Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

GREATIME INTERNATIONAL HOLDINGS LIMITED
廣泰國際控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 844)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Greatime International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2022 (the "**Year under Review**"), together with the comparative figures for the year ended 31 December 2021, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**"), as follow.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
Revenue	3	**469,044**	430,989
Cost of sales		**(372,351)**	(353,514)
Gross profit		**96,693**	77,475
Other income and gains	4	**9,374**	6,616
Selling and distribution expenses		**(22,195)**	(14,571)
Administrative expenses		**(72,334)**	(75,486)
Finance costs	5	**(5,275)**	(5,884)
Profit (loss) before tax		**6,263**	(11,850)
Income tax expense	6	**(6,419)**	(2,405)
Loss for the year	7	**(156)**	(14,255)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(3,114)**	(12,278)
Other comprehensive expense for the year		**(3,114)**	(12,278)
Total comprehensive expense for the year		**(3,270)**	(26,533)
Loss per share:			
– Basic and diluted *(cents)*	8	**(0.03)**	(2.88)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**141,871**	164,533
Investment property		**2,655**	3,098
Right-of-use assets		**17,838**	16,569
Deposits paid to acquire property, plant and equipment		**714**	–
Deferred tax assets		**1,084**	1,152
		164,162	185,352
CURRENT ASSETS			
Inventories	*10*	**68,773**	88,167
Trade receivables	*11*	**29,356**	34,717
Bills receivables	*12*	**6,541**	–
Prepayments and other receivables		**9,231**	6,831
Amounts due from related companies		**–**	239
Income tax receivables		**83**	1,102
Cash and bank balances		**227,951**	161,408
		341,935	292,464

	Note	2022 *RMB'000*	2021 *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	*13*	**76,242**	59,809
Accruals and other payables		**36,817**	21,939
Contract liabilities		**8,396**	12,261
Amounts due to related companies		**–**	1,392
Loan from a shareholder		**4,454**	4,103
Interest-bearing borrowings		**103,000**	103,000
Lease liabilities		**1,825**	1,567
Income tax payables		**3,876**	1,384
		234,610	205,455
Net current assets		**107,325**	87,009
Total assets less current liabilities		**271,487**	272,361
NON-CURRENT LIABILITIES			
Lease liabilities		**2,505**	188
Deferred tax liabilities		**558**	479
		3,063	667
NET ASSETS		**268,424**	271,694
CAPITAL AND RESERVES			
Share capital		**148,929**	148,929
Reserves		**119,495**	122,765
TOTAL EQUITY		**268,424**	271,694

1. GENERAL INFORMATION AND BASIS OF PRESENTATION OF CONSOLIDATION

Greatime International Holdings Limited (the "**Company**"), which acts as an investment holding company, was incorporated in the British Virgin Islands (the "**BVI**") with limited liability under the Business Companies Act of the BVI (2004) (the "**Companies Act**") on 8 December 2010. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 November 2011. The address of the registered office is located at P.O. Box 3340, Road Town, Tortola, BVI and its principal place of business is located at Room 4408, 44/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are engaged in the manufacturing of and provision of processing services on innerwear products and knitted fabrics. Its immediate holding company is Junfun Investment Limited ("**Junfun**") (incorporated in the Cayman Islands), and its ultimate holding company is Yongtai Technology Investment Company Limited (incorporated in the PRC). Its ultimate controlling party is Mr. Wang Guangxi.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries which were established and operated in the People's Republic of China (the "**PRC**"). Other than those subsidiaries established in the PRC, the functional currency of subsidiaries established in Hong Kong and Myanmar are denoted in United States dollars ("**USD**") and Myanmar Khamed ("**MMK**").

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's financial year beginning 1 January 2022:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 cycle

The application of the amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments HKFRSs will have no material impact on the results and the financial position of the Group.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020); Amendments to HKAS 1 –Non-current Liabilities with Covenants

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current issued in 2020 (the "**2020 Amendments**") clarify the requirements for classifying liabilities as current or non-current. Amendments to HKAS 1 Non-current Liabilities with Covenants issued in 2022 (the "**2022 Amendments**") further clarify the requirements for classification of non-current liabilities with covenants. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with future covenants, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered as settlement of a liability.

The amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within twelve months.

The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. However, an entity that applies the 2020 Amendments early is also required to apply the 2022 Amendments, and vice versa.

