December 2022 (2021: approximately 30.0 billion packs). Approximately 24.0 billion packs were produced for the year ended 31 December 2022 which represented an utilisation rate of approximately 71.0% (2021: approximately 70.6%). The increase in the utilisation rate was mainly due to the increase in sales volume.

Management Discussion and Analysis

Suppliers and Raw Materials

For the year ended 31 December 2022, the purchase price of the Company's major raw materials remained at a high level, and our supply chain continued to operate under pressure. This was mainly due to the impact of multiple factors, such as the continuation of the political tension in Ukraine, the recurrence of global pandemic, the continued rise in global inflation, the energy crisis in Europe, the significant fluctuations in exchange rates, and the PRC's pandemic prevention and control policies. We have been working hard to source new suppliers to optimise our supply chain resources to ensure consistent supply and normal production and operations. In addition, by strengthening relationships with suppliers, enhancing supply chain management, optimising the structure of raw materials and products, and saving energy and reducing consumption, in order to maximise the overall interest to the Company. It is encouraging that the global supply chain disruption is gradually easing, and the situation may continue to improve.

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

Business Development

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

In January 2022, Greatview was awarded "Demonstration Enterprise for Performing Extended Responsibility by Producer of Beverage Paper-based Composite Packaging" for its outstanding contribution across the lifecycle of its packaging products by the China National Resources Recycling Association (CRRA) and the Alliance of Technological Innovation in Compulsory Resources Recycling Industry (ATCRR). This award highlights Greatview's commitment to promoting the extended producer responsibility system.

Management Discussion and Analysis

In July 2022, Greatview ranked the fourth in the list of the Top 50 Companies in the first "Eco-Innovation Award" globally launched by Real Leaders®. "Greatview® Eco-packaging" Service Scheme helps Elix Water to fulfill its environmental responsibility commitment of "Come from Nature, Future for Nature" through carton packaging that can reduce the plastic content by 86%, supporting filling machine, recycling program for post-consumer carton packaging and thoughtful and meticulous services. This low-carbon environmental protection scheme helped Greatview to win this award.

In August 2022, Greatview announced the acquisition of a factory in Italy formerly owned by another aseptic packaging company. Through this acquisition, the factory in Italy has become Greatview's fifth factory globally and is now under operation. Through this acquisition, it confirms our commitment to expanding our international business, strengthens our penetration into new and existing customers, and helps us to achieve closer cooperation with customers in the region more easily. At the same time, it also helps us to further improve our supply chain's stability support capability and service level, and greatly improves the production capacity of Greatview's business internationally.

At the same month, our product "Greatview® Planet" won the 2022 Ringier Technology Innovation Award. Since its inception, the award has focused on technological innovation. It helps to drive innovation in the industry by encouraging and recognising innovative products and technologies that improve production efficiency and economic efficiency and contribute to sustainable development.

In September 2022, Greatview was awarded the 2022 "CHKD Corporate Social Responsibility Practice Award" by the Chinesische Handelskammer in Deutschland in recognition of the Company's efforts and achievements in the implementation of corporate social responsibility and sustainable development.


Management Discussion and Analysis

Relationships with Stakeholders

Our Group is committed to operating in a sustainable manner while balancing the interests of our various stakeholders including customers, suppliers, employees, shareholders and the communities. Providing customers with high quality products, with timely and relevant pre- & post-sales services is always our focus. Similarly, we view our suppliers not just as vendors but as strategic partners and an important component of our supply chain. We aim to provide long-term and sustainable returns to our shareholders. Our employees are the key to sustainable business growth, therefore workplace safety is a key priority. We uphold our spirit of social responsibility and actively carry out voluntary activities to the best of our ability.

Compliance with Applicable Laws and Regulations

For the year ended 31 December 2022, our Group's operations are mainly carried out by our Company's subsidiaries in mainland China, the Hong Kong Special Administrative Region, Germany, Switzerland and France. Therefore, the Group complies with relevant laws and regulations in mainland China, the Hong Kong Special Administrative Region, Germany, Switzerland and France as well as the respective places of incorporation of our Company and our subsidiaries.

During the year ended 31 December 2022 and up to the date of this annual report, the board (the "Board") of directors (the "Directors") of the Company was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the business and operations of our Group.

FINANCIAL REVIEW

Overview

For the year ended 31 December 2022, top line was higher while bottom line was much lower than the year ended 31 December 2021 due to the high price of key raw materials. 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.

Management Discussion and Analysis

Revenue

We primarily derive revenue from the PRC and international sales of aseptic packaging and related services to dairy and NCSD producers. Revenue of our Group increased by approximately 13.6% from approximately RMB3,464.3 million for the year ended 31 December 2021 to approximately RMB3,937.0 million for the year ended 31 December 2022. Such increase was primarily due to the increase in sales volume in both PRC and international markets.

With respect to the PRC segment, our revenue increased by approximately RMB117.2 million, or 4.9%, to approximately RMB2,520.0 million for the year ended 31 December 2022 from approximately RMB2,402.8 million for the year ended 31 December 2021. Such increase was mainly contributed by the growth of sales volume.

With respect to the international segment, our revenue increased by approximately RMB355.5 million, or 33.5%, to approximately RMB1,417.0 million for the year ended 31 December 2022 from approximately RMB1,061.5 million for the year ended 31 December 2021. Such increase was primarily due to the growth of sales volume.

Our revenue from dairy customers increased by approximately RMB253.6 million, or 8.9%, to approximately RMB3,115.2 million for the year ended 31 December 2022 from approximately RMB2,861.6 million for the year ended 31 December 2021, and our revenue from NCSD customers increased by approximately RMB196.8 million, or 33.9%, to approximately RMB777.4 million for the year ended 31 December 2022 from approximately RMB580.6 million for the year ended 31 December 2021. It was mainly contributed by the increase in sales volume.

Cost of Sales

Our cost of sales increased by approximately RMB582.3 million, or 21.0%, to approximately RMB3,349.0 million for the year ended 31 December 2022 from approximately RMB2,766.7 million for the year ended 31 December 2021. The growth in cost of sales was mainly due to the increase in sales volume and key raw materials price.

Gross Profit and Gross Margin

As a result of the foregoing factors, our gross profit decreased by approximately RMB109.7 million, or 15.7% from approximately RMB697.7 million for the year ended 31 December 2021 to approximately RMB588.0 million for the year ended 31 December 2022. Our gross margin decreased by approximately 5.2 percentage points to approximately 14.9% for the year ended 31 December 2022 from approximately 20.1% for the year ended 31 December 2021. It was primarily due to the increase in cost of raw materials and the change of sales mix.

Management Discussion and Analysis

Other Income

Our other income increased by approximately RMB6.4 million, or 10.4%, to approximately RMB67.4 million for the year ended 31 December 2022 from approximately RMB61.0 million for the year ended 31 December 2021. It was primarily due to the increase in income from sales of scraps and other materials.

Other (Losses)/Gains – Net

Our other gains – net decreased by approximately RMB15.2 million, or 103.7%, to other losses – net of approximately RMB0.5 million for the year ended 31 December 2022 from approximately RMB14.7 million for the year ended 31 December 2021. It was primarily due to the fluctuation of foreign exchange.

Distribution Expenses

Our distribution expenses increased by approximately RMB23.5 million, or 10.2%, to approximately RMB254.4 million for the year ended 31 December 2022 from approximately RMB230.9 million for the year ended 31 December 2021. It was primarily due to the increase in freight costs and salary and welfare.

Administrative Expenses

Our administrative expenses decreased by approximately RMB4.5 million, or 2.6%, to approximately RMB169.8 million for the year ended 31 December 2022 from approximately RMB174.3 million for the year ended 31 December 2021. The decrease was primarily due to effective expenses control.

Taxation

Our income tax expenses decreased by approximately RMB24.4 million, or 32.6%, to approximately RMB50.4 million for the year ended 31 December 2022 from approximately RMB74.8 million for the year ended 31 December 2021. Our effective tax rate increased by approximately 0.8 percentage points to approximately 21.6% for the year ended 31 December 2022 from approximately 20.8% for the previous financial year.

Profit for the Year and Net Profit Margin

Driven by the factors as aforementioned, our net profit decreased by approximately RMB102.7 million, or 36.0%, to approximately RMB182.4 million for the year ended 31 December 2022 from approximately RMB285.1 million for the year ended 31 December 2021. Our net profit margin decreased by approximately 3.6 percentage points to approximately 4.6% for the year ended 31 December 2022 from approximately 8.2% for the year ended 31 December 2021.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2022, we had approximately RMB607.4 million (2021: approximately RMB425.2 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC.

Analysis of Turnover of Inventories, Trade Receivables and Payables

Our Group's inventories primarily consist of raw materials and finished goods. Turnover days for inventory (inventories/cost of sales) increased from approximately 101.6 days as at 31 December 2021 to approximately 110.4 days as at 31 December 2022. Our turnover days for trade receivables (trade receivables/revenue) increased from approximately 65.4 days as at 31 December 2021 to approximately 66.8 days as at 31 December 2022. Our turnover days for trade payables (trade payables/cost of sales) increased from approximately 39.9 days as at 31 December 2021 to approximately 45.3 days as at 31 December 2022.

Borrowings and Finance Cost

Borrowings of our Group as at 31 December 2022 were bank borrowings which amounted to approximately RMB223.6 million (2021: approximately RMB288.5 million) and denominated in HKD, EUR and USD. Amongst the borrowings, approximately RMB223.6 million (2021: approximately RMB283.1 million) will be repayable within one year and nil (2021: approximately RMB5.4 million) will be repayable after one year. For the year under review, the net finance income of our Group was approximately RMB5.3 million (2021: net finance cost of approximately RMB2.4 million). For details of the borrowings of our Group, please refer to notes 18 and 24 to the consolidated financial statements contained in this annual report.

Gearing Ratio

As at 31 December 2022, the gearing ratio of our Group was approximately 0.09 (2021: approximately 0.12), 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.

Working Capital

Our working capital as at 31 December 2022 was approximately RMB1,299.8 million (2021: approximately RMB1,069.1 million). The working capital is calculated by the difference between the current assets and current liabilities.

Management Discussion and Analysis

Foreign Exchange Exposure

Our Group's sales and purchases were primarily denominated in RMB, EUR and USD. During the year under review, our Group recorded exchange loss of approximately RMB3.5 million (2021: exchange gain of approximately RMB11.0 million).

Capital Expenditure

As at 31 December 2022, our Group's total capital expenditure amounted to approximately RMB88.6 million (2021: approximately RMB88.3 million), which was mainly used for purchasing production machines and equipment for the Group.

Capital Commitments

As at 31 December 2022, our Group had capital commitments of approximately RMB72.5 million (2021: approximately RMB16.8 million) in respect of acquisitions of property, plant and equipment.

Charge on Assets

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

Contingent Liabilities

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

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2022, our Group employed approximately 1,780 employees (2021: approximately 1,754 employees). Our Group offered competitive salary package, as well as discretionary bonuses, cash subsidies and contribution to social insurance to our employees. Our total employee benefit expenses for the year ended 31 December 2022 amounted to approximately RMB341.5 million (2021: approximately RMB323.3 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. For details of the remuneration of our Group, please refer to note 23 to the consolidated financial statements contained in this annual report.

Management Discussion and Analysis

PROSPECTS

In 2022, the global pandemic remained unresolved, the geopolitical crisis continued, and the political tension in Ukraine further undermined the economic stability, which resulted in a more tense situation in the global supply chain and a push-up in the inflation level. The Group was still under certain pressure in supply chain management due to the impact of factors such as pandemic containment and control in China. However, despite the difficulties, Greatview has actively responded to various difficulties. While making every effort to fight the pandemic and ensure production and operation, Greatview has actively undertaken corporate social responsibilities, and consistently provided high-quality and diversified products to customers around the world.

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

- Deepening the cooperation with existing customers through digital intelligence, and expanding the customer base and our market share in the PRC;
- Adhering to the international development strategy, and steadily developing international business by strengthening localised operation, promoting new product research and development, and enriching product structure;
- 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, IoT and artificial intelligence technologies.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. BI Hua, Jeff (畢樺)

Mr. BI Hua, Jeff (畢樺), aged 59, joined our Group as chief executive officer of the Company (the "Chief Executive Officer") in March 2003 and was appointed as an executive Director on 29 July 2010. He is primarily responsible for our overall business strategy formulation, execution and organisational development. Mr. Bi is also a director of our Group's subsidiaries, namely Partner One Enterprises Limited ("Partner One"), Falcon Eye Global Limited, Global Land International Industries Limited, Greatview Holdings Limited ("Greatview Holdings"), Esight Company Limited, Greatview Aseptic Packaging (Shandong) Co. Ltd. ("Greatview Shandong"), Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. ("Greatview Inner Mongolia"), Greatview Beijing Trading Co. Ltd. ("Greatview Beijing"), Greatview Aseptic Packaging Europe GmbH (formerly known as Tralin Pak Europe GmbH and GA Pack Europe GmbH), Greatview Aseptic Packaging Manufacturing GmbH (formerly known as GA Pack Property GmbH and GA Pack Manufacturing GmbH) and Likang. Mr. Bi has more than 25 years of experience in marketing development in the aseptic packaging industry as well as company management. From 1997 to 2003, he was a sales and marketing manager at a leading aseptic packaging producer. From 1992 to 1997, Mr. Bi was the Greater China manager of Echostar Corporation, a software and service provider for television companies worldwide. Mr. Bi graduated from the University of Denver with a Master of Arts degree in 1991. He did not hold any directorship in other listed public companies in the last three years. For the interests of Mr. Bi in the shares of the Company (the "Shares") or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 517 of the Laws of Hong Kong) (the "SFO") as at 31 December 2022, please refer to the section headed "Interests and Short positions of the Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" on pages 31 to 32 of this annual report for details.

Mr. CHANG Fuquan (常福泉)

Mr. CHANG Fuquan (常福泉), aged 65, is our chief financial officer and was appointed as an executive Director on 27 March 2019. Mr. Chang joined our Group in June 2005 and was appointed as a director of our subsidiaries, namely Greatview Holdings and Partner One on 5 August 2019. Mr. Chang is also a director of our subsidiaries, namely Greatview Beijing, Greatview Shandong, Greatview Inner Mongolia and Likang. He was the joint company secretary of the Company from November 2010 to March 2019. He is primarily responsible for the overall accounting, financial management and treasury of our Group. Mr. Chang has over 33 years of experience in financial management. Prior to joining us, Mr. Chang was the chief finance officer of Fujian Nanping Nanfu Battery Co., Ltd. from 2002 to 2005, the finance controller of John Deere Jialian Harvester Co. Ltd. from 1999 to 2001, the deputy finance controller of China Automotive Components Corporation from 1997 to 1999, the chief financial officer of San Miguel Bada (Baoding) Brewery Co., Ltd. from 1995 to 1996 and the financial director of China Enterprise Culture Group from 1992 to 1994. Mr. Chang has also worked as the financial supervisor at Beijing McDonald's Food Co Ltd.* (北京麥當勞食品有限公司) from 1994 to 1995 and as an accountant in each of Bohai Oil Corporation and Oil Drilling Service Co, both being subsidiaries of China National Offshore Oil Corporation from 1985 to 1992. Mr. Chang graduated from Xiamen University in the PRC in 1985, major in International Accounting. He completed a Master of Accounting Class in Xiamen University in the PRC in 1998. He did not hold any directorship in other listed public companies in the last three years. For the interests of Mr. Chang in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO as at 31 December 2022, please refer to the section headed "Interests and Short positions of the Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" on pages 31 to 32 of this annual report for details.

* *For identification purposes only*

Board of Directors and Senior Management

Non-executive Directors

Mr. HONG Gang *(洪鋼)*

Mr. HONG Gang (洪鋼), aged 64, is our co-founder and chairman of the Board (the "Chairman"). Mr. Hong joined the Group in March 2003. He was appointed as an executive Director on 29 July 2010 and was re-designated as a non-executive Director on 29 August 2014. He is primarily responsible for the strategic development and supervision of investor relations of our Group. Mr. Hong has more than 34 years of experience in the packaging industry. From 1993 to 2002, he held various executive positions with a leading aseptic packaging producer. Mr. Hong graduated from Zhejiang University in the PRC with a Bachelor of Science degree in 1982 and obtained a Master of Philosophy (Development Studies) degree from Sussex University in the United Kingdom in 1987. He did not hold any directorship in other listed public companies in the last three years. For the interests of Mr. Hong in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO as at 31 December 2022, please refer to the section headed "Interests and Short positions of the Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" on pages 31 to 32 of this annual report for details.

