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 2023

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 2023 (the "**Year under Review**"), together with the comparative figures for the year ended 31 December 2022, 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 2023

	Notes	2023 RMB'000	2022 RMB'000
Revenue	3	**508,622**	469,044
Cost of sales		**(403,173)**	(372,351)
Gross profit		**105,449**	96,693
Other income, gains and losses, net	4	**3,941**	9,374
Gain on derecognition of contingent consideration payable		**3,400**	–
Selling and distribution expenses		**(24,704)**	(22,195)
Administrative expenses		**(84,618)**	(72,334)
Finance costs	5	**(5,779)**	(5,275)
(Loss) profit before tax		**(2,311)**	6,263
Income tax expense	6	**(7,353)**	(6,419)
Loss for the year	7	**(9,664)**	(156)
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**1,513**	(3,114)
Other comprehensive income (expense) for the year		**1,513**	(3,114)
Total comprehensive expense for the year		**(8,151)**	(3,270)
Loss attributable to:			
Owners of the Company		**(1,560)**	(156)
Non-controlling interests		**(8,104)**	–
		(9,664)	(156)
Total comprehensive expense attributable to:			
Owners of the Company		**(47)**	(3,270)
Non-controlling interests		**(8,104)**	–
		(8,151)	(3,270)
Loss per share:			
– Basic and diluted *(cents)*	8	**(0.32)**	(0.03)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**128,335**	141,871
Investment property		**2,212**	2,655
Right-of-use assets		**23,979**	17,838
Goodwill	*10*	**25,790**	–
Contingent consideration receivable	*11*	**30,000**	–
Deposits paid to acquire property, plant and equipment		**365**	714
Deferred tax assets		**1,560**	1,084
		212,241	164,162
CURRENT ASSETS			
Inventories	*12*	**68,729**	68,773
Trade receivables	*13*	**46,576**	29,356
Bills receivables	*14*	**679**	6,541
Prepayments and other receivables		**20,656**	9,231
Income tax receivables		**936**	83
Restricted bank deposits and cash and bank balances		**270,118**	227,951
		407,694	341,935

	Note	2023 RMB'000	2022 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	*15*	**96,503**	76,242
Accruals and other payables		**53,863**	36,817
Contract liabilities		**9,948**	8,396
Loan from a shareholder		**4,583**	4,454
Interest-bearing borrowings		**157,400**	103,000
Lease liabilities		**4,071**	1,825
Income tax payables		**4,870**	3,876
		331,238	234,610
Net current assets		**76,456**	107,325
Total assets less current liabilities		**288,697**	271,487
NON-CURRENT LIABILITIES			
Lease liabilities		**5,984**	2,505
Deferred tax liabilities		**225**	558
		6,209	3,063
NET ASSETS		**282,488**	268,424
CAPITAL AND RESERVES			
Share capital		**148,929**	148,929
Reserves		**119,448**	119,495
Equity attributable to owners of the Company		**268,377**	268,424
Non-controlling interests		**14,111**	–
TOTAL EQUITY		**282,488**	268,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and provision of space measurement services, industrial drones and measurement robots. 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")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following new and 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 on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules

Except as described below, the application of the new and 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.

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

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group's financial performance and positions, but has affected the disclosures of accounting policies.

Impact on application of Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the consolidated financial statements of the Group.

Impact on application of Amendments to HKAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The amendments had no material impact on the consolidated financial statements of the Group.

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:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 1 *(Note)*	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 21	Lack of Exchangeability[2]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.
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 amendments to 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 on determining if a liability is current or non-current, in particular the determination over whether an entity has the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments specify that an entity's right to defer settlement must exist at the end of the reporting period. Classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement. The amendments also clarify the classification of liabilities that will or may be settled by issuing an entity's own equity instruments.

Amendments to HKAS 1 Non-current Liabilities with Covenants issued in 2022 (the "**2022 Amendments**") further clarify how an entity determines the current or non-current classification of a liability when its right to defer the settlement is subject to compliance with covenants.

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 2023, the application of the amendments will not result in change in the classification of the Group's liabilities.