Based on the Group's outstanding liabilities as at 31 December 2022, the application of the amendments will not result in change in the classification of the Group's liabilities.

Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments change the requirements in HKAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in HKAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Guidance and examples were provided to explain and demonstrate the application of the "four-step materiality process" described in HKFRS Practice Statement 2. The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period, with earlier application permitted.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for manufacture and sales of and provision of processing services on innerwear products and knitted fabrics, net of discounts and sales related taxes. Revenue is analysed as follows:

Revenue from contracts with customers within the scope of HKFRS 15

Disaggregated by major products or services lines

	2022	2021
	RMB'000	*RMB'000*
Manufacture and sale of products:		
– Innerwear products	**323,102**	305,998
– Knitted fabrics	**97,889**	64,608
	420,991	370,606
Processing services income:		
– Innerwear products	**8,702**	5,258
– Knitted fabrics	**39,351**	55,125
	48,053	60,383
	469,044	430,989

Disaggregation of revenue by timing of recognition

	Year ended 31/12/2022	Year ended 31/12/2021
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time and total revenue from contracts with customers	**469,044**	430,989

The Group's operating segments, by category of products, based on information reported to the directors of the Company, being the chief operating decision makers ("**CODM**") for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

1) Innerwear products – manufacturing and sale of and provision of processing services on innerwear and garments

2) Knitted fabrics – manufacturing and sale of and provision of processing services on knitted fabrics

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Year ended 31 December 2022		
	Innerwear products *RMB'000*	**Knitted fabrics** *RMB'000*	**Total** *RMB'000*
Revenue			
External sales	**331,804**	**137,240**	**469,044**
Inter-segment sales	**116,220**	**93,451**	**209,671**
Segment revenue	**448,024**	**230,691**	**678,715**
Eliminations			**(209,671)**
Group's revenue			**469,044**
Segment profit (loss)	**34,427**	**(7,524)**	**26,903**
Other income and gains			**909**
Finance costs			**(5,262)**
Unallocated head office and corporate expenses			**(16,287)**
Profit before tax			**6,263**

	Year ended 31 December 2021		
	Innerwear products *RMB'000*	Knitted fabrics *RMB'000*	Total *RMB'000*
Revenue			
External sales	311,256	119,733	430,989
Inter-segment sales	121,502	94,377	215,879
Segment revenue	432,758	214,110	646,868
Eliminations			(215,879)
Group's revenue			430,989
Segment profit (loss)	11,654	(3,231)	8,423
Other income and gains			322
Finance costs			(5,871)
Unallocated head office and corporate expenses			(14,724)
Loss before tax			(11,850)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of bank interest income, rental income, directors' and chief executive's emoluments, certain finance costs and unallocated head office and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

4. OTHER INCOME AND GAINS

	2022	2021
	RMB'000	*RMB'000*
Bank interest income	**786**	320
Sales of scrap materials	**2,076**	2,987
Government grants *(note)*	**945**	1,343
Net gain on disposal of property, plant and equipment	**35**	426
Rental income from an investment property		
− Lease payments that are fixed	**119**	–
Reversal of impairment loss on trade receivables	**4,124**	–
Reversal of impairment loss on amounts due from related companies	**7**	–
Others	**1,282**	1,540
	9,374	6,616

Note:

During the year ended 31 December 2022, the government grants of RMB646,000 (2021: RMB1,343,000) was awarded to the Group by the PRC government as incentives primarily to encourage the technology development of the Group and the contribution to the local economic development. The government grants were one-off with no specific condition attached.

During the year ended 31 December 2022, the Group recognised government grants of RMB299,000 (2021: nil) in respect of COVID-19 related subsidies which was related to the Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund.

5. FINANCE COSTS

	2022	2021
	RMB'000	*RMB'000*
Interest on:		
− Lease liabilities	**94**	173
− Bank loans	**5,181**	5,711
	5,275	5,884

6. INCOME TAX EXPENSE

	2022	2021
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax (the "**EIT**")		
– Provision for the year	**4,146**	1,407
– Over-provision in prior years	**(381)**	(37)
Overseas income tax		
– Provision for the year	**1,181**	1,070
– Over-provision in prior years	**–**	(10)
Withholding tax	**1,338**	512
Deferred tax	**135**	(537)
	6,419	2,405

(a) Overseas income tax

Pursuant to the rules and regulations of the BVI, the BVI subsidiary and the Company are not subject to any income tax in the BVI.