Mr. PANG Yiu Kai (彭耀佳)

Mr. PANG Yiu Kai (彭耀佳) ("Mr. Pang"), *GBS, JP*, aged 62, was appointed as a non-executive Director on 30 March 2020. Mr. Pang joined the board of Jardine Matheson Holdings Limited (Jardine Matheson Holdings Limited and its subsidiaries are referred as "Jardine Matheson Group") (a company which has a standard listing on the London Stock Exchange (the "LSE"), with secondary listings on the Bermuda Stock Exchange (the "BSX") and Singapore Exchange (the "SGX") with stock codes JAR, JMHBD.BH and J36, respectively) in 2011 and was appointed as the deputy managing director in 2016 and the chairman of Hong Kong in October 2019. He has held a number of senior executive positions in the Jardine Matheson Group, which he joined in 1984, including the chief executive of Hongkong Land Holdings Limited between 2007 and 2016, and the director of Jardine Strategic Holdings Limited (a company which has a standard listing on the LSE, with secondary listings on the BSX and SGX with stock codes JDS, JSHBD.BH and J37, respectively) from August 2016 to April 2021. He was also a director of DFI Retail Group Holdings Limited (formerly known as Dairy Farm International Holdings Limited) (a company which has a standard listing on the LSE, with secondary listings on the BSX and SGX with stock codes DFI, DFIBD.BH and D01, respectively) from August 2016 to November 2021. He is currently the chairman of Jardine Pacific Limited and Gammon China Limited, a deputy chairman of Jardine Matheson Limited, and a director of Hongkong Land Holdings Limited (a company which has a standard listing on the LSE, with secondary listings on the BSX and SGX with stock codes HKLD, HKLBD.BH and H78, respectively), Jardine Matheson (China) Limited and Mandarin Oriental International Limited (a company which has a standard listing on the LSE, with secondary listings on the BSX and SGX with stock codes MDO, MOIBD.BH and M04, respectively). Mr. Pang was a non-executive director of Zhongsheng Group Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code 881) from August 2016 to October 2019. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

Mr. Pang graduated from the University of Nottingham with a Bachelor of Science Degree in Civil Engineering and a Master of Business Administration degree from the University of Edinburgh in the United Kingdom. He completed the Program for Global Leadership at Harvard Business School in 1998. He was conferred an Honorary Doctorate degree by the University of Edinburgh in July 2016 and an Honorary Doctorate degree in Education by the Education University of Hong Kong in November 2018.

Board of Directors and Senior Management

Mr. SUN Yanjun (孫燕軍)

Mr. SUN Yanjun (孫燕軍), aged 52, was appointed as an alternate Director to Mr. Pang on 1 August 2022. Mr. Sun has over two decades of principal investing, merger and acquisition and capital markets experience. Prior to joining Jardine Matheson Group in 2022, he was a partner and co-head of the Greater China at TPG Capital, leading private equity investments and facilitating business development efforts for TPG Capital's global business units in China, including cross-border transactions and strategic partnerships. Mr. Sun was previously a managing director of Goldman Sachs' Principal Investment Area – the investment bank's private equity unit which was responsible for Greater China's investments. Mr. Sun is an independent non-executive director of China National Building Material Company Limited (a company listed on the Stock Exchange with stock code 3323) from October 2014, and a non-executive director of Zhongsheng Group Holdings Limited (a company listed on the Stock Exchange with stock code 881) from 1 August 2022. He was a non-executive director of Phoenix Media Investment (Holdings) Limited (a company listed on the Stock Exchange with stock code 2008) from November 2013 to August 2019. Mr. Sun received a bachelor's degree in international finance from Renmin University of China in July 1992 and a Master of Business Administration degree with high distinction from University of Michigan in May 1997. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

Independent Non-executive Directors

Mr. LUETH Allen Warren

Mr. LUETH Allen Warren, aged 54, was appointed as an independent non-executive Director on 15 November 2010. Mr. Lueth is primarily responsible for scrutinising and monitoring the performance of the Group. Mr. Lueth is currently an independent director of Fanhua Inc. (FANH NASDAQ), one of the largest independent financial service providers in the PRC primarily focused on insurance distribution. Since February 2021, Mr. Lueth has been serving as a chief executive officer of Great Leap Brewing, a company mainly engaged in producing and distributing beer in the PRC. From September 2019 to February 2021, Mr. Lueth served as a president and chief financial officer of International Institute of Education Group, a company mainly engaged in language education in the PRC. From 2017 to 2019 and 2010 to 2017, Mr. Lueth served as a chief financial officer for Asia-Pacific region and a vice president of finance for the PRC region for Cardinal Health, Inc., a Fortune 500 company engaged in the healthcare industry respectively. From 2005 to 2010, Mr. Lueth served as a vice president of finance and strategy formation for the PRC region for Zuellig Pharma China, which was then acquired by Cardinal Health, Inc. in 2010. Previously, Mr. Lueth worked for GE Capital from 1998 to 2004 in a variety of roles, including chief financial officer and chief executive officer for the Taiwan operations, and representative for the PRC. Earlier, he served with Coopers & Lybrand as an auditor. Mr. Lueth received his Bachelor of Science in business degree from the University of Minnesota and a Master of Business Administration degree from the Kellogg School of Management at Northwestern University. Mr. Lueth obtained his certificate as a certified public accountant in 1991 and certified management accountant in 1994. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

Board of Directors and Senior Management

Mr. BEHRENS Ernst Hermann

Mr. BEHRENS Ernst Hermann, aged 75, was appointed as an independent non-executive Director on 15 November 2010. Mr. Behrens is primarily responsible for scrutinising and monitoring the performance of our Group. From 2005 to 2009, Mr. Behrens was a senior adviser of China business of Vermilion Partners Limited, which is a private equity and investment advisory firm based in the PRC offering a range of merchant banking and corporate advisory services to leading multinationals, Chinese companies and investors. Mr. Behrens was the non-executive chairman of European Aeronautic Defence and Space Company of China ("EADS China") from 2007 to 2009 and the president and chief executive officer of EADS China from 2005 to 2006. From 1997 to 2004, Mr. Behrens served as the president and chief executive officer of Siemens Ltd., China and from 1992 to 1997, he served as the president and chief executive officer of Siemens Inc. Philippines. Prior to joining Siemens Inc. Philippines, Mr. Behrens was an executive vice president of Electronic Telephone Systems, Industries Inc., Philippines from 1984 to 1992; a country representative for Siemens in Jebsen and Co. PRC from 1981 to 1984; a technical and administration manager of Nixdorf Computers, Hong Kong from 1976 to 1981; the head of field engineering of Nixdorf Computers, Germany from 1972 to 1976 and an electronic engineer of German Naval Air Force, Germany from 1968 to 1971. Mr. Behrens was the chairman of the Executive Committee of Foreign Investment Companies in China from 2002 to 2005; the president of the European Union Chamber of Commerce in China from 2002 to 2004; the president of the German Chamber of Commerce in China from 1999 to 2001; the president of the European Chamber of Commerce in Philippines from 1995 to 1997 and its treasurer from 1993 to 1994. Mr. Behrens was honored by Beijing Municipality with the Great Wall Friendship Award in 2004; awarded by Shanghai Municipality with the Magnolia Award Gold level in 2003 and decorated by the German government with the cross of the Order of Merit in 1993. Mr. Behrens was appointed as an independent non-executive director by Deutsche Bank (China) Co. Ltd. from March 2011 to July 2017 and a non-executive director by Nordex (Beijing) Wind Power Engineering & Technology Co. from the first half year of 2011 to December 2017. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

Mr. ZHU Jia (竺稼)

Mr. ZHU Jia (竺稼), aged 60, is an independent non-executive Director. Mr. Zhu joined the Group in 2006 and was appointed as a non-executive Director on 29 July 2010 until his re-designation as an independent non-executive Director on 15 March 2018. He is currently a partner of Bain Capital Private Equity (Asia), LLC and an independent non-executive director of Sunac China Holdings Limited (a company listed on the Stock Exchange with stock code 1918) ("Sunac China"). He is also a director of Chindata Group Holdings Limited (CD NASDAQ) currently. From 1996 to 2006, Mr. Zhu was a managing director of Morgan Stanley Asia Limited and the chief executive officer of its China business. From November 2007 to March 2016, Mr. Zhu was an independent non-executive director of Youku Tudou Inc., which is listed on the New York Stock Exchange. He also served as a non-executive director of GOME Electrical Appliances Holding Limited (currently known as Gome Retail Holdings Limited) (a company listed on the Stock Exchange with stock code 493) from August 2009 to January 2015. From September 2009 to November 2016, Mr. Zhu was a non-executive director of Sunac China. From August 2011 to June 2020, Mr. Zhu was a non-executive director of Clear Media Limited (a company listed on the Stock Exchange with stock code 100). From January 2020 to June 2022, Mr. Zhu was a director of RISE Education Cayman Limited (REDU NASDAQ). Mr. Zhu graduated from Zhengzhou University with a Bachelor of Arts degree in 1982 and obtained a Master of Arts degree from Nanjing University in 1984. He obtained a Juris Doctor Degree from Cornell Law School in 1992. Mr. Zhu is a trustee of Cornell University in the United States and Nanjing University in the PRC. Save as disclosed above, he did not hold any directorship in other listed public companies in the last three years.

SENIOR MANAGEMENT

Mr. BI Hua, Jeff (畢樺)

Biographical details of Mr. BI Hua, Jeff are set out on page 23 of this annual report.

Mr. CHANG Fuquan (常福泉)

Biographical details of Mr. CHANG Fuquan are set out on page 23 of this annual report.

Mr. CHEN Guining (陳桂寧)

Mr. CHEN Guining (陳桂寧), aged 67, is our Group's Chief Technical Officer. Mr. Chen joined our Group in May 2003. He is primarily responsible for technical project of aseptic packaging and filling machine. Mr. Chen has over 30 years of experience in the aseptic packaging industry. Prior to joining us, Mr. Chen was a technical service engineer of a leading aseptic packaging materials producer from 1988 to 2001 and its field service manager from 2001 to 2003, respectively. Mr. Chen graduated from the Beijing Open University with a Bachelor of Science in Machinery Science in 1983.

Mr. YANG Jiuxian (楊久賢)

Mr. YANG Jiuxian (楊久賢), aged 59, is our Group's Sales Director. Mr. Yang joined our Group in September 2003. He is primarily responsible for domestic sales. Mr. Yang has over 23 years of experience in dairy industry management and sales. Mr. Yang was the general manager of NIUMAMA Dairy Co., Ltd. in 2003. Prior to joining NIUMAMA Dairy Co., Ltd., Mr. Yang was a key account manager of Northeast China and Inner Mongolia for a leading aseptic packaging materials producer in Beijing from 2000 to 2003 and a key account manager of six provinces in southwest China for the aforesaid company's Shanghai office from 1998 to 2000. Mr. Yang graduated from the Beijing Union University with a Bachelor of Chinese Language and Literature degree in 1986.

Mr. CHEN Zuqing (陳祖慶)

Mr. CHEN Zuqing (陳祖慶), aged 54, is the Technical Services Director of our Group. Mr. Chen joined our Group in April 2014. He is primarily responsible for after-sales service and technical support for aseptic packaging materials and aseptic filling equipment. Mr. Chen has 23 years of experience in the aseptic packaging industry. Prior to joining our Group, Mr. Chen worked for a leading aseptic packaging materials producer in several positions in the area of technical services from 1997 to 2014. From 1991 to 1997, he worked in Sichuan Airlines and was engaged in management of electronic and electrical maintenance for aircraft. Mr. Chen graduated from the Department of Electrical Engineering of Harbin Institute of Technology in 1991, with a major in micro-motor and electrical control, and a Bachelor of Engineering.

Mr. LEE Victor (李協達)

Mr. LEE Victor (李協達), aged 42, was appointed as our Group's International Business Director and Investor Relations Director in October 2018. He is responsible for the Company's business outside the PRC market and investor relationship management. Mr. Lee joined us from Dairy Farm Group where he was the Regional Finance Director of the IKEA franchise since 2013, covering 4 markets in Asia. Dairy Farm Group is an Asian retail conglomerate and a member of the Jardine Matheson Group. Mr. Lee started his career in PricewaterhouseCoopers in Hong Kong in 2002 where he received his chartered accountant qualification. Mr. Lee graduated from the University of Hong Kong with a Bachelor degree in Business Administration, and he subsequently received a law degree from the University of London.

REPORT OF THE DIRECTORS

The Board presents its report together with the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 29 to the consolidated financial statements. There were no significant changes in nature of the Group's activities during the year.

BUSINESS MODEL AND STRATEGY

Our mission is to create and add value to the liquid food industry and benefit consumers around the world. We are committed to provide to our customers with customised, high quality and competitively priced products. The Group always endeavours to enhance its enterprise value, ensure the Company's long-term and stable development and benefit its shareholders and other stakeholders. These were demonstrated by putting resources on innovation and research and development in order to continue improving the quality of products and services. The discussion and analysis of the Group's performance and the business review for the year ended 31 December 2022 are set out on pages 10 to 22 under "Management Discussion and Analysis" and pages 28 to 41 under the "Report of the Directors" of this annual report respectively.

RESULTS

The results of the Group for the year ended 31 December 2022 are set out in the consolidated income statement.

BUSINESS REVIEW AND FUTURE OUTLOOK

The business review and future outlook of the Group for the year ended 31 December 2022 are set out in the section headed "Management Discussion and Analysis" on pages 10 to 22 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. Key risks and uncertainties identified by the Group are set out on pages 54 to 58 under the "Corporate Governance Report" (the "Corporate Governance Report") of this annual report.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

The Group is committed to enhancing environmental protection to minimise the impact of its activities on the environment. It is the policy of the Group to promote clean operation and strives to making the most efficient use of resources in its operations, and minimising wastes and emission. The Group achieves this through actively re-designing its production activities and operation that encourage and promote recycling of resources, using environmentally-friendly raw materials and reviewing production operations constantly to ensure that the production processes are effective and efficient.

In 2022, under the guidance of the "carbon neutrality" goal, Greatview launched comprehensive actions on greenhouse gas emission management, waste management, energy conservation and consumption reduction management, and packaging recycling around the themes of carbon neutrality, environmental management, energy and resource use and recycling, aiming to continuously reduce its impact on the environment and strive for continuous improvement.

We are committed to taking 2016 as our base year to achieve carbon neutrality by reducing our greenhouse gas emissions by 50% by 2030 (Scopes 1 and 2), net zero greenhouse gas emissions from our own operations by 2040, and net zero greenhouse gas emissions from our entire value chain by 2050.

Report of the Directors

For more details, please refer to the corporate sustainability report of the Group (the "Corporate Sustainability Report") prepared according to the "Environmental, Social and Governance Reporting Guide" pursuant to Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). A separate report is expected to be published on both the Company's website and the website of the Stock Exchange at the same time as the publication of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2022, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for approximately 9.5% and 37.8% respectively of the Group's total purchases for the year. Revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 30.4% and 55.8% respectively of the Group's total revenue for the year.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Shares) had any interest in the Group's five largest customers and suppliers for the year ended 31 December 2022.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 6 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year under review in the share capital of the Company are set out in note 13 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year under review are set out in the consolidated statement of changes in equity.

As at 31 December 2022, the Company had reserves available for distribution of approximately RMB603.8 million (2021: approximately RMB557.1 million).

DIRECTORS

The Directors during the year under review and up to the date of this annual report were:

Executive Directors

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

Non-Executive Directors

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

Independent Non-Executive Directors

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

Report of the Directors

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors and senior management of the Group are set out on pages 23 to 27 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent throughout the year ended 31 December 2022 and remain so as at the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors and non-executive Directors has entered into a service contract and letter of appointment respectively with the Company for an initial fixed term of two years unless terminated by not less than three months' notice in writing served by either party on the other.

None of the Directors, including those to be re-elected at the forthcoming annual general meeting, has a service contract or letter of appointment, which is not determinable by the Group within one year without the payment of compensation, other than statutory compensation.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

DIVIDEND POLICY

Pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO, Greatview and the Board have approved and adopted a dividend policy (the "Dividend Policy").

The Company considers stable and sustainable returns to the shareholders of the Company to be our goal. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:–

(i) the general financial condition of the Group;

(ii) the Group's actual and future operations and liquidity position;

(iii) the Group's expected working capital requirements and future expansion plans;

(iv) the Group's debt to equity ratios and the debt level;

(v) the retained earnings and distributable reserves of the Company and each of the members of the Group;

(vi) the shareholders' and the investors' expectation and industry's norm;

(vii) the general market conditions; and

(viii) any other factors that the Board deems appropriate.

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Act of the Cayman Islands and the Company's articles of association (the "Articles") and any other applicable laws and regulations. The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in notes 35 and 23 to the consolidated financial statements. None of the Directors waived or agreed to waive any emoluments during the year ended 31 December 2022.

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 31 December 2022, 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 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 10 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 4)
Mr. BI Hua, Jeff	129,000,000	1	Founder of a discretionary trust	Long position	9.65%
Mr. HONG Gang	78,141,966	2	Interest of controlled corporation	Long position	5.85%
Mr. CHANG Fuquan	4,500,000	3	Interest of controlled corporation	Long position	0.34%

Notes:

(1) Foxing Development Limited ("Foxing") is directly interested in 129,000,000 Shares. Foxing is wholly-owned by Hill Garden Limited ("Hill Garden") and is therefore deemed to be interested in the same 129,000,000 Shares. Mr. BI Hua, Jeff is the founder of the trust that wholly-owns Hill Garden. Mr. BI Hua, Jeff, therefore, is deemed to be interested in the same 129,000,000 Shares.

(2) Phanron Holdings Limited ("Phanron") is wholly-owned by Mr. HONG Gang and he is therefore deemed to be interested in the 78,141,966 Shares held by Phanron.

(3) Goldmap Investments Limited ("Goldmap") is wholly-owned by Mr. CHANG Fuquan and he is therefore deemed to be interested in the 4,500,000 Shares held by Goldmap.

(4) As at 31 December 2022, the Company had 1,336,631,000 Shares in issue.