Amendments to HKAS 21 Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable into another currency and, when it is not, how to determine the exchange rate to use and the disclosures to provide.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

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, the provision of space measurement services, industrial drones and measurement robots, 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

	2023	2022
	RMB'000	*RMB'000*
Manufacture and sale of products:		
– Innerwear products	**361,339**	323,102
– Knitted fabrics	**102,283**	97,889
	463,622	420,991
Processing services income:		
– Innerwear products	**8,889**	8,702
– Knitted fabrics	**34,358**	39,351
	43,247	48,053
Space measurement service, industrial drones and measurement robots	**1,753**	–
	508,622	469,044

Disaggregation of revenue by timing of recognition

	Year ended 31 December 2023	Year ended 31 December 2022
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time and total revenue from contracts with customers	**508,622**	469,044

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.

During the year, the Group commenced the business engaging in provision of space measurement services, industrial drones and measurement robots along with the acquisition of Youying Intelligent Technology (Shenzhen) Co., Ltd. ("**Youying**"), and it is considered as a new operating and reportable segment by CODM.

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

3) Space measurement services, industrial drones and measurement robots – provision of high-precision space measurement and modelling services, geographic spatial data measurement services, internal and external industry software development, CIM underlying platform and system construction, as well as research and development, production, sales and technical assistance of industrial drones and 3D high-precision laser radar measuring robots

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 2023			
	Innerwear products	**Knitted fabrics**	**Space measurement**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Revenue				
External sales	**370,228**	**136,641**	**1,753**	**508,622**
Inter-segment sales	**124,502**	**101,031**	**–**	**225,533**
Segment revenue	**494,730**	**237,672**	**1,753**	**734,155**
Eliminations				**(225,533)**
Group's revenue				**508,622**
Segment profit (loss)	**35,943**	**(6,023)**	**(13,437)**	**16,483**
Other income, gains and losses, net				**1,021**
Gain on derecognition of contingent consideration payable				**3,400**
Finance costs				**(5,399)**
Unallocated head office and corporate expenses				**(17,816)**
Loss before tax				**(2,311)**

	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

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, gain on derecognition of contingent consideration payable, 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, GAINS AND LOSSES, NET

	2023	2022
	RMB'000	*RMB'000*
Bank interest income	**1,033**	786
Interest income on other financial asset at amortised cost	**516**	–
Exchange gains, net	**2,429**	–
Sales of scrap materials	**2,077**	2,076
Government grants *(Note)*	**412**	945
Net gain on disposal of property, plant and equipment	**240**	35
Rental income from an investment property		
– Lease payments that are fixed	**147**	119
Reversal of impairment loss on trade receivables	**359**	4,124
Impairment loss on other receivables	**(3,732)**	–
Reversal of impairment loss on amounts due from related companies	**–**	7
Others	**460**	1,282
	3,941	9,374

Note:

During the year ended 31 December 2023, the government grants of RMB377,000 (2022: RMB646,000) 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, while RMB18,000 and RMB17,000 (2022: nil and nil) was awarded to the Group by the Government of the Hong Kong Special Administrative Region as incentives primarily to encourage small and medium enterprises to expand their markets outside Hong Kong for participation in export promotion activities and to reimburse maternity leave pay respectively. 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 (2023: 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

	2023	2022
	RMB'000	*RMB'000*
Interest on:		
– Lease liabilities	**611**	94
– Bank loans	**5,168**	5,181
	5,779	5,275

6. INCOME TAX EXPENSE

	2023	2022
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax (the "**EIT**")		
– Provision for the year	**5,874**	4,146
– Under (over) provision in prior years	**315**	(381)
Overseas income tax		
– Provision for the year	**1,382**	1,181
Withholding tax	**593**	1,338
Deferred tax	**(811)**	135
	7,353	6,419

(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 2023 (subject to 22% for the year ended 31 December 2022).

(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 2023 and 2022, 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%. (2022: 16.5%)

No provision for Hong Kong Profits Tax had been made for the years ended 31 December 2023 and 2022 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 2023 and 2022.

Pursuant to circular issued by Ministry of Finance and National Tax Bureau on 14 March 2022, preferential tax rate for the small-scaled minimal profit enterprise 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. Pursuant to circular issued by Ministry of Finance and National Tax Bureau on 28 March 2023, 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 5% since 1 January 2023. A PRC subsidiary of the Group was qualified as small-scaled minimal profit enterprise and application of preferential tax rate during the years ended 31 December 2023 and 2022.