Pursuant to the rules and regulations of Myanmar, the Myanmar subsidiaries are subject to income tax at 22% for the year ended 31 December 2022 (subject to 25% for the period from 1 January 2021 to 30 September 2021 and subject to 22% for the period from 1 October 2021 to 31 December 2021).

(b) Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HKD2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. For the years ended 31 December 2022 and 2021, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. (2021: 16.5%)

No provision for Hong Kong Profits Tax had been made for the years ended 31 December 2022 and 2021 as there was no estimated assessable profit derived from Hong Kong subsidiaries.

(c) EIT

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the years ended 31 December 2022 and 2021.

Pursuant to circular issued by Ministry of Finance and National Tax Bureau on 2 April 2021, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax rate of 2.5% since 1 January 2021. Pursuant to circular issued by Ministry of Finance and National Tax Bureau on 14 March 2022, preferential tax rate for the proportion of annual taxable income between RMB1,000,001 and RMB3,000,000 is increased from 2.5% to 5% since 1 January 2022. A PRC subsidiary of the Group was qualified as small-scaled minimal profit enterprise and application of preferential tax rate during the year ended 31 December 2022 and 2021.

(d) Withholding tax

According to the joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, withholding tax of 10% is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

The tax charge of the year can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022	2021
	RMB'000	*RMB'000*
Profit (loss) before tax	**6,263**	(11,850)
Tax at the domestic income rate of 25% (2021: 25%)	**1,566**	(2,963)
Tax effect of income not taxable for tax purpose	**(1,057)**	(26)
Tax effect of expenses not deductible for tax purpose	**7,916**	2,684
Tax effect of deductible temporary difference not recognised	**482**	414
Utilisation of deductible temporary difference previously not recognised	**(388)**	(5)
Tax effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**1,375**	532
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(5,322)**	1,973
Tax effect of tax losses not recognised	**2,669**	1,311
Over-provision in prior years	**(381)**	(47)
Income tax on concessionary rate	**(441)**	(119)
Utilisation of tax losses previously not recognised	**–**	(1,349)
Income tax expense for the year	**6,419**	2,405

7. LOSS FOR THE YEAR

	2022	2021
	RMB'000	*RMB'000*
Loss for the year has been arrived at after charging:		
Salaries and other benefits	**123,834**	123,255
Contributions to retirement benefit schemes	**15,886**	13,788
Total staff costs (including directors' and chief executive's emoluments)	**139,720**	137,043
Auditor's remuneration	**773**	738
Depreciation of property, plant and equipment	**24,864**	25,841
Depreciation of investment property	**443**	443
Depreciation of right-of-use assets	**3,188**	3,134
Exchange losses, net	**201**	956
Bad debt written off	**1,035**	39
Amount of inventories recognised as an expense	**370,466**	352,151
Write-down of inventories (included in cost of sales)	**1,885**	1,363
Impairment loss on trade receivables (included in administrative expenses)	**–**	3,418
Impairment loss on amounts due from related companies (included in administrative expenses)	**–**	144

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the year ended 31 December 2022 is based on the loss for the year attributable to owners of the Company of approximately RMB156,000 and the weighted average of 494,335,330 ordinary shares in issue during the year.

The calculation of the basic and diluted loss per share for the year ended 31 December 2021 was based on the loss for the year attributable to owners of the Company of approximately RMB14,255,000 and the weighted average of 494,335,330 ordinary shares in issue during the year.

Diluted loss per share for the years ended 31 December 2022 and 2021 was the same as the basic loss per share as there were no dilutive potential ordinary shares outstanding during the year ended 31 December 2022 (2021: nil).

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

10. INVENTORIES

	2022	2021
	RMB'000	*RMB'000*
Raw materials	**25,901**	40,937
Work-in-progress	**30,857**	36,514
Finished goods	**12,015**	10,716
	68,773	88,167

11. TRADE RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Receivables at amortised cost comprise:		
Trade receivables	**31,988**	41,261
Less: Loss allowance on trade receivables	**(2,632)**	(6,544)
	29,356	34,717

As at 1 January 2021, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB54,787,000.

As at 31 December 2022, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB31,988,000 (2021: RMB41,261,000).