Save as disclosed above, as at 31 December 2022, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2022, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interests and Short Position in the Shares and Underlying Shares

Name of substantial shareholder	**No. of Shares**	**Notes**	**Capacity**	**Nature of interest**	**Percentage of total number of Shares in issue (%)** (Note 6)
JSH Venture Holdings Limited (“JSH Venture”)	377,132,584	1	Beneficial owner	Long position	28.22%
Jardine Strategic Limited	377,132,584	1	Interest of controlled corporation	Long position	28.22%
Jardine Matheson Holdings Limited	377,132,584	1	Interest of controlled corporation	Long position	28.22%
Foxing	129,000,000	2	Beneficial owner	Long position	9.65%
Hill Garden	129,000,000	2	Interest of controlled corporation	Long position	9.65%
Madam BI Wei Li	129,000,000	3	Interest of spouse	Long position	9.65%
Mittleman Investment Management, LLC (“Mittleman”)	107,542,400	4	Beneficial owner	Long position	8.05%
Aimia Inc.	107,542,400	4	Beneficial owner	Long position	8.05%
Brown Brothers Harriman & Co.	79,594,000		Approved lending agent	Long position	5.95%
	79,594,000		Approved lending agent	Lending pool	5.95%
Phanron	78,141,966		Beneficial owner	Long position	5.85%
Madam XU Zhen	78,141,966	5	Interest of spouse	Long position	5.85%

Notes:

(1) JSH Venture has a direct interest in 377,132,584 Shares. Jardine Strategic Limited is interested in 100% of JSH Venture. JMH Investments Limited, which is interested in 83.63% of Jardine Strategic Limited, is wholly-owned by Jardine Matheson Holdings Limited. Therefore, Jardine Strategic Limited and Jardine Matheson Holdings Limited are deemed to be interested in 377,132,584 Shares.

(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) Mittleman has a direct interest in 107,542,400 Shares. Master Control, LLC is interested in 100% of Mittleman, Aimia AM Holdings Inc. is interested in 100% of Master Control, LLC, Aimia Holdings US Inc. is interested in 100% of Aimia AM Holdings Inc., Aimia Holdings UK Limited is interested in 100% of Aimia Holdings US Inc., and Aimia Holdings UK Limited is wholly-owned by Aimia Inc. Therefore, Master Control, LLC, Aimia AM Holdings Inc., Aimia Holdings US Inc., Aimia Holdings UK Limited and Aimia Inc. are deemed to be interested in 107,542,400 Shares.

(5) Madam XU Zhen is interested in a long position of 78,141,966 Shares by virtue of her being the spouse of Mr. HONG Gang.

(6) As at 31 December 2022, the Company had 1,336,631,000 Shares in issue.

Save as disclosed above, as at 31 December 2022, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transaction, arrangement or contract of significance to the Company in which a Director or an entity connected with such Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the year ended 31 December 2022.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their fellow subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their fellow subsidiaries during the year ended 31 December 2022.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year under review were rights to acquire benefits by means of the acquisition of Shares or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

DIRECTORS' INDEMNITIES

Pursuant to article 164 of the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged Directors' liability insurance for the Directors to indemnify them against costs, charges, losses, expenses and liabilities incurred arising out of the corporate activities. Apart from that, at no time during the reporting period and up to the date of this annual report, there was or is any permitted indemnity provision being in force for the benefit of any Directors or its associated company (whether made by the Company or otherwise).

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the year ended 31 December 2022, there was no connected transaction or continuing connected transaction of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. Details of significant related party transactions undertaken in the usual course of business are set out in note 31 to the consolidated financial statements. None of these related party transactions constitute a discloseable connected transaction as defined under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

During the year ended 31 December 2022, there were no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company. As at the date of this annual report, the Group has no future plan to make any significant investment or acquisition of capital assets.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

During the year ended 31 December 2022, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

Report of the Directors

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2022, the aggregate amount of guarantees provided for the banking facilities granted to affiliated companies of the Group by the Company was approximately RMB916.9 million, which exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules. Details of which were set out below:

Name of affiliated company	The Group's attributable interest in affiliated company %	Amount of guarantees given for the banking facilities granted to affiliated company RMB'000	Extent of guarantees utilised RMB'000
Greatview Holdings Ltd	100	731,283	176,351
Greatview Aseptic Packaging Europe GmbH	100	185,573	35,111
Greatview Aseptic Packaging Manufacturing GmbH	100	185,573	12,099

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the aforementioned affiliated companies as at 31 December 2022 is presented as follows:

	Proforma combined statement of financial position RMB'000
Non-current assets	1,026,225
Current assets	726,545
Current liabilities	(498,497)
Non-current liabilities	(793,527)
Net assets	460,746

The proforma combined statement of financial position of the affiliated companies is prepared by combining their statements of financial position, after making adjustment to confirm with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 31 December 2022.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2022 are set out in note 18 to the consolidated financial statements.

RETIREMENT SCHEMES

Information of the retirement schemes of the Group are set out in notes 2.21 and 23 to the consolidated financial statements.

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 year ended 31 December 2022.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2022.

DONATIONS

During the year ended 31 December 2022, the Group donated approximately RMB44,177.3 for charitable purposes (2021: approximately RMB121,000).

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2022, the Company has not entered into any equity-linked agreement, and there did not subsist any equity-linked agreement entered into by the Company as at 31 December 2022.

PUBLIC FLOAT

During the year ended 31 December 2022 and up to the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the best knowledge of the Directors.

Report of the Directors

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing shareholders.

TAX RELIEF AND EXEMPTION

The Board is not aware of any relief or exemption from taxation available to our shareholders by reason of their holdings in the Shares.

FINAL DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2022 (2021: nil).

CHANGE OF INFORMATION IN RESPECT OF DIRECTORS

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

Mr. ZHU Jia, an independent non-executive Director, resigned as a director of Rise Education Cayman Limited (REDU NASDAQ), with effect form 10 June 2022.

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

Mr. SUN Yanjun, an alternate Director to Mr. Pang, has been appointed as a non-executive director of Zhongsheng Group Holdings Limited (a company listed on the Stock Exchange with stock code 881), with effect from 1 August 2022.

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

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

EVENTS AFTER THE REPORTING PERIOD

On 29 January 2023, the Board noted that Shandong Xinjufeng Technology Packaging Co., Ltd. ("Shandong Xinjufeng"), being a company incorporated in the PRC with limited liability which primarily carries on the business of supplying aseptic packaging in the PRC with its subsidiaries, and whose shares are listed on the ChiNext Market of the Shenzhen Stock Exchange, issued an announcement ("Announcement") dated 30 January 2023. Pursuant to the Announcement, on 27 January 2023, Shandong Xinjufeng entered into an agreement (the "Agreement") with JSH Venture, a substantial shareholder (as defined under the Listing Rules) and the single largest shareholder of the Company, pursuant to which JSH Venture conditionally agreed to sell, and Shandong Xinjufeng conditionally agreed to acquire, 377,132,584 Shares (representing approximately 28.22% of the total issued share capital of the Company as at the date of this annual report) at a price of HK$2.65 per Share for an aggregate consideration of HK$999,401,347.60 (the "Proposed Disposal"). Pursuant to the Announcement, the completion of the Proposed Disposal shall be conditional upon and subject to, among others, the approval of the shareholders of Shandong Xinjufeng and the necessary consents from the relevant authorities in the PRC. On behalf of JSH Venture, Mr. Pang, a non-executive Director, has confirmed with Mr. BI Hua, Jeff, an executive Director, on 28 January 2023 that JSH Venture has agreed to dispose of its Shares to Shandong Xinjufeng.

Upon completion of the Proposed Disposal, JSH Venture would cease to hold any shareholding interest in the Company, and Shandong Xinjufeng would become a substantial shareholder and the single largest shareholder of the Company.

In light of the fact that the largest customer (and also a shareholder) of Shandong Xinjufeng ("Customer B"), being one of the Group's top five largest customers, is a main competitor of the Group's largest customer ("Customer A"), if the Proposed Disposal is completed, Shandong Xinjufeng, and ultimately Customer B, will have an interest in the Company, which has caused Customer A to raise concerns about continuing to do business with the Group, including concerns regarding the Group's protection of Customer A's confidential information. If Customer A's concerns are not adequately addressed, it will likely harm the Group's business relationship with Customer A, which will have a material adverse effect on the Group and its business and financial position as Customer A is the Group's largest customer. Furthermore, certain other customers, suppliers, and banks of the Group have indicated similar concerns as Customer A and may reduce or terminate their business relationships with the Group.

To relieve the concerns regarding the protection of confidential information of Customer A and other customers and stakeholders of the Group, the Board has resolved to adopt certain measures (the "Protection Measures") to protect the interests of the Company, its shareholders, as well as to maintain impartiality and protect the Group's business relationship with its customers and suppliers. These Protection Measures may or may not be adequate to address concerns.

Report of the Directors

On 9 March 2023, the Board convened a meeting and has resolved that it is opposed to, and not supportive of, the Proposed Disposal. In reaching this decision, the Board has taken into account feedback from Customer A, other customers, suppliers, and bank partners. The Board believes that in the event that the Proposed Disposal proceeds to completion, there will likely be a material adverse effect on Group's business and financial performance, and shareholder value will be negatively impacted. The Board has also noted that given the above concerns, the volume of business between the Group and its top customers and other concerned customers in February 2023 remained significantly lower than that for the same period in prior years.

On 14 March 2023, the Board lodged an official filing of anti-monopoly notification to the Anti-Monopoly Bureau of the PRC State Administration for Market Regulation (the "Bureau") concerning the Proposed Disposal.

On 27 March 2023, the Board was informed by Mr. BI Hua, Jeff and Mr. HONG Gang that they have, in their capacity as the shareholders holding in aggregate indirect interest of approximately 15.5% in the Shares, lodged an official report to the Bureau that the prior acquisition of Shares by JSH Venture (the "Prior Acquisition") constituted a concentration between undertakings, which satisfied the applicable thresholds for notification to the Bureau under the PRC anti-monopoly laws (the "AML"). Mr. BI Hua, Jeff and Mr. HONG Gang also informed the Board that in this instance, the parent company of JSH Venture was obligated under the AML to file a notification to the Bureau concerning the Prior Acquisition, and the failure of such notification would constitute a breach of the AML. Mr. BI Hua, Jeff and Mr. HONG Gang further informed the Board that if the Bureau determines to commence an investigation concerning the Prior Acquisition, the completion of the Proposed Disposal may be prolonged and even effectively restricted if such transfer of Shares under the Proposed Disposal would also trigger the notification requirement to the Bureau pursuant to the AML, in which case the underlying transaction in the Proposed Disposal can only be reviewed and approved by the Bureau for compliance with AML only after the Bureau has issued a decision in its investigation of the Prior Acquisition, the outcome of which is not within the control of the Board. Based on the above information received by the Board, the Board has noted that the foregoing events may give rise to uncertainty as to when and whether the Proposed Disposal can proceed to completion.

For further details of the Proposed Disposal and the Protection Measures, please refer to the three announcements of the Company dated 1 February 2023 and the announcements of the Company dated 9 March 2023, 14 March 2023 and 27 March 2023.

Save for the Proposed Disposal, the Board is not aware of any material events after the reporting period and up to the date of this annual report which requires disclosure.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 19 May 2023 to 25 May 2023, both days inclusive, during which period no Share transfers can be registered. In order to be eligible for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 18 May 2023.

AUDITOR

PricewaterhouseCoopers has acted as auditor of the Company for the year ended 31 December 2022.

PricewaterhouseCoopers shall retire in the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Mr. HONG Gang
Chairman
Beijing, the PRC, 29 March 2023

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report in the annual report of the Company for the year ended 31 December 2022.

CORPORATE GOVERNANCE

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

During the year under review, the Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the CG Code during the year ended 31 December 2022 and up to the date of this annual 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 year ended 31 December 2022.

The following is a summary of work performed by the Board in determining the policy for the corporate governance of the Company during the year ended 31 December 2022:

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

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

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

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

(5) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

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

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established four Board committees up to the date of this annual report, including the Audit Committee, the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee"), and the Executive Committee (together, the "Board Committees"). The Board has delegated to the Board Committees' responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Corporate Governance Report

Board Composition

As of 31 December 2022, the Board comprises eight members, consisting of two executive Directors, two non-executive Directors, one alternate Director and three independent non-executive Directors.

The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Board comprises the following Directors:

DIRECTORS

Executive Directors

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

Non-Executive Directors

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

Independent Non-Executive Directors

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

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

There is no relationship (including financial, business, family or other material relationship) among members of the Board.

In compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, the Company has appointed three independent nonexecutive Directors, representing not less than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee.

Mr. LUETH Allen Warren and Mr. BEHRENS Ernst Hermann have each served the Board as independent non-executive Directors for more than nine years. Notwithstanding their length of tenure, in view of their wide spectrum of knowledge, extensive business experience and familiarity with the Company's affairs, the Board is of the opinion that they possess the required character, integrity and experience to ensure their independence in order to objectively scrutinise the Company's performance.

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Group's strategies, performance and control, as well as ensure that the interests of all shareholders are considered. In order to ensure that independent views and input from the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regard to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Board adopted the board diversity policy (the "Board Diversity Policy") in accordance with the requirement as sets out in the CG Code.

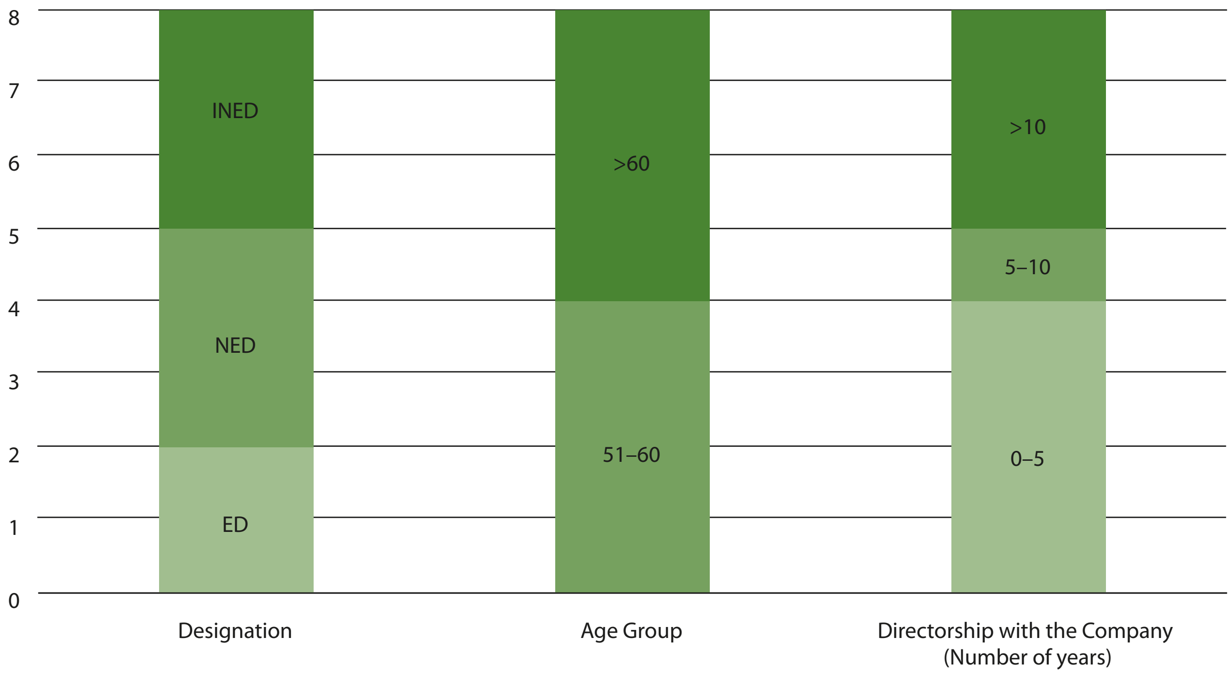
The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into account factors based on its own business model and specific needs from time to time in designing the optimum Board's composition.

The Nomination Committee monitors, from time to time and at least annually, the implementation of the Board Diversity Policy, and reviews, as appropriate and at least annually, the policy to ensure its effectiveness. The Nomination Committee will continue to give adequate consideration to these measurable objectives when making recommendations of candidates for appointment to the Board. The biographical details of the Directors are set out on pages 23 to 27 of this annual report. In implementing the Board Diversity Policy, the Board aims to have a balanced composition in each of the following areas in the graph below, but recognising at the same time that all Board members' appointments must be based on meritocracy having regard to the best interests of the Company and the shareholders. Further, the Board has a balanced composition of executive Directors, non-executive Directors (including the alternate Director), and independent non-executive Directors. Independent non-executive Directors represent more than one-third of the Board and bring independent views and input to the Board. The Nomination Committee reviews and monitors, from time to time and at least on an annual basis, the implementation and effectiveness of the composition of the Board.

Pursuant to Rule 13.92 of the Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. Henceforth, the Board will continue to seek a pipeline of potential successors to the Board by identifying and nominating such candidates through the Nomination Committee to achieve greater gender diversity. The Board will appoint at least one female Director on the Board no later than 31 December 2024.

The Group's diversity philosophy including the gender diversity, was generally followed in the workforce throughout the Group for the year ended 31 December 2022. As of the date of this report, approximately 25.7% of our total workforce including senior management are female. The Company has not set any objectives for gender ratio in workforce or in senior management. Appointment is primarily made on merits of the candidate after considering a number of factors including the educational background, professional experience, skills and knowledge of the candidate. Further, as the Group's business is based in the PRC and most of its employees are in the PRC where gender imbalance is serious with more male than female, the Company believes that setting a particular target of gender ratio for its workforce will hinder its flexibility in recruitment. Nevertheless, the Company will continue to endeavour to increase female's representation in our workforce.