The Group allows an average credit period of 30 to 90 days to its trade customers. An aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period is as follows:

	2022	2021
	RMB'000	*RMB'000*
0 – 30 days	**23,625**	28,245
31 – 60 days	**4,394**	4,369
61 – 90 days	**1,234**	1,441
Over 90 days	**103**	662
	29,356	34,717

The movement in the allowance for impairment of trade receivables is set out below:

	2022	2021
	RMB'000	*RMB'000*
At the beginning of the year	**6,544**	3,187
(Reversal of) impairment loss on trade receivables	**(4,124)**	3,418
Exchange realignment	**212**	(61)
At the end of the year	**2,632**	6,544

12. BILLS RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Receivables at amortised cost comprise:		
Bills receivables	**6,541**	–

At as 31 December 2022, the gross amount of bills receivables arising from contracts with customers amounted to approximately RMB6,541,000 (2021: nil).

The aging analysis of bills receivables presented based on the issue date at the end of the reporting period was as follows:

	2022	2021
	RMB'000	*RMB'000*
0 – 30 days	**6,504**	–
31 – 60 days	**37**	–
	6,541	–

The Group measures the loss allowance for bills receivables at an amount equal to 12-month ECL. As the counterparties are banks with high credit ratings, no additional loss allowance was provided on the Group's bills receivables in the years ended 31 December 2022 and 2021.

13. TRADE AND BILLS PAYABLES

	2022	2021
	RMB'000	*RMB'000*
Trade payables	**43,446**	42,209
Bills payables	**32,796**	17,600
	76,242	59,809

An aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period is as follows:

	2022	2021
	RMB'000	*RMB'000*
0 – 30 days	**41,553**	36,376
31 – 90 days	**16,483**	21,174
91 – 180 days	**17,543**	1,590
Over 180 days	**663**	669
	76,242	59,809

The average credit period on purchase of goods is from 30 to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

Throughout 2022, a number of adverse factors, such as the surge in global inflation, the geopolitical tensions caused by the Russian-Ukrainian war, and the impact of the pandemic on domestic economy, have exerted significant pressure on the domestic economic growth. However, against such a backdrop, China's economy successfully withstood the huge internal and external pressure and recorded steady growth. According to the data of the National Bureau of Statistics of China, the annual GDP in 2022 reached RMB121 trillion, representing a year-on-year increase of 3%. This reflected the positive results achieved by the central government in its efficient coordination of epidemic prevention and control as well as economic and social development. With the continuous expansion of domestic economy volume and the improvement of economic operations, the product demand is expected to continue rising.

According to the data from China Customs, China's textile exports amounted to US$323.34 billion in 2022, representing a year-on-year increase of 2.6%, and continued to stand at US$300 billion. Among which, apparel exports amounted to US$175.43 billion, representing a year-on-year increase of 3.2%. The decrease in growth was mainly due to the combined effect of various factors, such as the decline in foreign trade demand caused by the unstable global economy, the transfer of orders, and the high base in 2021. Nevertheless, driven by various factors such as the new opportunities of RCEP and the new model of cross-border e-commerce, China's textile exports successfully maintained growth and reached a new high. It is worth noting that inflation in the U.S. remains high and the U.S. Federal Reserve is contemplating raising interest rates as a measure to control inflation. However, completely suppressing inflation through interest rate hikes may not be entirely effective. Consumers in the U.S. are facing high inflation and high borrowing costs, both of which will also affect consumer sentiment. It is expected that China's textile industry will still face a series of severe challenges in the future. However, China has unique competitive advantages in the global textile and apparel supply chain. China's foreign trade is expected to receive a boost from several positive factors, including the gradual easing of the pandemic's impact, the further opening-up of the country, and the economic recovery.

BUSINESS REVIEW

In an effort to mitigate the risks associated with over-reliance on any single business, the Group has been actively pursuing diversification by developing different business lines, with the goal of creating additional revenue streams. During the year from 1 January 2022 to 31 December 2022 (the "**Year Under Review**"), the Group continued to play a role as an original equipment manufacturer ("**OEM**") innerwear supplier of numerous major international clothing brands, and operates production plants in China and Myanmar. During the Year Under Review, the Group recorded an increase in revenue of 8.8% to approximately RMB469.0 million (2021: RMB431.0 million)). The Group's revenue from knitted fabrics was approximately RMB137.2 million and revenue from innerwear products was approximately RMB331.8 million. During the Year under Review, with the easing of the pandemic in many countries around the world and the improvement of business environment driven by the global economy, the Group's overall order volume rebounded during the Year Under Review, coupled with a slight decrease in labour costs, all of which contributed to the increase in the Group's profitability.

According to the data from China Customs, China's total export value exceeded RMB40 trillion for the first time in 2022, hitting a record high and maintaining its position as the world's largest commodity trading country for six consecutive years. The ASEAN, the EU and the UK ranked top three with import and export value increasing by 15%, 5.6% and 3.7% respectively. In terms of domestic demand, according to the data of the National Bureau of Statistics, the total retail sales of consumer goods in 2022 amounted to RMB43.9 trillion, representing a slight decrease of 0.2% year-on-year, among which, the retail sales of apparel, footwear and hats, knitwear and textiles decreased by 6.5% year-on-year. Leveraging on the Group's diversified business model and the support of its customers, the Group's domestic orders for fabrics still recorded an increase during the Year Under Review. In addition, orders from Japan, Europe and other places also recorded a significant increase, which drove the Group's revenue from export of garments to approximately RMB255.1 million, representing a year-on-year increase of 41.7% and accounting for 54.4% of the Group's total revenue.

It is expected that the global economic environment will remain volatile. Continued high inflation coupled with fiscal policies of central banks in many countries will affect consumer market sentiment and consumer confidence. To keep up with evolving market trends, the Group plans to expand its range of innerwear products by exploring new fabrics and markets. In addition, with the stabilisation of the political situation in Myanmar, the Group's production bases in Myanmar has not been affected, and the garment processing business remained stable to meet customers' demands. During the Year Under Review, the exchange rates of Renminbi and Japanese Yen recorded significant fluctuations. Although the Group's orders were denominated in US dollars, we will continue to closely monitor the relevant exchange rate fluctuations to avoid any impact on the Group's business.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue by knitted fabrics and innerwear products and as a percentage of the Group's total revenue for the Year under Review, with corresponding comparative figures for the year ended 31 December 2022:

	Year ended 31 December			
	2022	**2022**	2021	2021
	RMB'000	*%*	*RMB'000*	*%*
	(Audited)		(Audited)	
Knitted fabrics	**137,240**	**29.3**	119,733	27.8
Innerwear products	**331,804**	**70.7**	311,256	72.2
Total	**469,044**	**100.0**	430,989	100.0

For the Year under Review, the Group recorded a revenue of approximately RMB469.0 million (2021: RMB431.0 million), representing an increase of approximately RMB38.0 million, or approximately 8.8%. The sales volume of knitted fabrics and innerwear products for the Year under Review were approximately 4,483 tons and 27.8 million pieces respectively (2021: approximately 5,439 tons and 26.8 million pieces respectively). The increase of revenue was mainly due to the increase in sales of both knitted fabrics and innerwear products from approximately RMB119.7 million and RMB311.3 million respectively in 2021 to approximately RMB137.2 million and RMB331.8 million respectively in 2022.

The sales of knitted fabrics amounted to approximately RMB137.2 million (2021: RMB119.7 million) representing approximately 29.3% (2021:27.8%) of the total revenue for the Year under Review. While the sales volume of knitted fabrics decreased to 4,483 ton for the Year under Review (2021: 5,439 ton). The increase in sales of knitted fabrics was mainly due to the increase of unit selling price of the products in 2022. For the Year under Review, the sales of fabrics knitting process (including knitting, dying and pattern printing) and sales of fabrics subcontracting process (including dying and pattern printing) increased to approximately RMB97.9 million and RMB39.3 million, respectively (2021: approximately RMB64.6 million and RMB55.1 million). As the demand of fabrics knitting process increased in the Year under Review and the unit selling price of the fabrics knitting process was relatively higher, the overall sales of knitted fabrics increase even the sales volume decreased.

Sales of innerwear products amounted to approximately RMB331.8 million (2021: RMB311.3 million), representing approximately 70.7% (2021: 72.2%) of the total revenue for the Year under Review. An increase in sales of innerwear products in the amount of approximately RMB20.5 million was recorded for the Year under Review. The sales volume of innerwear products increased from approximately 26.8 million pieces for the year ended 31 December 2021 to approximately 27.8 million pieces for the Year under Review. The increase in the sales and sales volume was mainly due to the recovery of economic environment and the demand increased accordingly.