The following graph provides an analysis on the composition of the Board as at the date of this annual report:



Chairman and Chief Executive Officer

The Company fully supports the division of responsibility between the Chairman and the Chief Executive Officer to ensure a balance of power and authority. The positions of Chairman and Chief Executive Officer are held by Mr. HONG Gang and Mr. BI Hua, Jeff respectively. Their respective responsibilities are clearly defined and set out in writing. The Chairman provides leadership for the Board and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board.

Appointment and Re-Election of Directors

In accordance with the Articles, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall submit himself for re-election by shareholders at the first general meeting of the Company after appointment and new Directors appointed as an addition to the Board shall submit himself for re-election by shareholders at the next following annual general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

None of the Directors has a service contract or letter of appointment which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). For details of the terms of appointment of Directors (including non-executive Directors), please refer to the paragraph headed "Directors' Service Contracts and Letters of Appointment" on page 30 of this annual report.

Nomination Committee

As at the date of this annual report, the Nomination Committee comprises three members, namely Mr. HONG Gang (chairman of the Nomination Committee), Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia. Mr. HONG Gang is the non-executive Director and Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia are the independent non-executive Directors.

The nomination procedure and process involve the Nomination Committee identifying individuals who are suitably qualified to become Board members through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will then make recommendations to the Board on the selection of such individuals nominated for directorships. In identifying suitable candidates, the Nomination Committee shall consider candidates on merit and objectively against a variety of criteria, having due regard for the benefits of diversity on the Board.

The following are the roles and functions of the Nomination Committee:

(a) to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable candidates, the Nomination Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;

(c) to review the Board Diversity Policy, as appropriate; and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results annually in the Corporate Governance Report as set out in the Company's annual report;

(d) to assess the independence of the independent non-executive Directors and to review the independent non-executive Directors' annual confirmations on their independence;

(e) taking into account the Company's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future, to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the chief executive;

(f) to seek independent professional advice to perform its responsibilities where necessary; and

(g) to report back to the Board on its decisions or recommendations (unless there are legal or regulatory restrictions on its ability to do so) and to prepare a summary of its work during the year for inclusion in the Corporate Governance Report (including a report the policies, procedures, process and criteria it has adopted to select and recommend candidates for directorship during the year.

Please refer to the terms of reference of the Nomination Committee published by the Company on 28 December 2018 for further details.

The following is a summary of work performed by the Nomination Committee during the year ended 31 December 2022:

(1) reviewed the structure, size and composition of the Board, reviewed the Company's policies on nomination of Directors and make recommendations regarding any proposed changes;

(2) made recommendations to the Board on appointment or re-appointment of and succession planning for Directors; and

(3) assessed the independence of independent non-executive Directors.

There was one meeting of the Nomination Committee held during the year ended 31 December 2022. The attendance records of each member of the Nomination Committee are set out below:

Members	**Attendance/ Number of meeting held**
Mr. HONG Gang *(Chairman)*	1/1
Mr. BEHRENS Ernst Hermann	1/1
Mr. ZHU Jia	1/1

Induction and Continuing Development of Directors

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Pursuant to the code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

During the year ended 31 December 2022 and up to the date of this annual report, all Directors namely Mr. BI Hua, Jeff, Mr. CHANG Fuquan, Mr. HONG Gang, Mr. Pang, Mr. HSU David (appointed with effect from 24 May 2022 and ceased with effect from 1 August 2022), Mr. SUN Yanjun (appointed with effect from 1 August 2022), Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia have participated in continuous professional development to develop and refresh their knowledge and skills in relation to their contribution to the Board.

Directors' and Senior Management's Liability Insurance

The Company has arranged appropriate insurance covering the potential legal actions against its Directors and senior management in connection with the discharge of their responsibilities.

Corporate Governance Report

Board Meetings

Board Practices and Conduct of Meetings

Code provision C.5.3 of the CG Code stipulates that at least 14 days' notice should be given for a regular Board meeting.

Certain regular Board meetings held during the year ended 31 December 2022 were convened with at least 14 days' notice. The Company adopted a flexible approach in convening Board meetings and ensuring that sufficient time and adequate information were given to Directors in advance.

Agenda and board papers together with all necessary information are sent to all Directors at least three days before each regular Board meeting or Board Committees' meeting to keep Directors apprised of the latest developments and financial position of the Company in order to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The senior management attended all regular Board meetings and where necessary, other Board meetings and Board Committees' meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The Board secretary and the joint company secretaries are responsible for taking and keeping minutes of all Board meetings and Board Committees' meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and final versions are open for Directors' inspection.

The Articles contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Directors' Attendance Records

There were seven Board meetings and one general meeting held during the year ended 31 December 2022. The attendance records of each Director at the Board meetings and general meeting during the year ended 31 December 2022 are set out below:

	Attendance/Number of meetings held	
Name of Director	**General meeting**	**Board meeting**
Executive Directors		
Mr. BI Hua, Jeff	1/1	7/7
Mr. CHANG Fuquan	1/1	6/7
Non-Executive Directors		
Mr. HONG Gang	1/1	7/7
Mr. PANG Yiu Kai	0/1	7/7
Mr. HSU David *(alternate to Mr. PANG Yiu Kai)* (appointed with effect from 24 May 2022 and ceased with effect from 1 August 2022)	0/1	0/7
Mr. SUN Yanjun *(alternate to Mr. PANG Yiu Kai)* (appointed with effect from 1 August 2022)	1/1	0/7
Independent Non-Executive Directors		
Mr. LUETH Allen Warren	1/1	7/7
Mr. BEHRENS Ernst Hermann	0/1	3/7
Mr. ZHU Jia	1/1	5/7

The code provision C.2.7 of the CG Code stipulates that the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. There was one meeting held between the Chairman and the independent non-executive Directors during the year ended 31 December 2022.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code.

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

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

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2022.

Corporate Governance Report

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. All Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director may seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. The management provides sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval. Approval has to be obtained from the Board prior to any significant transactions entered into by the management. The management also provides to all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Board does not delegate matters to the Board Committees, executive Directors or management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions. The Board reviews the arrangements of delegation from time to time to ensure that the delineation between the Board and the management remains appropriate to the needs of the Company.

The Board has established four committees, namely, the Nomination Committee, the Remuneration Committee, the Audit Committee and the Executive Committee, for overseeing particular aspects of the Company's affairs. All Board Committees are established with defined written terms of reference which are available on both the Company's website and the website of the Stock Exchange. All Board Committees are provided with sufficient resources to discharge their respective duties.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. ZHU Jia (chairman of the Remuneration Committee), Mr. LUETH Allen Warren and Mr. BEHRENS Ernst Hermann and one executive Director, namely, Mr. BI Hua, Jeff.

The primary functions and duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and to determine the terms of specific remuneration packages of individual executive Directors and the senior management, including benefits in kind, pension rights and compensation payments. The Remuneration Committee is also responsible for establishing formal and transparent procedures for formulating such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The Remuneration Committee also reviews and approves the management's remuneration proposals with reference to the Board's corporate goals and objectives. The Remuneration Committee is provided with sufficient resources to perform its duties.

The following is a summary of work performed by the Remuneration Committee during the year ended 31 December 2022:

(1) assessed performance, reviewed and approved the remuneration packages (including year-end bonuses) and service contracts of executive Directors and senior management of the Company; and

(2) reviewed the remuneration of non-executive Directors and made proposal regarding Directors' fees to the Board for shareholders' approval at the 2022 annual general meeting.

There was one meeting of the Remuneration Committee held during the year ended 31 December 2022. The attendance records of each member of the Remuneration Committee are set out below:

Members	Attendance/ Number of meeting held
Mr. ZHU Jia *(Chairman)*	1/1
Mr. LUETH Allen Warren	1/1
Mr. BEHRENS Ernst Hermann	1/1
Mr. BI Hua, Jeff	1/1

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2022.

The Board, with support of the finance and legal teams, is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other applicable statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

Audit Committee

The Audit Committee comprises five members, namely, Mr. LUETH Allen Warren (chairman of the Audit Committee), Mr. BEHRENS Ernst Hermann, Mr. ZHU Jia, Mr. Pang and Mr. SUN Yanjun (alternate to Mr. Pang). Mr. Pang is the non-executive Director, Mr. SUN Yanjun is the alternate Director to Mr. Pang and Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia are the independent non-executive Directors. Mr. HSU David has been appointed as an alternate to Mr. Pang as a member of the Audit Committee with effect from 24 May 2022. On 1 August 2022, Mr. HSU David ceased to be an alternate to Mr. Pang as a member of the Audit Committee, and on the even date, Mr. SUN Yanjun has been appointed to take over the above duties. Mr. LUETH Allen Warren possesses the appropriate professional qualifications or accounting or related financial management expertise. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee include the following:

(1) to review the 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;

(2) to oversee the integrity of financial information of the Company and its disclosure, and review the accounting principles and practices adopted by the Group;

(3) to assess the independence and qualification of the external auditor, review the relationship with the external auditor by reference to the work performed by the auditor, its fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor;

(4) to develop and implement policy on engaging an external auditor to supply non-audit services; and

(5) to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures, as well as the Company's processes for compliance with the Listing Rules.

During the year under review and up to the date of this annual report, the Audit Committee reviewed the Group's interim results and interim report for the six months ended 30 June 2022, the annual results and annual report for the year ended 31 December 2022, the management letters and reports issued by the external auditor, the accounting principles and practices adopted by the Group, the potential impacts of the change in accounting standards to the Group's financial statements, the financial reporting and compliance procedures, the Group's risk management and internal control systems and processes (including financial, operational and compliance controls), the effectiveness of the internal audit function and the re-appointment of the external auditor.

There were two meetings of the Audit Committee held during the year ended 31 December 2022 with the external auditors. The attendance records of each member of the Audit Committee are set out below:

Members	**Attendance/ Number of meetings held**
Mr. LUETH Allen Warren *(Chairman)*	2/2
Mr. BEHRENS Ernst Hermann	2/2
Mr. ZHU Jia	2/2
Mr. PANG Yiu Kai	2/2
Mr. HSU David *(alternate to Mr. PANG Yiu Kai)* (appointed with effect from 24 May 2022 and ceased with effect from 1 August 2022)	0/2
Mr. SUN Yanjun *(alternate to Mr. PANG Yiu Kai)* (appointed with effect from 1 August 2022)	0/2

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities for the consolidated financial statements is set out in the "Independent Auditor's Report" on pages 61 to 65 of this annual report.

During the year ended 31 December 2022 the remuneration for the audit and non-audit services provided to the Group by the external auditor of the Company, PricewaterhouseCoopers, is set out as follows:

Services rendered	Fee amount RMB'000
Audit services	
– Annual audit and related services	2,500
Non-audit services	
– Tax filing service	70
Total	2,570

DEALING WITH CONCERNS OF THE GROUP'S CUSTOMERS AND SUPPLIERS

On 29 January 2023, the Board noted that Shandong Xinjufeng has entered into an agreement with JSH Venture, a substantial shareholder (as defined under the Listing Rules) and the single largest shareholder of the Company, pursuant to which JSH Venture conditionally agreed to sell, and Shandong Xinjufeng conditionally agreed to acquire, 377,132,584 Shares (representing approximately 28.22% of the total issued share capital of the Company as at the date of this annual report) at a price of HK$2.65 per Share for an aggregate consideration of HK$999,401,347.60. The completion of the Proposed Disposal shall be conditional upon and subject to, among others, the approval of the shareholders of Shandong Xinjufeng and the necessary consents from the relevant authorities in the PRC. Upon completion of the Proposed Disposal, JSH Venture will cease to hold any shareholding interest in the Company, and Shandong Xinjufeng will become a substantial shareholder and the single largest shareholder of the Company. In light of the fact that Customer B, being one of the Group's top five largest customers, is a main competitor of Customer A, being a main competitor of the Group's largest customer, if the Proposed Disposal is completed, Shandong Xinjufeng, and ultimately Customer B, will have an interest in the Company, which will likely cause Customer A to raise concerns such as the Group's protection of Customer A's confidential information. If Customer A's concerns are not adequately addressed, it will likely harm the Group's business relationship with Customer A, which will have a material adverse effect on the Group and its business and financial position as Customer A is the Group's largest customer. Furthermore, certain customers of the Group have indicated that, as another shareholder of Shandong Xinjufeng is a related party to one of their competitors, they have the same concerns as Customer A and may follow Customer A's decision if Customer A ceases to do business with the Group.

To relieve the concerns regarding the protection of confidential information of Customer A and other customers of the Group, the Board has resolved to adopt the Protection Measures to protect the interests of the Company, its shareholders, as well as to maintain impartiality and protect the Group's business relationship with its customers and suppliers. One of the Protection Measures is to form the Executive Committee comprising of (i) a non-executive Director (Mr. HONG Gang, the Chairman); (ii) an executive Director (Mr. BI Hua, Jeff, the Chief Executive Officer); and (iii) three independent non-executive Directors (Mr. LUETH Allen Warren, Mr. BEHRENS Ernst Hermann and Mr. ZHU Jia), all of whom have no direct or indirect interests in either JSH Venture or Shandong Xinjufeng, and be delegated with full powers of the Board to deal with and resolve all matters relating to the handling of the Group's confidential information and customer and/or supplier related information, response to the concerns of the Group's customers and suppliers, discussions and decisions relating to the aforesaid matters, to ensure better protection of the Group's confidential information and protection of interest of all shareholders.

Corporate Governance Report

Executive Committee

The main duties of the Executive Committee include the following:

(1) dealing with matters relating to the handling of the Group's confidential information and information relating to the customers and/or suppliers of the Group;

(2) managing and dealing with the relationships between the Company and the customers and/or suppliers of the Group, including communicating with, and responding to and addressing the concerns of the customers and/or suppliers of the Group;

(3) formulating, implementing, overseeing and/or procuring the implementation of policies regarding protection of confidential information of the Group; and

(4) formulating, implementing, overseeing and/or procuring the implementation of policies regarding the protection of interests of all shareholders of the Company.

As the Executive Committee was formed subsequent to the year ended 31 December 2022, there were no meetings held by the Executive Committee during the year ended 31 December 2022.

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

Risk Management and Internal Control Systems of the Group's Companies

The Board is aware that it is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving its strategic objectives, maintaining adequate risk management and internal control systems of the Group to safeguard the investments of our shareholders and the assets of the Company, and reviewing the effectiveness of these systems annually.

The Board oversees the management in designing, implementing and monitoring the risk management and internal control (including financial, operational and compliance controls) systems on an on-going basis, and the management confirms with the Board (which the Board concurs) on the effectiveness and adequacy of these systems. The Board has conducted annual review on the effectiveness and adequacy of the Group's risk management and internal control systems, including changes in the nature and extent of significant risks (including environmental, social and governance risks) since the last annual review, the ability of the Group to respond to changes in its business and the external environment, the scope and quality of management's ongoing monitoring of risks and the internal control system, the work of internal audit function, the extent and frequency of communication of monitoring results to the Board and the Board Committees to enable the assessment of the effectiveness of the Group's risk management and internal control systems, as well as the significant control failings or weaknesses that have been identified during the year and the extent to which they have resulted in a material impact on the Group's financial performance or condition.

The management allocates resources to the risk management and internal control systems with reference to the Committee of Sponsoring Organisations of the Treadway Commission (COSO) standards, manages rather than eliminates the risk of failing to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Procedures for Identifying, Evaluating and Managing Significant Risks

- Risk context establishment: formulating general risk management policies and division of roles to ensure that the Group carries out and adheres to consistent procedures and criteria for risk identification, evaluation, management, as well as supervision and reporting.

- Risk identification: identifying potential risks in various business segments and key procedures.

- Risk evaluation: evaluating and rating the impact on business and the likelihood of the risks identified.

- Risk response: evaluating the risk management solutions and the effectiveness of risk management.

- Supervision and reporting: supervising and reviewing the policies and assessment procedures of risk management, and the management measures and control effectiveness regarding significant risks, and reporting the findings to the Board.

The "Three Lines of Defence" Risk Management Model

The risk management of the Group is structured on a "three lines of defence" model so as to establish a comprehensive risk management and internal control system, which is monitored by the Audit Committee.

"The First Line of Defence" — Risk Management

Managers at all levels constitute the first line of defence with appropriate internal control policies, procedures and business standards formulated according to the operational needs of the business to effectively delineate management duties and provide training sessions and guidelines to the staff, and to ensure that the policies are effectively implemented. In case of any changes to the business operation or the managing environment of the Company, such policies will be reviewed and updated accordingly.

"The Second Line of Defence" — Risk Control

The Group has formulated risk management policies, established a risk management group and conducted risk assessment and appraisal activities on a regular basis, which could timely identify and reduce the likelihood and impacts of potential risks on operation management. For any material exposure which may arise, a risk alert and response mechanism has been set up to mitigate potential risks and their impacts.

"The Third Line of Defence" — Independent Assurance

An internal audit department has been set up for the Group's companies, which conducts independent comprehensive reviews on risk management and internal control of the Group at least once per year and report the result to the Audit Committee. By reviewing the audit work procedures and audit findings performed by the internal audit department, the Audit Committee evaluates the effectiveness of risk management and internal control on behalf of the Board.

2022 Risk Management Review

Summary of Risk Management Initiatives

Implementing effective risk management is a crucial step to achieve the strategic objectives of the Group's companies. In order to maintain the Company's long-term sustainable development capacity, advance the implementation of strategic objectives and secure stakeholders' trust, the Group manages its risks in various business areas, including but not limited to finance, operation, strategy, market, laws and regulation risks. The significant internal control and risk management activities for the year ended 31 December 2022 include:

- Reviewing and enhancing internal control policies and business procedures;

- Reviewing, updating and implementing risk management plans and assessment procedures;
- Identifying, reviewing and analysing the potential risk items in the Group's business areas, and evaluating their impacts on the business and likelihood of occurrence;
- Reviewing whether the measures and actions taken to control and mitigate key risks are appropriate and achieve expected results;
- Collecting and analysing the results of risk identification, evaluation and management, including risk distribution matrix, risk change analysis chart, control of significant risk items and their expected impacts on business;
- Evaluating overall effectiveness of risk management; and
- The risk management report was submitted to the Board in February 2023 for review and approval.

Principal Risks and Risk Management

The Group faces a number of principal risks and uncertainties that if not properly managed could create an exposure for the Group. Thorough risk assessment and mitigation help to ensure these risks are well managed and governed effectively.

1. *The Risk of Changes in Major Shareholders or Major Investors*

   A significant change in the Company's major shareholders or major investors may trigger doubts or objections from the Company's major customers or suppliers, which may adversely affect their cooperation strategies and business relationships with the Company, and may adversely affect the rights and interests of the Company and its shareholders.

   In order to address the doubts and concerns of the partners, the Company has adopted the following measures to effectively protect the rights and interests of the Company and its shareholders as well as to maintain the business partnership and fairness:

   - Established and implemented more stringent internal control measures to ensure strict reporting and information control with equal and fair treatment for all of the shareholders, with particular safeguards around customer's and supplier's confidential information;
   - Formed an Executive Committee delegated with full powers of the Board to deal with and resolve all matters relating to the handling of the Company's confidential information and the partners' related information, in order to ensure better protection of the Company's confidential information and protection of interest of all shareholders; and
   - Passed a Board resolution stating that, to the extent it is within the power of the Directors and subject to applicable laws, regulations and the Listing Rules, the Board will not recommend, nominate or appoint any nomination of any person who is from a competitor of the Company or of a competitor of major customer, as a Director.

2. *The Risk of High Customer Concentration*

The landscape of domestic UHT liquid milk market in which the Company's key customers are engaged has maintained stable for years, with the top five liquid milk manufacturers accounting for over 70% of the sales in the market, and such feature is expected to persist for a period time. As a result, the Company is also exposed to the risk of high customer concentration.

The Company has adopted a number of measures, for which concrete progress has been achieved, to facilitate the diversification of customers in order to reduce the impacts on the business caused by such risk:

- Maintaining stable strategic cooperative relationships with key customers through excellent supply chain services, technological innovation and project cooperation in the market; and

- Providing quality products and excellent services, actively expanding domestic and international markets, and enlarging the medium-sized customers base.

By the end of 2022, despite the negative impact of global COVID-19 situation and geopolitical conflicts, we have made progress on the back of the above measures. Both international and domestic medium-sized customers contributing to an increasing share in sales while maintaining growth in total sales.

3. *The Risk of Exchange Rate Fluctuations in Capital and Procurement and Sales Businesses*

In 2022, both the exchange rate of the USD and the EUR against the RMB have varying degrees of change, generating a certain impact on the Company's financial results. The Company has adopted various measures to mitigate the adverse impact on profit and loss caused by exchange rate fluctuations, thereby reducing the risk to an acceptable level, including:

- Where practical, having a localisation of purchases and sales of products;

- Creating a certain amount of natural offsets between outstanding payables and receivables in foreign currencies;

- Adjusting the financing strategies of currency management for cash, cash equivalents and debt;

- As appropriate, purchase foreign exchange products from financial institutions to lock in forward exchange rates; and

- Adopting stringent capital management plan, closely monitoring the changes in exchange rates and adjusting business strategies and bank balance of foreign exchange in response to exchange rate fluctuations.

4. *Risk of Instability in Global Raw Material Supply and Logistics Due to the Adverse Impact of International Geopolitical Conflicts and COVID-19*

The risk level of supply and price of certain raw materials varies with several factors. Due to the significant reduction in COVID-19 severity and various polices adopted by many countries on the international logistics market, the risk level and cost of logistics for import and export goods have significantly decreased.

The Company has been proactively searching for alternative sources of key raw materials while retaining reasonable levels of safety stock of both raw materials and finished products. The Company has multiple sources of raw material supply and transportation routes to choose from. Additionally, the Company has the ability to rapidly transition the production of certain SKUs to alternative facilities of the Company in case of raw materials or transportation difficulties.

Corporate Governance Report

The Company has taken various measures to mitigate the risks caused by unfavorable factors, enabling a reasonable likelihood of smooth production and operation of the Company, with the likely ability to be able to continue to provide high-quality products and services to our customers.

Evaluation of Risk Review

Operating an appropriate and effective risk management and internal control system is essential to achieving the Group's strategic objectives and maintaining product and service delivery targets. The Company has established and continuously optimised its risk management and internal control mechanisms, and the awareness of risk management among all staff has been enhanced. The risk identification and control capacity have been improved.

The optimisation of the Company's management strategy, technological and service advances, and the effectiveness of internal controls have all contributed well to the overall risk management. Tailor-made mitigation measures to reduce and control major risks were adopted with fruitful outcomes, such as risks and adverse effects of international geopolitical conflicts and post-pandemic era have been satisfactorily managed. For specific risk factors unlikely to be eliminated through management and control, their residual risks were maintained at an acceptable level.

Inside Information Processing Procedures and Internal Control Measures

The Company has formulated corresponding policies for the procedures for handling and publishing inside information and internal control measures. These policies stipulate the responsibilities for the disclosure of inside information, restrictions on non-public information, handling of rumours, non-intentional selective disclosure, exemption and waiver of disclosure of inside information, as well as compliance and reporting procedures.

Among them, any employee of the Company who knows that any project, transaction or event may constitute inside information should immediately notify the chief financial officer or the director of investor relations, who will report to the Company's management and the Board, and they will determine whether it constitutes inside information, and determine whether to disclose to the public in accordance with the SFO. These policies and its effectiveness are reviewed regularly in accordance with established procedures.

Whistleblowing Policy

The Company has a whistleblowing policy and system in place for employees and those who deal with the Company (such as customers and suppliers) to raise concerns in confidence and anonymity. For further details, please refer to the Corporate Sustainability Report.

Anti-corruption Policy

The Company has established anti-corruption policy and system that promote and support anti-corruption laws and regulations. For further details, please refer to the Corporate Sustainability Report.

Review of Adequacy of Resources

During the year under review, the Board has reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions, as well as those relating to the Company's environmental, social and governance performance and reporting.

JOINT COMPANY SECRETARIES

Ms. QI Zhaohui, an employee of the Group who has day-to-day knowledge of the Company's affairs, was appointed as the joint company secretary of the Company on 27 March 2019. Ms. WONG Sau Ping, another joint company secretary resigned on 1 June 2022, the Company appointed Mr. LEUNG Chi Kit, a manager of the listing services department of TMF Hong Kong Limited, as the joint company secretary in place of Ms. WONG Sau Ping with effect from the same day. For further details, please refer to the announcement of the Company dated 1 June 2022. The primary corporate contact person of Mr. LEUNG Chi Kit at the Company is Ms. QI Zhaohui, the joint company secretary of the Company. The joint company secretaries report to the Chairman and/or the Chief Executive Officer.

In compliance with Rule 3.29 of the Listing Rules, each of Ms. QI Zhaohui and Mr. LEUNG Chi Kit has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2022.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

To promote effective communication, the Company adopts a shareholders' communication policy (the "Shareholders' Communication Policy") which aims at establishing a two-way relationship and communication between the Company and the shareholders. The Shareholders' Communication Policy sets out the Group's commitment of maintaining an effective ongoing dialogue with the shareholders. All shareholders' communications are available on the Company's website at www.greatviewpack.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Latest information of the Group, including annual and interim reports, announcements and press releases, is updated on the Company's website in a timely fashion. The website of the Company also provides email addresses, postal addresses, fax numbers and telephone numbers by which shareholders' enquiries may be put to the Board.

The Company has conducted the annual review of the implementation and effectiveness of the Shareholders' Communication Policy and concluded that the policy was implemented effectively during the year ended 31 December 2022.

The 2023 annual general meeting of the Company ("AGM") will be held on 25 May 2023. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to article 58 of the Articles, any one or more shareholders holding at the date of deposit of the 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 shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Such a requisition must be signed by the shareholders.

Procedures for Putting Forward Proposals at Shareholders' Meeting

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at shareholders' meeting. Proposal shall be sent to the Board or the company secretary by written requisition at the Company's principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or at the Company's headquarter in the PRC at 14 Jiuxianqiao Road, Chaoyang District, Beijing 100015, the PRC.

Corporate Governance Report

Shareholders' Enquiries

Shareholders should direct their questions about their shareholdings to the Company's share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by writing to the company secretary at the Company's principal place of business office in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or at the Company's headquarter in the PRC at 14 Jiuxianqiao Road, Chaoyang District, Beijing 100015, the PRC.

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents during the year ended 31 December 2022.

On behalf of the Board

Mr. HONG Gang
Chairman
Beijing, the PRC, 29 March 2023

Independent Auditor's Report

To the shareholders of Greatview Aseptic Packaging Company Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Greatview Aseptic Packaging Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 66 to 128, which comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to Impairment assessment of goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill Please refer to Note 2.8(a) 'Summary of significant accounting policies – Intangible assets – Goodwill, Note 2.9 'Summary of significant accounting policies – Impairment of non-financial assets, Note 4 'Critical accounting estimates and judgements' and Note 8 'Intangible assets' to the consolidated financial statements. For the purpose of the annual impairment assessment of goodwill, management determined the recoverable amounts of all the Group's goodwill based on value in use ("VIU"), which is the present value of the future cash flows expected to be derived from the Group's cash generating units ("CGUs"). An impairment loss of goodwill amounting RMB10 million was recognised for the year ended 31 December 2022. We focus on this area due to the magnitude of the carrying amount of the asset (RMB48 million as at December 31,2022) and the fact that significant judgements were required by the management to make key estimation, including forecast revenue growth rate, perpetual growth rate, and discount rate used in the future cash flow forecast for the determination of recoverable amount.	In response to this key audit matter, we performed the following procedures: • Assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. • Understood and evaluated the key controls relating to management's assessment on the impairment of goodwill. • Evaluated the competency, capabilities and objectivity of the independent external valuer by checking the valuer's related qualification and credentials in similar impairment assessment projects. • Tested the consistency and reasonableness of the data used and challenged management's key assumptions adopted in the future cash flow forecasts, mainly in relation to: – revenue growth rate, by comparing them to industry historical growth rate and economic forecasts; – perpetual growth rate, by comparing them with the relevant economic and industry forecasts, including certain forecasts sourced from external parties; and – the discount rate, by assessing the cost of capital for the Company and comparable companies, as well as considering territory specific factors. • Evaluated the historical estimation accuracy of the cash flow forecast by comparing the forecast used in the prior year to the actual performance of the subsidiaries' businesses in the current year. • Involved our internal valuation expert in assessing the appropriateness of certain significant assumptions used and the valuation methodology used; • Tested the mathematical accuracy of the calculations of the recoverable amounts of these CGUs. • Evaluated management's sensitivity calculation over the recoverable amounts of these CGUs. Focusing on those few key assumptions to which the calculation was most sensitive, we calculated the degree to which each of these key assumptions would need to change before an impairment conclusion was triggered and discussed the likelihood of such a movement with management. Based on the above, we considered that management's judgements and assumptions applied in the impairment assessment of goodwill were supportable by the evidence obtained and procedures performed.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Ping Fai.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2023

Consolidated Statement of Financial Position

As at 31 December 2022
Amounts expressed in thousands of RMB except for share data

	Note	As at 31 December 2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	6	**1,195,950**	1,223,700
Right-of-use assets	7	**56,957**	64,001
Intangible assets	8	**61,411**	87,265
Deferred income tax assets	19	**41,853**	33,807
Trade receivables	10	**26,537**	27,614
Prepayments	11	**10,001**	10,984
		1,392,709	1,447,371
Current assets			
Inventories	9	**1,181,862**	798,614
Trade and notes receivables	10	**739,926**	722,721
Prepayments	11	**21,995**	37,459
Other receivables	11	**28,802**	12,219
Cash and cash equivalents	12(a)	**607,439**	425,242
Restricted cash	12(b)	**306,920**	214,854
		2,886,944	2,211,109
Total assets		**4,279,653**	3,658,480

Consolidated Statement of Financial Position

As at 31 December 2022

Amounts expressed in thousands of RMB except for share data

	Note	As at 31 December 2022	2021
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital, share premium and capital reserve	13	**551,458**	551,458
Statutory reserve	14	**309,087**	296,211
Retained earnings	15	**1,839,556**	1,670,035
Exchange reserve		**(80,177)**	(97,670)
Total equity		**2,619,924**	2,420,034
LIABILITIES			
Non-current liabilities			
Deferred government grants	16	**54,476**	59,947
Lease liabilities	7	**6,602**	11,603
Deferred income tax liabilities	19	**11,473**	19,469
Borrowings	18	**–**	5,415
		72,551	96,434
Current liabilities			
Deferred government grants	16	**6,844**	7,933
Contract liabilities		**111,478**	27,663
Trade payables, other payables and accruals	17	**1,205,531**	792,283
Income tax liabilities		**29,383**	19,933
Borrowings	18	**223,561**	283,121
Lease liabilities	7	**10,381**	11,079
		1,587,178	1,142,012
Total liabilities		**1,659,729**	1,238,446
Total equity and liabilities		**4,279,653**	3,658,480

The notes on pages 71 to 128 are an integral part of these consolidated financial statements.

The financial statements on pages 66 to 128 were approved by the Board on 29 March 2023 and were signed on its behalf.

Director
Bi Hua, Jeff

Director
Chang Fuquan

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022
Amounts expressed in thousands of RMB except for share data

	Note	Year ended 31 December 2022	2021
Revenue	5	**3,937,011**	3,464,333
Cost of sales	22	**(3,349,048)**	(2,766,669)
Gross profit		**587,963**	697,664
Other income	20	**67,354**	60,983
Other (losses)/gains – net	21	**(546)**	14,742
Impairment of losses on financial assets – net		**(3,086)**	(5,854)
Distribution expenses	22	**(254,426)**	(230,931)
Administrative expenses	22	**(169,776)**	(174,286)
Operating profit		**227,483**	362,318
Finance income	24	**10,752**	6,029
Finance costs	24	**(5,443)**	(8,455)
Finance income/(costs) – net		**5,309**	(2,426)
Profit before income tax		**232,792**	359,892
Income tax expense	25	**(50,395)**	(74,820)
Profit for the year		**182,397**	285,072
Profit attributable to:			
Owners of the Company		**182,397**	285,072
Non-controlling interests		**–**	–
		182,397	285,072
Other comprehensive income:			
Item that may be reclassified to profit or loss			
Currency translation differences		**17,493**	(68,941)
Total comprehensive income for the year		**199,890**	216,131
Total comprehensive income attributable to:			
Owners of the Company		**199,890**	216,131
Non-controlling interests		**–**	–
		199,890	216,131
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic and diluted earnings per share	26	**0.14**	0.21

The notes on pages 71 to 128 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022
Amounts expressed in thousands of RMB except for share data

	Share capital (Note 13)	Share premium (Note 13)	Capital reserve (Note 13)	Statutory reserve (Note 14)	Exchange reserve	Retained earnings (Note 15)	Total
As at 1 January 2021	11,442	465,970	122,848	281,325	(28,729)	1,638,899	2,491,755
Comprehensive income:							
Profit for the year	–	–	–	–	–	285,072	285,072
Other comprehensive income:							
Currency translation differences	–	–	–	–	(68,941)	–	(68,941)
Share based payments	–	–	750	–	–	–	750
Transfer to statutory reserve	–	–	–	14,886	–	(14,886)	–
Dividends (Note 27)	–	(49,552)	–	–	–	(239,050)	(288,602)
As at 31 December 2021 and 1 January 2022	11,442	416,418	123,598	296,211	(97,670)	1,670,035	2,420,034
Comprehensive income:							
Profit for the year	-	-	-	-	-	182,397	182,397
Other comprehensive income:							
Currency translation differences	-	-	-	-	17,493	-	17,493
Share based payments	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	12,876	-	(12,876)	-
Dividends (Note 27)	-	-	-	-	-	-	-
As at 31 December 2022	**11,442**	**416,418**	**123,598**	**309,087**	**(80,177)**	**1,839,556**	**2,619,924**

The notes on pages 71 to 128 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022
Amounts expressed in thousands of RMB except for share data

	Note	Year ended 31 December 2022	2021
Cash flows from operating activities			
Cash generated from operations	28	**407,616**	229,687
Interest paid		**(5,443)**	(3,242)
Income tax paid		**(56,987)**	(92,618)
Net cash generated from operating activities		**345,186**	133,827
Cash flows from investing activities			
Purchases of property, plant and equipment ("PP&E")		**(87,637)**	(87,955)
Receipt of government grants		**–**	1,000
Proceeds from disposal of PP&E		**195**	63
Purchases of intangible assets		**(948)**	(331)
Purchases of financial assets at fair value through profit or loss		**(448,300)**	(490,000)
Disposals of financial assets at fair value through profit or loss		**450,002**	492,768
Interest received		**8,227**	6,029
Net cash used in investing activities		**(78,461)**	(78,426)
Cash flows from financing activities			
Proceeds from borrowings		**294,778**	547,142
Repayments of borrowings		**(374,615)**	(453,121)
Principal elements of lease payments		**(7,216)**	(7,602)
Dividends paid to equity holders		**–**	(288,602)
Net cash used in financing activities		**(87,053)**	(202,183)
Net (decrease)/increase in cash and cash equivalents		**179,672**	(146,782)
Cash and cash equivalents at beginning of year		**425,242**	577,237
Exchange losses on cash and cash equivalents		**2,525**	(5,213)
Cash and cash equivalents at end of year		**607,439**	425,242

The notes on pages 71 to 128 are an integral part of these consolidated financial statements.