Cost of sales

Cost of sales increased by approximately 5.3% from approximately RMB353.5 million for the year ended 31 December 2021 to approximately RMB372.4 million for the Year under Review. The increase in overall cost of sales was mainly due to the increase in sales of the Group's knitted fabrics and innerwear products for the Year under review. The cost of sales of knitted fabrics and innerwear products increased from RMB109.4 million and RMB244.1 million, respectively for the year ended 31 December 2021 to RMB128.0 million and RMB244.4 million, respectively for the Year under Review.

Gross profit and gross profit margin

Gross profit increased by approximately RMB19.2 million, or approximately 24.8%, from approximately RMB77.5 million for the year ended 31 December 2021 to approximately RMB96.7 million for the Year under Review. The Group's gross profit margin increased from approximately 18.0% for the year ended 31 December 2021 to approximately 20.6% for the Year under Review mainly due to the increase in average unit selling price of the Group's products.

The Group's gross profit and gross profit margins by knitted fabrics and innerwear products for the Year under Review, with corresponding comparative figures for the year ended 31 December 2021, are as follows:

	Year ended 31 December			
	2022	**2022**	2021	2021
	Gross profit	**Gross profit margins**	Gross profit	Gross profit margins
	RMB'000	***%***	*RMB'000*	*%*
	(Audited)		(Audited)	
Knitted fabrics	**9,234**	**6.7**	10,287	8.6
Innerwear products	**87,459**	**26.4**	67,188	21.6
Total	**96,693**	**20.6**	77,475	18.0

Other income and gains

Other income and gains amounted to approximately RMB9.4 million (2021: RMB6.6 million) for the Year under Review which were mainly reversal of impairment loss on trade receivables, and sales of scrap materials. The increase in other income and gains was mainly due to the increase in reversal of impairment loss on trade receivables. For the Year under Review, reversal of impairment loss on trade receivables of approximately RMB4.1 million was received (2021: Nil).

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB7.6 million to approximately RMB22.2 million (2021: RMB14.6 million) for the Year under Review. Selling expenses mainly represented the transportation expenses, salaries and commission to the sales staff. Increase in selling expenses was mainly due to the increase in sales volume of innerwear products for the Year under Review.

Administrative expenses

Administrative expenses slightly decreased by 4.2% to approximately RMB72.3 million (2021: RMB75.5 million) for the Year under Review. The decrease in the administrative expense was mainly due to the active control of the Group's management on staff cost and decrease in impairment loss on trade receivables. The total staff cost including pension maintained at approximately RMB41.6 million (2021: RMB41.2 million) and the impairment loss on trade receivables decreased by RMB3.4 million to Nil (2021: RMB3.4 million) for the Year under Review.

Finance costs

Finance costs decreased to approximately RMB5.3 million (2021: RMB5.9 million) for the Year under Review, primarily due to the decrease in effective interest rate during the Year under Review.

Profit before tax

The Group's profit before tax was approximately RMB6.3 million (2021: loss before tax of approximately RMB11.9 million) for the Year under Review primarily due to the increase in gross profit and increase in other income and gains. The gross profit increased from RMB77.5 million for the year ended 31 December 2021 to RMB96.7 million for the Year under Review. The other income and gains increased by RMB2.8 million to RMB9.4 million for the Year under Review (2021: RMB6.6 million).

Income tax expense

Income tax expense increased to approximately RMB6.4 million (2021: RMB2.4 million) for the Year under Review. The Group's effective tax rate for the Year under Review was approximately 102.5%, as compared to approximately negative 20.3% for the year in 2021.

Loss for the year

The Group recorded a loss of RMB0.2 million for the Year under Review as compared with a net loss of approximately RMB14.3 million for the year ended 31 December 2021, which was mainly due to the increase in profit before tax of approximately RMB18.1 million for the Year under Review as mentioned in the above paragraphs, netting off the increase in income tax expense of approximately RMB4 million for the Year under Review.

Inventories

The inventory balances decreased to approximately RMB68.8 million as at 31 December 2022 (2021: RMB88.2 million). The decrease in inventory amount was mainly due to the increase in sales volume of innerwear products.

The average inventory turnover days maintained at approximately 77 days (2021: 76 days) for the Year under Review.