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 years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with IFRS and HKCO

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

The preparation of these consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities – measured at fair value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(continued)*

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

The Group has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2022:

- *Property, Plant and Equipment: Proceeds before Intended Use – Amendments to HKAS 16*
- *Onerous Contracts – Cost of Fulfilling a Contract – Amendments to HKAS 37*
- *Reference to the Conceptual Framework – Amendments to HKFRS 3*
- *Amendments to AG 5 Merger Accounting for Common Control Combinations*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between the Group's companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company (the "Executive Directors") that make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company and the presentation currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash are presented in the consolidated statement of comprehensive income within "finance costs – net". All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within "other gains/(losses) – net".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency translation *(continued)*

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Property, plant and equipment

Except for the freehold land with indefinite useful life and construction in progress, all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (if any). Freehold land with indefinite useful life is stated at historical cost less impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment *(continued)*

Freehold land in Europe is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual value over their estimated useful lives, as follows:

Buildings	15-33 years
Machinery	5-15 years
Vehicles and office equipment	4-8 years
Leasehold improvements	Shorter of remaining lease term or useful life

Construction in progress is property, plant and equipment on which construction work has not been completed and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, costs of plant and machinery installation, testing and other direct costs. Depreciation is not provided on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets being constructed are ready for their intended use, the costs are transferred to the appropriate categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other (losses)/gains – net" in the consolidated statement of comprehensive income.

2.8 Intangible assets

(a) Goodwill

Goodwill is measured as described in note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

(b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4 to 10 years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets *(continued)*

(c) Trademarks, patents and other intangible assets

Separately acquired trademarks, patents and other intangible assets are shown at historical cost. Trademarks, patents and other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortisation and impairment losses (if any). Amortisation is calculated using the straight-line method to allocate the cost of trademarks, patents and other intangible assets over their estimated useful lives of 5 to 10 years.

2.9 Impairment of non-financial assets

Goodwill and freehold land with infinite useful life are not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstance indicate that it might be impaired. Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Investments and other financial assets

2.10.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets *(continued)*

2.10.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.10.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other (losses)/gains – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

- FVPL: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other (losses)/gains – net" in the period in which it arises.

2.10.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost is assigned to individual items of inventory on the basis of weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment. See note 2.9 and note 3.1 for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 Current and deferred income tax

The income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax *(continued)*

(c) Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, expect to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

2.21 Employee benefits

Pension obligations

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a certain percentage of the basic salaries. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Forfeited contributions (if any) will not be used by the Group, as the employer, to reduce the existing level of contributions.

2.22 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Leases *(continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use assets.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Leases *(continued)*

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalue its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.24 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition

(a) Sales of goods

The Group produces and sells liquid food aseptic packaging materials and filling machines in the market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with volume rebates based on aggregate sales over a specific period as defined in the contracts. Revenue from sales are based on the price specified in the sales contracts, net of the estimated volume rebates at the time of sale. Accumulated experience is used to estimate and provide for the rebates, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Expected rebates payable to customer (included in trade payables, other payables and accruals) in relation to sales made until the end of reporting period are assessed based on anticipated annual purchases.

As receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Financing components

The Group does not expect to have any contact containing financing components. As a consequence, the Group does not adjust any of the transition prices for the time value of money.

2.26 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see note 21 below. Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see note 24 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Research and development expenses

Research expenditure is recognized as an expense as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved software) are capitalized as intangible assets when recognition criteria are fulfilled and tests for impairment are performed annually. Other development expenditures that do not meet those criteria are recognized as expenses as incurred.

Development costs previously recognized as expenses are not recognized as assets in subsequent periods. Capitalized development costs are amortized from the point at which the assets are ready for use on a straight-line basis over their estimated useful lives.

2.28 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.29 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose to a variety of financial risks: market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group's exposure to foreign exchange risk mainly arises from various currency exposures, primarily with respect to the United States Dollars ("US$"), Hong Kong Dollars ("HK$") and Euro ("EUR"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities denominated in a currency other than RMB.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

As at 31 December 2022, if RMB had weakened/strengthened by 5% (2021: 5%) against US$ with all other variables held constant, post-tax profit for the year then ended would have been RMB4,045,000 (2021: RMB611,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US$-denominated trade receivables, cash and cash equivalents and foreign exchange losses/gains on translation of US$-denominated trade payables and borrowings.

As at 31 December 2022, if RMB had weakened/strengthened by 5% (2021: 5%) against HK$ with all other variables held constant, post-tax profit for the year then ended would have been RMB2,012,000 (2021: RMB5,105,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of HK$-denominated trade receivables, cash and cash equivalents and foreign exchange losses/gains on translation of HK$-denominated trade payables.

As at 31 December 2022, if RMB had weakened/strengthened by 5% (2021: 5%) against EUR with all other variables held constant, post-tax profit for the year then ended would have been RMB1,811,000 (2021: RMB913,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of EUR-denominated trade receivables, cash and cash equivalents and foreign exchange losses/gains on translation of EUR-denominated trade payables.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(ii) Interest rate risk

The Group's exposure to interest rate risk arises mainly from cash and cash equivalents and borrowings. Cash and cash equivalents and borrowings at fixed rates expose the Group to fair value interest-rate risk, and those at floating rates expose the Group to cash flow interest-rate risk. The Group regularly monitors its interest rate risk to ensure there is undue exposure to significant interest rate movements.

As at 31 December 2022, if interest rates of borrowings at floating rates had been 10 basis points higher/lower with all other variables held constant, post tax profit for the year would have been RMB147,000 (2021: RMB240,000) lower/higher.

As at 31 December 2022, if interest rates on cash and cash equivalents had been 10 basis points higher/lower with all other variables held constant, post tax profit for the year would have been RMB245,000 (2021: RMB318,000) higher/lower, mainly as a result of higher/lower interest income on floating interest rate.

(b) Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, restricted cash, trade receivables, notes receivables and other receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned, or reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from notes receivables, the Group only accepts bank acceptance notes issued by reputable banks located in PRC, and the Group believes the credit risk of these banks is relatively low.

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The Group assesses the credit quality of its customers by taking into account various factors including their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivables balances due from them is not significant.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

(ii) Impairment of financial assets

The Group has several types of financial assets that are subject to the expected credit loss model:

- trade receivables, and
- other receivables.

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

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24-36 months before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Consumer Price Index, Producer Price Index and Gross Domestic Product of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Amounts expressed in thousands of RMB unless otherwise stated

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

(ii) Impairment of financial assets (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for trade receivables:

	Lifetime expected credit loss rate	**Gross carrying amount of certain debtor(s)**	**Lifetime expected certain loss**	**Net carrying amount**
As at 31 December 2022				
Receivable from PRC Client				
Provision on individual basis	**98.32%**	**7,852**	**(7,720)**	**132**
Provision on collective basis	**0.56%**	**469,375**	**(2,607)**	**466,768**
Receivable from Overseas Client				
Provision on individual basis	**81.08%**	**20,087**	**(16,286)**	**3,801**
Provision on collective basis	**0.84%**	**272,463**	**(2,287)**	**270,176**
		769,777	**(28,900)**	**740,877**

	Lifetime expected credit loss rate	Gross carrying amount of certain debtor(s)	Lifetime expected certain loss	Net carrying amount
As at 31 December 2021				
Receivable from PRC Client				
Provision on individual basis	100%	9,047	(9,047)	–
Provision on collective basis	0.70%	446,897	(3,116)	443,781
Receivable from Overseas Client				
Provision on individual basis	100%	7,744	(7,744)	–
Provision on collective basis	3.05%	262,574	(8,000)	254,574
		726,262	(27,907)	698,355

Other receivables

For other receivables, management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience and forward looking information. In view of the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding other receivables balances due from them is not significant.

Amounts expressed in thousands of RMB unless otherwise stated

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(continued)*

(c) Liquidity risk

Liquidity risk management is to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The Group maintains unutilised banking facilities to manage its working capital requirements (Note 18).

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows	Carrying amount liabilities
Borrowings	225,670	–	–	225,670	223,561
Trade and other payables	1,155,072	–	–	1,155,072	1,155,072
Lease liabilities	7,263	7,255	3,580	18,098	16,983
Total	**1,388,005**	**7,255**	**3,580**	**1,398,840**	**1,395,616**

Amounts expressed in thousands of RMB unless otherwise stated

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors *(continued)*

(c) Liquidity risk *(continued)*

As at 31 December 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows	Carrying amount liabilities
Borrowings	283,917	5,501	–	289,418	288,536
Trade and other payables	744,398	–	–	744,398	744,398
Lease liabilities	8,066	6,492	10,082	24,640	22,682
Total	1,036,381	11,993	10,082	1,058,456	1,055,616

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new share or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as total debt divided by total capital. Total debt is calculated as interest bearing "borrowings" as shown in the consolidated statement of financial position. Total capital is calculated as "equity" as shown in the consolidated statement of financial position.

The Group's general strategy which was unchanged from 2020 is to maintain gearing ratio of less than 50%. The gearing ratio as at 31 December 2022 and 2021 were as follows:

	As at 31 December	
	2022	2021
Total debt	**223,561**	288,536
Total equity	**2,619,924**	2,420,034
Gearing ratio	**9%**	12%

The total debt to equity ratio decreased from 12% to 9% due to the repayment of borrowings. See note 18 for further information.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. The Group has no balance of financial instruments as at 31 December 2022.

Level 1: 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.

Level 2: 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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Amounts expressed in thousands of RMB unless otherwise stated

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation *(continued)*

Financial assets at fair value through profit or loss are wealth management products. Specific valuation techniques used to value these financial instruments include discounted cash flow analysis and quoted market prices of dealer quotes for similar instruments.

The following table presents the changes in level 3 items for the years ended 31 December 2022 and 31 December 2021:

	Wealth management product
As at 1 January 2021	–
Additions	490,000
Settlements	(492,768)
Changes in fair value (Note 21)	2,768
As at 31 December 2021	–
Additions	448,300
Settlements	(450,002)
Changes in fair value (Note 21)	1,702
As at 31 December 2022	–

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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated impairment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amounts of cash-generating units ("CGUs") is determined based on value-in-use calculations, which requires the use of assumptions.

The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the growth rates as estimated by management by reference to certain internal and external market data. Details of key assumptions are disclosed in note 8.

(b) Recoverability of non-financial assets

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take impairment charge to the consolidated statement of comprehensive income or loss.

(c) Current and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Critical accounting estimates and assumptions *(continued)*

(d) Allowance for impairment of trade receivables

The Group makes allowance for impairment of receivables based on assumptions about risk of default and expected credit loss rates. The Group uses judgements in making these assumptions and selecting the inputs to impairments calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(e) Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. This estimate is based on the historical experience of the actual residual values and useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

(f) Estimated provision for slow moving inventories

Provisions for declines in the value of inventories are determined on an item-by-item basis when the carrying value of the inventories is higher than their net realisable value. The estimation of net realisable values requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact carrying values of inventories and provisions of inventories in the period which estimate has been charged.

Amounts expressed in thousands of RMB unless otherwise stated

5 REVENUE AND SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors which are used for making strategic decisions.

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

	PRC	International	Total
2022			
Revenue	**2,519,991**	**1,417,020**	**3,937,011**
Inter-segment revenue	**–**	**–**	**–**
Revenue from external customers	**2,519,991**	**1,417,020**	**3,937,011**
Cost of sales	**(2,127,865)**	**(1,221,183)**	**(3,349,048)**
Segment results	**392,126**	**195,837**	**587,963**
Including: revenue recognized that was included in the contract liabilities balance at the beginning of the year	**16,622**	**9,053**	**25,675**
2021			
Revenue	2,402,848	1,061,485	3,464,333
Inter-segment revenue	–	–	–
Revenue from external customers	2,402,848	1,061,485	3,464,333
Cost of sales	(1,872,578)	(894,091)	(2,766,669)
Segment results	530,270	167,394	697,664
Including: revenue recognized that was included in the contract liabilities balance at the beginning of the year	31	–	31

Amounts expressed in thousands of RMB unless otherwise stated

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

	Year ended 31 December	
	2022	2021
Segment results for reportable segments	**587,963**	697,664
Other income	**67,354**	60,983
Other (losses)/gains – net	**(546)**	14,742
Impairment of losses on financial assets – net	**(3,086)**	(5,854)
Distribution expenses	**(254,426)**	(230,931)
Administrative expenses	**(169,776)**	(174,286)
Operating profit	**227,483**	362,318
Finance income	**10,752**	6,029
Finance costs	**(5,443)**	(8,455)
Finance income/(costs) – net	**5,309**	(2,426)
Profit before income tax	**232,792**	359,892
Income tax expense	**(50,395)**	(74,820)
Profit for the year	**182,397**	285,072
Depreciation and amortisation charges	**(142,421)**	(146,776)

Amounts expressed in thousands of RMB unless otherwise stated

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information on segment assets and liabilities are not disclosed as this information is not presented to the Executive Directors as they do not assess performance of reportable segments using information on assets and liabilities. The non-current assets excluding deferred income tax assets (there is no employment benefit assets and rights arising under insurance contracts) amount to RMB1,350,856,000 (2021: RMB1,413,564,000).

The following table presents sales generated from packaging materials, filling machines and digital services:

	Year ended 31 December	
	2022	2021
Packaging materials		
– Dairy products	**3,115,165**	2,861,575
– NCSD products	**777,376**	580,572
Filling machines	**40,142**	19,293
Digital services	**4,328**	2,893
	3,937,011	3,464,333

During the 2022 financial year, revenue from 2 (2021: 2) customers each accounted for 10% or more of the Group's total external revenue. These revenues are all attributable to the revenue of dairy products. The revenue from these customers are summarised below:

	Year ended 31 December	
	2022	2021
Customer A	**1,195,665**	1,230,569
Customer B	**518,089**	479,227
Total	**1,713,754**	1,709,796

Amounts expressed in thousands of RMB unless otherwise stated

6 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery	--Vehicles and office equipment	Construction in progress	Leasehold improvements	Total
Cost						
As at 1 January 2021	724,553	1,585,203	66,076	80,574	1,790	2,458,196
Additions	–	86	791	86,021	–	86,898
Transfer upon completion	139	32,361	3,316	(35,816)	–	–
Disposals	–	(272)	(1,535)	–	–	(1,807)
Exchange differences	(27,944)	(41,596)	(2,903)	(39)	(183)	(72,665)
As at 31 December 2021	696,748	1,575,782	65,745	130,740	1,607	2,470,622
Acquisition of subsidiaries	2,415	37,197	746	206	–	40,564
Additions	–	–	722	47,052	–	47,774
Transfer upon completion	20,132	86,926	802	(107,860)	–	–
Disposals	–	(399)	(1,440)	–	–	(1,839)
Exchange differences	7,055	10,421	1,043	455	46	19,020
As at 31 December 2022	**726,350**	**1,709,927**	**67,618**	**70,593**	**1,653**	**2,576,141**
Accumulated depreciation						
As at 1 January 2021	(157,567)	(928,330)	(58,536)	–	(1,527)	(1,145,960)
Charge for the year	(24,827)	(99,560)	(5,772)	–	(150)	(130,309)
Disposals	–	250	1,465	–	–	1,715
Exchange differences	6,701	18,162	2,614	–	155	27,632
As at 31 December 2021	(175,693)	(1,009,478)	(60,229)	–	(1,522)	(1,246,922)
Charge for the year	(25,527)	(96,757)	(4,414)	–	(116)	(126,814)
Disposals	–	184	1,362	–	–	1,546
Exchange differences	(1,943)	(5,122)	(921)	–	(15)	(8,001)
As at 31 December 2022	**(203,163)**	**(1,111,173)**	**(64,202)**	**–**	**(1,653)**	**(1,380,191)**
Net book value						
As at 31 December 2022	**523,187**	**598,754**	**3,416**	**70,593**	**–**	**1,195,950**
As at 31 December 2021	521,055	566,304	5,516	130,740	85	1,223,700

Amounts expressed in thousands of RMB unless otherwise stated

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Depreciation expenses have been charged to the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2022	2021
Cost of sales	**121,157**	124,115
Distribution expenses	**204**	201
Administrative expenses	**5,453**	5,993
	126,814	130,309

(b) The Group's property, plant and equipment are located in the PRC and Europe.

As at 31 December 2022, the net book value of property, plant and equipment located in Europe was approximately RMB425,961,000 (as at 31 December 2021: RMB390,999,000).

(c) Construction in progress as at 31 December 2022 mainly comprises new equipment being constructed in Shandong, PRC and Inner Mongolia, PRC.

7 LEASE

(a) Amounts recognized in the balance sheet

The balance sheet shows the following amount relating to lease:

	As at 31 December	
	2022	2021
Right-of -use assets		
Land use rights	**40,588**	41,617
Buildings	**15,889**	21,695
Office equipment	**480**	689
	56,957	64,001
Lease liabilities		
- Current	**10,381**	11,079
- Non-current	**6,602**	11,603

Amounts expressed in thousands of RMB unless otherwise stated

7 LEASE (CONTINUED)

(b) Amount recognized in the statement of profit or loss

	Year ended 31 December	
	2022	2021
Depreciation charge of right-of-use assets (Note 22)	**8,561**	8,612
Interest expense on lease liability (Note 24)	**923**	686
Rental expense for short-term and low value leases (Note 22)	**3,201**	2,310

The total cash outflow for leases for the year ended 31 December 2022 was RMB8,139,000 (2021: RMB8,289,000).

(c) The movements during the years ended 31 December 2022 and 31 December 2021 are set out below

	Land use rights	**Buildings**	**Office equipment**	**Total**
Net book value at 1 January 2021	42,646	6,257	948	49,851
Additions	–	22,762	–	22,762
Depreciation	(1,029)	(7,324)	(259)	(8,612)
Net book value at 31 December 2021	41,617	21,695	689	64,001
Net book value at 1 January 2022	41,617	21,695	689	64,001
Additions	-	1,517	-	1,517
Depreciation	(1,029)	(7,323)	(209)	(8,561)
Net book value at 31 December 2022	**40,588**	**15,889**	**480**	**56,957**

(d) The Group's leasing activities and how these accounted for

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.

Amounts expressed in thousands of RMB unless otherwise stated

8 INTANGIBLE ASSETS

	Goodwill	Computer Software	Trademarks	Patent and others	Total
Cost					
As at 1 January 2021	64,721	47,714	428	22,697	135,560
Additions	–	2,360	–	–	2,360
Exchange differences	–	(2,321)	–	–	(2,321)
As at 31 December 2021	64,721	47,753	428	22,697	135,599
Additions	–	948	–	–	948
Exchange differences	–	586	–	–	586
As at 31 December 2022	**64,721**	**49,287**	**428**	**22,697**	**137,133**
Accumulated amortisation and impairment					
As at 1 January 2021	(6,736)	(30,919)	(406)	(3,656)	(41,717)
Amortisation	–	(4,697)	(22)	(3,136)	(7,855)
Exchange differences	–	1,238	–	–	1,238
As at 31 December 2021	(6,736)	(34,378)	(428)	(6,792)	(48,334)
Amortisation	–	(3,911)	–	(3,135)	(7,046)
Impairment	(10,211)	–	–	(9,772)	(19,983)
Exchange differences	–	(359)	–	–	(359)
As at 31 December 2022	**(16,947)**	**(38,648)**	**(428)**	**(19,699)**	**(75,722)**
Net book value					
As at 31 December 2022	**47,774**	**10,639**	**–**	**2,998**	**61,411**
As at 31 December 2021	57,985	13,375	–	15,905	87,265

During the year ended 31 December 2022, amortisation of RMB4,662,000 and RMB2,384,000 were charged to administrative expenses and cost of sales, respectively.

During the year ended 31 December 2022, impairment losses of RMB19,983,000 on goodwill and other intangible assets arising from acquisitions of Greatdata were charged to cost of sales.

(a) Impairment tests for goodwill

Goodwill is monitored by management at the level of the following two CGUs:

	As at 31 December 2022
Packaging business – GA Shandong, GA Beijing and GA Inner Mongolia (i)	**47,774**
Greatdata (ii)	**–**
	47,774

Amounts expressed in thousands of RMB unless otherwise stated

8 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment tests for goodwill *(continued)*

(i) The goodwill arose from acquisition of Greatview Aseptic Packaging (Shandong) Co., Ltd. ("GA Shandong") in January 2005. The goodwill is monitored by the Group at the level of cash-generated units ("CGUs") which contain GA Shandong, Greatview Beijing Trading Co., Ltd. ("GA Beijing") and Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd. ("GA Inner Mongolia"), as GA Shandong's business was partially transferred to GA Beijing and GA Inner Mongolia after acquisition, all these entities are included in the PRC operating segment.

(ii) The goodwill arose from the acquisition of Beijing Greatdata Technology Co., Ltd. on 1 November 2019.

Based on the Group's strategy and business operation assessment, an impairment of goodwill RMB10,211,000 and other intangible assets RMB9,772,000 were recognized in the Greatdata CGU (2021: nil).

The recoverable amount of cash-generated units ("CGUs") is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period using estimated growth rates which are based on past performance and their expectations of future development. Cash flows within the five-year period are extrapolated using the estimated growth rates stated below.

The following table sets out the key assumptions for those CGUs with goodwill allocated to them:

	Packaging business – GA Shandong, GA Beijing and GA Inner Mongolia	Greatdata
2022		
Revenue growth rate for next 5 years	**4.8%**	**5.0% - 15.0%**
Perpetuity growth rate	**2.0%**	**2.0%**
Pre-tax discount rate	**15.3%**	**23.1%**
2021		
Revenue growth rate for next 5 years	3.7%	5.0% - 25.0%
Perpetuity growth rate	2.0%	3.0%
Pre-tax discount rate	14.9%	23.1%

Amounts expressed in thousands of RMB unless otherwise stated

8 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment tests for goodwill *(continued)*

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values
Revenue growth rate for next 5 years	Revenue growth rate is for the five-year forecast period. It is based on past performance and management's expectations of market development.
Perpetuity growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rate	The discount rate reflects specific risks relating to the relevant CGUs in which they operate.

(b) Impact of possible changes in key assumptions

Packaging business – GA Shandong, GA Beijing and GA Inner Mongolia CGU:

As at 31 December 2022, the recoverable amount of GA Shandong, GA Beijing and GA Inner Mongolia CGU is estimated exceed the carrying amount of the CGU by RMB269,000,000. The recoverable amount of this CGU would equal its carrying amount of the key assumptions were to change as follows:

	2022	
	From	**To**
Revenue growth rate for next 5 years	**4.8%**	**1.6%**
Perpetuity growth rate	**2.0%**	**(0.2%)**
Pre-tax discount rate	**15.3%**	**17.4%**

Amounts expressed in thousands of RMB unless otherwise stated

9 INVENTORIES

	As at 31 December	
	2022	2021
Raw materials	**980,114**	601,465
Work in progress	**35,343**	33,018
Finished goods	**194,372**	181,592
	1,209,829	816,075
Less: Provision for obsolescence		
– Raw materials	**(21,885)**	(14,480)
– Finished goods	**(6,082)**	(2,981)
	1,181,862	798,614

The cost of inventories recognised as expense and included in cost of sales amounted to approximately RMB3,312,030,000 for the year ended 31 December 2022 (2021: RMB2,751,942,000).

Inventory provision and the amount reversed have been included in cost of sales in the consolidated statement of comprehensive income for the years ended 31 December 2022 and 2021.

10 TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2022	2021
Trade receivables – gross	**769,777**	726,262
Less: Provision for impairment of trade receivables	**(28,900)**	(27,907)
Trade receivables – net	**740,877**	698,355
Notes receivables	**25,586**	51,980
Less non-current portion: Trade receivables	**(26,537)**	(27,614)
	739,926	722,721

Amounts expressed in thousands of RMB unless otherwise stated

10 TRADE AND NOTES RECEIVABLES (CONTINUED)

Customers are normally granted credit term within 90 days. As at 31 December 2022 and 2021, the aging analysis of the trade receivables based on invoice date is as follows:

	As at 31 December	
	2022	2021
Trade receivables – gross		
0-90 days	**637,310**	607,075
91-180 days	**49,976**	49,501
181-365 days	**11,463**	14,923
Over 365 days	**71,028**	54,763
	769,777	726,262

The Group does not hold any collateral as security.

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

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Note 3.1 provides for details about the calculation of the allowance.

Movement in the allowance for impairment of trade receivables is as follows:

	Year ended 31 December	
	2022	2021
As at 1 January	**27,907**	22,053
Increase in loss allowance recognised in profit or loss during the year	**3,176**	10,086
Receivables written off during the year as uncollectible	**(2,093)**	–
Allowance reversed	**(90)**	(4,232)
As at 31 December	**28,900**	27,907

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

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 3.1.

Amounts expressed in thousands of RMB unless otherwise stated

11 PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2022	2021
Prepayments		
– advances to suppliers	**16,477**	25,679
– other deferred expenses	**7,621**	7,914
– prepaid for land	**7,898**	7,898
– tariffs	**–**	6,952
	31,996	48,443
Less non-current portion: prepayments	**(10,001)**	(10,984)
	21,995	37,459
Other receivables		
– value added tax deductible	**–**	3,826
– staff advances and other payments for employees	**1,778**	2,974
– value added tax receivable	**26,252**	3,437
– others	**772**	1,982
	28,802	12,219
	50,797	49,678

12 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31 December	
	2022	2021
Cash at bank and in hand	**607,439**	425,242

Amounts expressed in thousands of RMB unless otherwise stated

12 CASH AND BANK BALANCES (CONTINUED)

(b) Restricted cash

At 31 December 2022, RMB306,920,000 (2021: RMB214,854,000) are restricted deposits held at bank as guarantee for notes payables.

The carrying amounts of cash and cash equivalents and restricted cash of the Group are denominated in the following currencies:

	As at 31 December	
	2022	2021
RMB	**788,568**	544,855
US$	**49,512**	62,312
EUR	**75,640**	29,510
HK$	**74**	277
CHF	**463**	2,792
GBP	**102**	350
	914,359	640,096

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	As at 31 December	
	2022	2021
Share capital (a)	**11,442**	11,442
Share premium (b)	**416,418**	416,418
Capital reserve	**123,598**	123,598
	551,458	551,458

(a) Share capital

The total authorised number of ordinary shares is 3,000,000,000 (2021: 3,000,000,000) with per value of HK$0.01 per share (2021: HK$0.01 per share).

The number of ordinary shares issued as of 31 December 2022 is 1,336,631,000 (2021: 1,336,631,000). All issued shares are fully paid.

(b) Share premium

On 9 December 2010, the Company completed its initial public offering by issuing 233,600,000 shares of HK$0.01 each at a price of HK$4.30 per share. The Company's shares are listed on the Stock Exchange.

Amounts expressed in thousands of RMB unless otherwise stated

14 STATUTORY RESERVE

	Year ended 31 December	
	2022	2021
As at 1 January	**296,211**	281,325
Transfer from retained earnings	**12,876**	14,886
As at 31 December	**309,087**	296,211

In accordance with PRC's regulations and the Articles of Association of those subsidiaries of the Group, which incorporated in the PRC ("PRC subsidiaries"), the PRC subsidiaries of the Group appropriate 10% of their net profits as shown in the accounts prepared under PRC generally accepted accounting principles to statutory reserve, until the reserve reaches 50% of their respective registered capital. Appropriation of the statutory reserve must be made before distribution of dividend to equity holders.

15 RETAINED EARNINGS

	Year ended 31 December	
	2022	2021
As at 1 January	**1,670,035**	1,638,899
Profit for the year	**182,397**	285,072
Transfer to statutory reserve	**(12,876)**	(14,886)
Dividends paid	**–**	(239,050)
As at 31 December	**1,839,556**	1,670,035

Amounts expressed in thousands of RMB unless otherwise stated

16 DEFERRED GOVERNMENT GRANTS

	Year ended 31 December	
	2022	2021
As at 1 January	**67,880**	80,944
Additions	**–**	1,000
Amortisation	**(7,806)**	(7,794)
Exchange adjustments	**1,246**	(6,270)
As at 31 December	**61,320**	67,880
At the end of the year		
Cost	**134,517**	145,846
Additions	**–**	1,000
Less: accumulated amortisation	**(75,920)**	(68,177)
Exchange adjustments	**2,723**	(10,789)
Net book amount	**61,320**	67,880

	As at 31 December	
	2022	2021
Current portion of deferred government grant	**6,844**	7,933
Non-current portion of deferred government grant	**54,476**	59,947

During the year ended 31 December 2022, the Group received government grants relating to costs. The amounts are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Amounts expressed in thousands of RMB unless otherwise stated

17 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2022	2021
Trade payables	**496,987**	333,639
Notes payables	**468,428**	313,030
Accrued expenses	**174,594**	91,095
Salary and welfare payables	**40,664**	37,639
Other tax payables	**9,795**	10,246
Other payables	**15,063**	6,634
	1,205,531	792,283

The normal credit period granted by the creditors generally ranged from 30 to 90 days. As at 31 December 2022 and 2021, the aging analysis of the trade payables based on invoice date is as follows:

	As at 31 December	
	2022	2021
Within 30 days	**413,875**	278,306
31-90 days	**71,473**	53,955
91-365 days	**8,285**	1,171
Over 365 days	**3,354**	207
	496,987	333,639

18 BORROWINGS

		As at 31 December	
		2022	2021
Current			
Secured			
Bank borrowings	- EUR	**91,748**	42,452
	- US$	**83,575**	140,265
	- HK$	**48,238**	100,404
		223,561	283,121
Non-Current			
Secured			
Bank borrowings	- EUR	**–**	5,415
Total borrowings		**223,561**	288,536

Amounts expressed in thousands of RMB unless otherwise stated

18 BORROWINGS (CONTINUED)

Bank Borrowings

The weighted average effective interest rates at the balance sheet dates are set out as follows:

	As at 31 December	
	2022	2021
Bank borrowings	**2.10%**	1.10%

All secured bank borrowings of RMB223,561,000 were guaranteed by the Company (2021: RMB288,536,000).

The Group's bank borrowings were repayable as follows:

	As at 31 December	
	2022	2021
Within 1 year	**223,561**	283,121
Between 1 and 2 years	**–**	5,415
	223,561	288,536

As of 31 December 2022, the Group has 4 borrowing facilities (31 December 2021: 4) with a total limit of US$105,000,000 (RMB731,283,000) and EUR25,000,000 (RMB185,573,000) (31 December 2021: US$105,000,000 (RMB669,449,000) and EUR25,000,000 (RMB180,493,000). The amounts of the unutilized borrowing facilities are as follows:

	As at 31 December	
	2022	2021
Floating rate:		
- Expiring within 1 year	**693,295**	561,406

Amounts expressed in thousands of RMB unless otherwise stated

19 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December	
	2022	2021
Deferred income tax assets		
– Deferred income tax asset to be recovered after more than 12 months	**11,019**	15,754
– Deferred income tax asset to be recovered within 12 months	**30,834**	18,053
	41,853	33,807
Deferred income tax liabilities		
– Deferred tax liability to be recovered after more than 12 months	**(1,764)**	(14,362)
– Deferred income tax liability to be recovered within 12 months	**(9,709)**	(5,107)
	(11,473)	(19,469)

The movement on the deferred income tax account is as follows:

	Year ended 31 December	
	2022	2021
At beginning of the year	**14,338**	17,761
Credited/(charged) to profit or loss (Note 25)	**16,042**	(3,423)
At end of the year	**30,380**	14,338

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets	**Accrued expenses**	**Government grants**	**Impairments and provisions**	**Leases**	**Total**
As at 1 January 2021	24,690	3,637	8,811	1,880	39,018
Credited/(charged) to profit or loss	(8,739)	(261)	(1)	3,790	(5,211)
As at 31 December 2021	15,951	3,376	8,810	5,670	33,807
Credited/(charged) to profit or loss	13,803	(614)	463	(5,606)	8,046
As at 31 December 2022	**29,754**	**2,762**	**9,273**	**64**	**41,853**

Amounts expressed in thousands of RMB unless otherwise stated

19 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax liabilities	Unremitted earnings (Note 19(b))	Long-term assets arising from business combination	Other tax differences	Leases	Total
As at 1 January 2021	8,130	5,510	5,816	1,801	21,257
Charged/(credited) to profit or loss	(4,980)	(696)	–	3,888	(1,788)
As at 31 December 2021	3,150	4,814	5,816	5,689	19,469
Charged/(credited) to profit or loss	6,559	(3,050)	(5,816)	(5,689)	(7,996)
As at 31 December 2022	**9,709**	**1,764**	**–**	**–**	**11,473**

(a) Deferred income tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefits through the future taxable profits is probable. The amount of tax losses for which no deferred income tax asset was recognised was approximately RMB34,950,000 (2021: RMB35,280,000). As at 31 December 2022 and 2021, the expiry dates of the unrecognised tax losses can be carried forward against future taxable income are analysed as below:

Expiring in year ending:

	2022	2021
2022	**–**	3,119
2023	**14,439**	17,131
2024	**12,618**	12,618
2025	**1,317**	1,317
2026	**5,472**	1,095
2027	**1,104**	–
	34,950	35,280

(b) In accordance with the corporate income tax law in the PRC, a 5% withholding tax will be levied on the dividend declared by the subsidiaries which was established in the PRC to its foreign investor. Considering the dividend policies of the PRC subsidiaries and the Group's business plan, the directors are of the view that only a portion of the unremitted earnings of the PRC subsidiaries of approximately RMB194,180,000 (2021: RMB63,000,000) may be distributed to their foreign parent company in the foreseeable future and the related deferred income tax liabilities of approximately RMB9,709,000 (2021: RMB3,150,000) have been recognised accordingly.