Trade and bills receivables

Trade and bills receivables increased to approximately RMB35.9 million (2021: RMB34.7 million) as at 31 December 2022.

The average trade receivables turnover days decreased to approximately 29 days (2021: 37 days) for the Year under Review. The trade receivables turnover days still fell within the credit terms granted to the customers of the Group.

Trade and bills payables

Trade and bills payables increased to approximately RMB76.2 million (2021: RMB59.8 million) as at 31 December 2022. The average turnover days for trade and bills payables increased to approximately 67 days (2021: 54 days) for the Year under Review which were in line with the trade credit periods given by the suppliers of the Group.

Liquidity and financial resources

The Group's principal sources of working capital included cash flow generated from the sale of its products and bank borrowings. As at 31 December 2022, the Group's current ratio (calculated as current assets divided by current liabilities) was 1.5 (as at 31 December 2021: 1.4). As at 31 December 2022, the Group had cash and cash equivalents of approximately RMB228.0 million (as at 31 December 2021: RMB161.4 million) and short-term bank loans of approximately RMB103.0 million (as at 31 December 2021: RMB103.0 million). As at 31 December 2022, the Group's gearing ratio (calculated as total debts as at year end divided by total assets for the year x 100%, while debts are defined to include current and non-current interest-bearing borrowings) measured on the basis of total bank loans was approximately 20.4%, as compared to approximately 21.6% as at 31 December 2021.

As at 31 December 2022, the Group had fixed rate bank loans of RMB55.0 million (2021: RMB55.0 million) and variable rate bank loans of approximately RMB48.0 million (2021: RMB48.0 million). The effective interest rate on the Group's fixed rate bank borrowings was 4.80%, and the effective interest rate for the Group's variable rate bank borrowings was 5.00% per annum as at 31 December 2022 (2021: fixed rate: 4.80%; variable rates: 5.22% per annum). During the Year under Review, there was no material change to the Group's funding and treasury policy.

The majority of the Group's funds have been deposited in banks in China and licensed banks in Hong Kong. The management believes that the Group possesses sufficient cash and cash equivalents to meet its commitments and working capital requirements in the next financial year.

The Group continues to implement prudent financial management policies and monitor its capital structure based on the ratio of total liabilities to total assets.

Interest rate and foreign currency exposure

The Group is exposed to cash flow interest rate risks in relation to variable rate interest-bearing borrowings. The pledged bank deposits and bank balances also expose the Group to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The Group historically has not used any financial instruments to hedge potential fluctuations in interest rates. The management considers that the exposure of the pledged bank deposits and bank balances to cash flow interest rate risk is not significant as the Group does not anticipate significant fluctuation in the interest rate on bank deposits. To mitigate the impact of interest rate fluctuations, the Group will manage the interest expenses by financing with both fixed and variable rate debts, and will continually assess and monitor the Group's exposure to interest rate risk and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is exposed to foreign currency risk. A significant proportion of the Group's revenue was denominated in USD and certain trade and other receivables, cash and bank balances, trade and other payables and loan from a shareholder of the Company (the "**Shareholders**") are denominated in USD, Japanese yen and HK$ respectively, while substantial operating expenses are denominated in RMB, and the Group's reporting currency is RMB.

The Group does not have a foreign currency hedging policy. In the event of currency fluctuations, the Group may have to increase its product pricing to compensate for the increase in cost of production. This would lower the Group's market competitiveness, on a price basis, for its products and could result in a decrease in revenue. In the future, the management will monitor foreign exchange exposure and will consider hedging or factoring significant foreign currency exposure should the need arise.

Contingent liabilities

As at 31 December 2022, the Group had no material contingent liabilities.

Charges on group assets

As at 31 December 2022, the Group's bank loans were secured by the Group's buildings and right-of-use assets of carrying amounts of approximately RMB79.2 million and RMB10.0 million, respectively (31 December 2021: RMB87.7 million and RMB10.3 million, respectively).

HUMAN RESOURCES

As at 31 December 2022, the Group employed approximately 2,300 employees. The total staff costs (including directors' and key managements' emoluments) of the Group for the Year under Review were approximately RMB139.7 million (31 December 2021: RMB137.0 million). Key components of the Group's remuneration packages include basic salary, medical insurance, discretionary cash bonus and retirement benefit scheme. The Group conducts periodic reviews for the employees and their salaries and bonuses are performance related. The Group has neither experienced any significant problems with its employees or disruptions to its operations due to labour disputes, nor has it experienced any difficulties in the recruitment and retention of experienced employees. The Group maintains a good relationship with its employees.