Amounts expressed in thousands of RMB unless otherwise stated

20 OTHER INCOME

	Year ended 31 December	
	2022	2021
Income from sales of scraps and other materials	**46,788**	31,856
Subsidy income from government	**20,566**	29,127
	67,354	60,983

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

21 OTHER (LOSSES)/GAINS – NET

	Year ended 31 December	
	2022	2021
Net fair value gains on wealth management products at FVPL (Note 3.3)	**1,702**	2,768
Net losses on disposal of assets	**(98)**	(29)
Realized net fair value losses on derivative financial instruments	**–**	(5,380)
Net foreign exchange (losses)/gains	**(3,502)**	10,961
Others	**1,352**	6,422
	(546)	14,742

Amounts expressed in thousands of RMB unless otherwise stated

22 EXPENSES BY NATURE

	Year ended 31 December	
	2022	2021
Raw materials and consumables used	**2,823,569**	2,299,322
Tax and levies on main operations	**14,650**	14,727
Provision for obsolescence on inventories	**10,506**	3,911
Depreciation and amortisation charges:	**142,421**	146,776
– *Depreciation of PP&E*	**126,814**	130,309
– *Depreciation of right-of-use assets*	**8,561**	8,612
– *Amortisation of intangible assets*	**7,046**	7,855
Employee benefit expenses (Note 23)	**341,461**	323,317
Impairment of goodwill and other intangible assets arising from acquisitions	**19,983**	–
Auditors' remuneration		
– Audit services	**2,500**	2,400
– Non-audit services	**70**	118
Transportation expenses	**171,891**	148,448
Electricity and utilities	**73,170**	49,156
Repair and maintenance expenses	**34,209**	35,503
Research and development expenses	**20,334**	18,063
Advertising and promotional expenses	**25,566**	26,107
Plating expenses	**20,252**	18,284
Professional fees	**18,470**	16,216
Travelling expenses	**12,304**	11,940
Bank charges	**3,957**	2,998
Rental expenses	**3,201**	2,310
Other expenses	**34,736**	52,290
Total cost of sales, distribution expenses and administrative expenses	**3,773,250**	3,171,886

23 EMPLOYEE BENEFITS

The analysis of employee benefits is as follows:

	Year ended 31 December	
	2022	2021
Wages and salaries (including discretionary bonuses)	**285,057**	267,881
Employer's contributions to pension scheme and others	**56,404**	55,436
	341,461	323,317

Amounts expressed in thousands of RMB unless otherwise stated

23 EMPLOYEE BENEFITS (CONTINUED)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included 2 directors (2021: 2), whose emoluments were reflected in the analysis presented in note 35. All of these individuals have not received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office during the years ended 31 December, 2022 and 2021. The aggregate amounts of emoluments for the remaining 3 (2021: 3) individuals for the years are as follows:

	Year ended 31 December	
	2022	2021
Salaries and other short-term employees' benefits	**2,789**	3,480
Contribution to pension scheme	**115**	135
Bonuses	**769**	489
Social security cost	**95**	127
	3,768	4,231

The emoluments fell within the following bands:

	Year ended 31 December	
	2022	2021
Emolument bands		
HK$1,000,001 – HK$1,500,000	**2**	2
HK$1,500,001 – HK$2,000,000	**1**	1
	3	3

(b) Senior management remuneration by band (excluded 2 directors (2021: 2), whose emoluments were reflected in the analysis presented in note 35)

The number of individuals emoluments fell within the following bands:

	Year ended 31 December	
	2022	2021
Emolument bands		
HK$500,001 – HK$1,000,000	**1**	1
HK$1,000,001 – HK$2,000,000	**3**	3
Over HK$2,000,000	**–**	1
	4	5

Amounts expressed in thousands of RMB unless otherwise stated

24 FINANCE INCOME AND FINANCE COSTS

	Year ended 31 December	
	2022	2021
Interest income	**8,227**	6,029
Exchange gains – net	**2,525**	–
Finance income	**10,752**	6,029
Interest expenses – bank borrowings	**(4,520)**	(2,556)
Interest expenses – lease	**(923)**	(686)
Exchange losses – net	**–**	(5,213)
Finance costs	**(5,443)**	(8,455)

25 INCOME TAX EXPENSE

	Year ended 31 December	
	2022	2021
Current income tax:		
Enterprise income tax	**66,437**	71,397
Deferred income tax:	**(16,042)**	3,423
Income tax expense	**50,395**	74,820

The Group's subsidiaries established in the PRC except for Greatview Aseptic Packaging (Inner Mongolia) Co. Ltd. ("GA Inner Mongolia") and Qingdao Likang Food Packaging Technology Co., LTD. ("Likang") are subject to the PRC statutory income tax rate of 25% (2021: 25%) on the taxable income for the year. Hong Kong profits tax rate is 16.5% up to 1 April 2018. When the two-tiered profits tax regime took effect on 1 April 2018, the applicable Hong Kong profits tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million. The profits tax of Greatview Aseptic Packaging Manufacturing GmbH and Greatview Aseptic Packaging Service GmbH has been provided at rate of 30.83%. Greatview Aseptic Packaging Europe GmbH is subject to the Swiss statutory income tax rate of 12.80%.

GA Inner Mongolia is located in a special economic zone with a preferential statutory income tax rate of 15%, which is subject to annual approval from the local tax bureau. The local tax bureau has approved this preferential tax rate of 15% for this subsidiary in year 2022.

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

Amounts expressed in thousands of RMB unless otherwise stated

25 INCOME TAX EXPENSE (CONTINUED)

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

	Year ended 31 December	
	2022	2021
Profit before tax	**232,792**	359,892
Tax calculated at domestic tax rates applicable to profits in the respective countries	**62,433**	80,228
Withholding tax on dividends	**6,559**	9,320
Effect of preferential tax treatments	**(10,375)**	(11,757)
Income not subject to tax	**(35)**	(88)
Super deduction of research and development expenses	**(2,174)**	(1,975)
Expenses not deductible for tax purposes	**523**	1,543
Tax losses for which no deferred tax asset was recognised	**441**	271
Utilisation of previously unrecognised tax losses for which no deferred income tax was recognised	**(6,440)**	(1,828)
Others	**(537)**	(894)
Income tax expense	**50,395**	74,820

26 EARNINGS PER SHARE

Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2022	2021
Profit attributable to equity holders of the Company	**182,397**	285,072
Weighted average number of ordinary shares in issue (thousands)	**1,336,631**	1,336,631
Basic and diluted earnings per share (RMB per share)	**0.14**	0.21

Basic and diluted earnings per share are the same as the Group does not have any dilutive potential ordinary shares for the years ended 31 December 2022 and 2021.

Amounts expressed in thousands of RMB unless otherwise stated

27 DIVIDENDS

No dividends have been paid or declared by the Company during the year ended 31 December 2022.

	Year ended 31 December	
	2022	2021
Proposed and paid interim dividend of HK$0.00 (2021: HK$0.12) per ordinary share	**–**	132,580

28 CASH GENERATED FROM OPERATIONS

	Year end 31 December	
	2022	2021
Profit before income tax	**232,792**	359,892
Adjustments for:		
– Amortisation of intangible assets	**7,046**	7,855
– Amortisation of deferred government grants	**(7,806)**	(7,794)
– Depreciation of property, plant and equipment	**126,814**	130,309
– Depreciation of right-of-use assets	**8,561**	8,612
– Share-based payments	**–**	750
– Impairment for trade and other receivables	**3,086**	5,854
– Provision for obsolescence on inventories	**10,506**	3,911
– Impairment of goodwill and other intangible assets arising from acquisitions	**19,983**	–
– Loss on disposal of property, plant and equipment	**98**	29
– Interest income from financial assets at FVPL	**(1,702)**	(2,768)
– Finance income – net	**(5,309)**	2,426
– Foreign exchange gains on operating activities	**22,355**	(40,150)
Changes in working capital:		
– Inventories	**(393,754)**	(91,790)
– Trade and notes receivables	**(19,214)**	(164,181)
– Other receivables and prepayments	**(136)**	2,172
– Restricted cash	**(92,066)**	(31,223)
– Trade payables, other payables and accruals	**412,547**	18,155
– Contract liabilities	**83,815**	27,628
Cash generated from operations	**407,616**	229,687

Amounts expressed in thousands of RMB unless otherwise stated

28 CASH GENERATED FROM OPERATIONS (CONTINUED)

Non-cash transaction

In 2021 and 2022, there was no significant non-cash transaction.

	Liabilities from financing activities			
	Borrowings due after 1 year	**Borrowings due within 1 year**	**Leases**	**Total**
Net debt as at 1 January 2021	(14,044)	(191,525)	(7,522)	(213,091)
Cash flows	–	(94,021)	8,289	(85,732)
Addition – leases principle	–	–	(22,763)	(22,763)
Addition – leases interests	–	–	(686)	(686)
Foreign exchange adjustments	1,014	10,040	–	11,054
Other non-cash movement	7,615	(7,615)	–	–
Net debt as at 31 December 2021	(5,415)	(283,121)	(22,682)	(311,218)
Cash flows	–	79,837	8,139	87,976
Addition – leases principle	–	–	(1,517)	(1,517)
Addition – leases interests	–	–	(923)	(923)
Foreign exchange adjustments	(152)	(14,710)	–	(14,862)
Other non-cash movement	5,567	(5,567)	–	–
Net debt as at 31 December 2022	**–**	**(223,561)**	**(16,983)**	**(240,544)**

Amounts expressed in thousands of RMB unless otherwise stated

29 SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2022 are set out below: Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued share and paid-in capital/ registered capital/ debt securities	Ownership interest held by the Group (%)	
				2022	2021
Directly held by the Company					
Partner One Enterprises Ltd.	British Virgin Island, Limited liability company	Investment holding in British Virgin Island	US$2	**100%**	100%
Falcon Eye Global Ltd.	British Virgin Island, Limited liability company	Investment holding in British Virgin Island	US$2	**100%**	100%
Indirectly held by the Company					
Global Land International Industries Limited	Hong Kong, Limited liability company	Investment holding in Hong Kong	HK$10,000	**100%**	100%
Greenone Co., Ltd.	PRC, Limited liability company	Research and development of multi-layers food packaging materials in PRC	RMB10,000,000	**100%**	100%
Greatview Holdings Ltd.	Hong Kong, Limited liability company	Investment holding in Hong Kong	HK$10,000	**100%**	100%
Greatview Aseptic Packaging (Shandong) Co., Ltd.	PRC, Limited liability company	Production and sale of packaging products in PRC	US$65,080,000	**100%**	100%
Greatview Aseptic Packaging (Inner Mongolia) Co., Ltd.	PRC, Limited liability company	Production and sale of packaging products in PRC	US$20,000,000	**100%**	100%
Greatview Aseptic Packaging Europe GmbH	Switzerland, Limited liability company	Sale of packaging products in Switzerland	CHF50,000	**100%**	100%

Amounts expressed in thousands of RMB unless otherwise stated

29 SUBSIDIARIES (CONTINUED)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued share and paid-in capital/ registered capital/ debt securities	Ownership interest held by the Group (%) 2022	2021
Indirectly held by the Company (continued)					
Greatview Beijing Trading Co., Ltd.	PRC, Limited liability company	Sale of packaging products and equipment and related technical development services in PRC	US$750,000	**100%**	100%
Greatview Aseptic Packaging Manufacturing GmbH	Germany, Limited liability company	Production and sale of packaging products in Germany	EUR25,000	**100%**	100%
Greatview Aseptic Packaging Service GmbH	Germany, Limited liability company	Sale of packaging products in Germany	EUR25,000	**100%**	100%
Greatview Aseptic Packaging France	France, Limited liability company	Sale of packaging products in France	EUR1,000	**100%**	–
Greatview Aseptic Packaging Italy S.r.l	Italy, Limited liability company	Production and sale of packaging products in Italy	EUR10,000	**100%**	–
Langfang XinCeHeng Plastic Co., Ltd.	PRC, Limited liability company	Production of rubber and plastic films in PRC	RMB10,000,000	**100%**	100%
Qingdao Likang Food Packaging Technology Co., LTD.	PRC, Limited liability company	Production and sale of packaging products in PRC	RMB100,000,000	**100%**	100%
Esight Company Limited	Hong Kong, Limited liability company	Investment holding in Hong Kong	HK$1	**100%**	100%
Beijing Greatdata Technology Co., Ltd.	PRC, Limited liability company	Technical research and development, software research and development, technical services in PRC	RMB10,000,000	**100%**	100%
Controlled by the Company pursuant to the Contractual Agreements					
Beijing Esight Innovation Co., Ltd.	PRC, Limited liability company	Technical research and development, software research and development, technical services in PRC	RMB1,000,000	**100%**	100%
Beijing Esight Digital Innovation Co., Ltd	PRC, Limited liability company	Technical research and development, software research and development, technical services in PRC	RMB10,000,000	**100%**	100%

Amounts expressed in thousands of RMB unless otherwise stated

29 SUBSIDIARIES (CONTINUED)

Debt securities

None of the subsidiaries had any debt securities outstanding as at 31 December 2022, or at any time during the year.

Significant restrictions

Cash and bank balances of RMB828,991,000 (2021: RMB581,932,000) are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

30 COMMITMENTS

The Group's capital commitments at the date of each statement of financial position are as follows:

	As at 31 December	
	2022	2021
Contracted but not provided for		
– Property, plant and equipment	**72,464**	16,815

31 RELATED PARTY TRANSACTIONS

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:

	Year end 31 December	
	2022	2021
Salaries and other short-term employees' benefits	**8,167**	11,942
Contribution to pension scheme	**304**	308
Bonuses	**1,813**	1,407
Social security cost	**320**	354
	10,604	14,011

32 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 31 December 2022 (2021: nil).

33 EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Group noticed that Shandong Xinjufeng Technology Packaging Co., Ltd. ("Shandong Xinjufeng") issued an announcement on 27 January 2023. Pursuant to the announcement, Shandong Xinjufeng entered into an agreement with JSH Venture, a substantial shareholder and the single largest shareholder of the Group to conditionally purchase approximately 28.2% of the total issued share capital of the Group. The Group is still continuously monitoring the impacts of the proposed transaction on the financial performance and financial position of the Group in the future.

Amounts expressed in thousands of RMB unless otherwise stated

34 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	As at 31 December	
	2022	2021
ASSETS		
Non-current assets		
Investment in a subsidiary	**221,801**	221,801
Amount due from a subsidiary	**450,976**	454,666
	672,777	676,467
Current assets		
Amount due from a subsidiary	**132,933**	82,534
Cash and cash equivalents	**38**	77
	132,971	82,611
Total assets	**805,748**	759,078
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	**11,442**	11,442
Other reserves and retained earnings(a)	**793,483**	746,801
Total equity	**804,925**	758,243
LIABILITIES		
Current liabilities		
Trade payables, other payables and accruals	**823**	835
Total liabilities	**823**	835
Total equity and liabilities	**805,748**	759,078

The balance sheet of the Company was approved by the Board on 29 March 2023 and was signed on its behalf:

Director
Bi Hua, Jeff

Director
Chang Fuquan

Amounts expressed in thousands of RMB unless otherwise stated

34 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) Reserve movement of the Company

	2022	2021
As at 1 January	**746,801**	766,212
Profit for the year	**46,682**	269,191
Dividends	**–**	(288,602)
As at 31 December	**793,483**	746,801

35 DIRECTORS' EMOLUMENTS

(a) The remuneration of directors was as follows:

Name of Director	Fees	Salary	Discretionary bonuses	Allowance and benefits in kind	Employer's contribution to pension scheme	Total
Year ended 31 December 2021:						
Executive directors						
Mr. Bi Hua, Jeff	166	2,927	345	122	68	3,628
Mr. Chang Fuquan	166	1,006	58	6	–	1,236
Non-executive directors						
Mr. Hong Gang	–	–	–	–	–	–
Mr. Pang Yiu Kai	–	–	–	–	–	–
Independent non-executive directors						
Mr. Lueth Allen Warren	166	–	–	–	–	166
Mr. Behrens Ernst Hermann	166	–	–	–	–	166
Mr. Zhu Jia	166	–	–	–	–	166
	830	3,933	403	128	68	5,362

Amounts expressed in thousands of RMB unless otherwise stated

35 DIRECTORS' EMOLUMENTS (CONTINUED)

(a) The remuneration of directors was as follows: *(continued)*

Name of Director	Fees	Salary	Discretionary bonuses	Allowance and benefits in kind	Employer's contribution to pension scheme	Total
Year ended 31 December 2022:						
Executive directors						
Mr. Bi Hua, Jeff	**173**	**830**	**456**	**123**	**73**	**1,655**
Mr. Chang Fuquan	**173**	**1,008**	**–**	**6**	**–**	**1,187**
Non-executive directors						
Mr. Hong Gang	**–**	**–**	**–**	**–**	**–**	**–**
Mr. Pang Yiu Kai	**–**	**–**	**–**	**–**	**–**	**–**
Independent non-executive directors						
Mr. Lueth Allen Warren	**173**	**–**	**–**	**–**	**–**	**173**
Mr. Behrens Ernst Hermann	**173**	**–**	**–**	**–**	**–**	**173**
Mr. Zhu Jia	**173**	**–**	**–**	**–**	**–**	**173**
	865	**1,838**	**456**	**129**	**73**	**3,361**

(b) Directors' retirement benefits

During the year, no retirement benefits were paid to or receivable by the directors in respect of their services as directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2021: Nil).

(c) Directors' termination benefits

During the year, no payment or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2021: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year, no consideration was provided to or receivable by third parties for making available directors' services (2021: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, their controlled bodies corporate and connected entities with such directors

During the year, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2021: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of year or at any time during the year (2021: Nil).