FINAL DIVIDEND

No payment of a final dividend for the Year under Review was recommended by the Board (2021: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

No material acquisitions and disposals by the Group were noted during the Year under Review.

PROSPECTS

The International Monetary Fund (IMF) predicted in its Global Economic Prospects report that the global economic risks would still be in a downward trend. Against the backdrop of various risk factors, such as the Russian-Ukrainian war, the tightening global financing environment which may further aggravate the debt predicament, and the interest rate hike policy adopted by central banks in many countries to combat sustained high inflation, which put pressure on global economic activities, the global economic growth in 2023 will be lowered to 2.9% from 3.4% in 2022. And the global inflation will be lowered from 8.8% in 2022 to approximately 6.6% in 2023, but still far above the pre-pandemic level of 3.5%.

The report pointed out that the COVID-19 pandemic raging in China has suppressed the country's economic growth in 2022. However, with the recent reopening of China, it is expected to accelerate China's economy into a stage of rapid recovery. Coupled with targeted monetary and fiscal policies, as well as the increased footfall ushered in by the re-opening, it is expected that China's economic growth will return to a level of 5.2% in 2023. Looking forward, in order to embrace the recovery momentum of the global economy in the "post-pandemic era", the Group will continue to flexibly apply its advantages in diversified and multi-regional business portfolios. On the one hand, the Group will continue to deepen its existing business markets and further consolidate its market position. On the other hand, in line with the national key development direction, the Group will actively seek opportunities to invest in and develop high-tech related businesses. The Group believes that this business sector has huge potential for development, which will not only bring new opportunities to the Group, but also effectively diversify the Group's operational risks of a single business. The Group hopes to obtain support from the shareholders and bringing better returns to shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year under Review.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of its shareholders. The Company has adopted the code provisions and certain recommended best practices contained in the Corporate Governance Code (the "**Code Provision(s)**"), as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), as the code of the Company. The Board also reviews and monitors the practices of the Company from time to time with an aim to maintaining and improving high standards of corporate governance practices. During the Year under Review, the Company has complied with the Code Provisions set out in the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Company confirms that, having made specific enquiry of all the Directors, the Directors have complied with the required standards as set out in the Model Code during the Year under Review.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises solely independent non-executive Directors, namely, Mr. Hu Quansen, Mr. Xu Dunkai and Ms. Zhao Weihong. The Audit Committee is chaired by Mr. Hu Quansen, who possesses the appropriate professional qualifications and extensive experience in, and knowledge of, finance and accounting as required under Rule 3.10 of the Listing Rules. All Audit Committee members hold the relevant industry and financial experience necessary to advise the Board on strategies and other related matters. None of the Audit Committee members is a former partner of the Company's existing external auditors.

The Audit Committee is responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors; monitoring the integrity of the financial statements, the annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them; and reviewing the financial controls, internal control and risk management systems.

The Group's audited financial statements and annual report for the Year under Review had been reviewed by the Audit Committee, which was of the opinion that the preparation of such statements and report complied with the applicable accounting standards and requirements and that adequate disclosure had been made.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Thursday, 25 May 2023. A notice convening the AGM will be published on the websites of the Stock Exchange and the Company and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023, both dates inclusive, during which period no transfer of shares will be registered. Shareholders are reminded that in order to qualify for attendance at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 19 May 2023.

AUDITOR

The Company appointed SHINEWING (HK) CPA Limited as its auditor for the Year under Review. The Company will submit a resolution in the coming AGM to re-appoint SHINEWING (HK) CPA Limited as the auditor of the Company.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year under Review as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the website of the Company at www.greatimeintl.com. The Company's annual report for the year ended 31 December 2022 will be available at the same websites and will be despatched to the Shareholders in due course.

By order of the Board
Greatime International Holdings Limited
Wang Bin
Chairman

Hong Kong, 24 March 2023

As at the date of this announcement, the directors of the Company comprise of Mr. Wang Bin, Ms. Tian Ying and Mr. Du Shuwei as executive Directors, Mr. Zhang Yanlin as non-executive Director, and Mr. Xu Dunkai, Ms. Zhao Weihong and Mr. Hu Quansen as independent non-executive Directors.