(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 (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2023	2022
	RMB'000	*RMB'000*
(Loss) profit before tax	**(2,311)**	6,263
Tax at the domestic income rate of 25% (2022: 25%)	**(578)**	1,566
Tax effect of income not taxable for tax purpose	**(2,958)**	(1,057)
Tax effect of expenses not deductible for tax purpose	**2,592**	7,916
Tax effect of deductible temporary difference not recognised	**1,762**	482
Utilisation of deductible temporary difference previously not recognised	**(207)**	(388)
Tax effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**246**	1,375
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,873**	(5,322)
Tax effect of tax losses not recognised	**6,645**	2,669
Under (over) provision in prior years	**315**	(381)
Income tax on concessionary rate	**(3,337)**	(441)
Income tax expense for the year	**7,353**	6,419

7. LOSS FOR THE YEAR

	2023	2022
	RMB'000	*RMB'000*
Loss for the year has been arrived at after charging:		
Salaries and other benefits	**133,492**	123,834
Contributions to retirement benefit schemes	**16,541**	15,886
Total staff costs (including directors' and chief executive's emoluments)	**150,033**	139,720
Auditor's remuneration	**959**	773
Depreciation of property, plant and equipment	**22,674**	24,864
Depreciation of investment property	**443**	443
Depreciation of right-of-use assets	**5,208**	3,188
Exchange losses, net	**–**	201
Research and developments costs recognised as an expense*	**6,220**	–
Bad debt written off	**–**	1,035
Amount of inventories recognised as an expense	**399,782**	370,466
Write-down of inventories (included in cost of sales)	**3,391**	1,885

* Research and development costs recognised as an expense for the year ended 31 December 2023 included staff costs and depreciation of property, plant and equipment of approximately RMB5,753,000 and RMB146,000 respectively (2022: nil and nil) which were also included in the total staff costs and depreciation of property, plant and equipment.

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the year ended 31 December 2023 is based on the loss for the year attributable to owners of the Company of approximately RMB1,560,000 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 2022 was 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.

Diluted loss per share for the years ended 31 December 2023 and 2022 was the same as the basic loss per share as there were no dilutive potential ordinary shares outstanding during the year ended 31 December 2023 (2022: nil).

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2023, nor has any dividend been proposed since the end of the reporting period (2022: nil).

10. GOODWILL

	2023
	RMB'000
COST	
At beginning of the financial year, as originally stated	–
Arising on acquisition of a subsidiary	25,790
At the end of the financial year	25,790
CARRYING AMOUNTS	
At 31 December	25,790

11. CONTINGENT CONSIDERATION RECEIVABLE

Contingent consideration receivable represented the profit guarantee arising from the acquisition of Youying and its subsidiary during the year ended 31 December 2023 as set out below. The contingent consideration receivable is measured at fair value at the end of the reporting period. The movement of the fair value of contingent consideration receivable is as follows:

	RMB'000
At fair value	
At 1 January 2023	**–**
Arising from acquisition of a subsidiary	**30,000**
Fair value change	**–**
At 31 December 2023	**30,000**

12. INVENTORIES

	2023 *RMB'000*	2022 *RMB'000*
Raw materials	**25,822**	25,901
Work-in-progress	**33,229**	30,857
Finished goods	**9,678**	12,015
	68,729	68,773

13. TRADE RECEIVABLES

	2023 *RMB'000*	2022 *RMB'000*
Receivables at amortised cost comprise:		
Trade receivables	**48,884**	31,988
Less: Loss allowance on trade receivables	**(2,308)**	(2,632)
	46,576	29,356

As at 1 January 2022, the gross amount of trade receivables from contracts with customers amounted to approximately RMB41,261,000.

As at 31 December 2023, the gross amount of trade receivables from contracts with customers amounted to approximately RMB48,884,000 (2022: RMB31,988,000).

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:

	2023 *RMB'000*	2022 *RMB'000*
0 – 30 days	**32,200**	23,625
31 – 60 days	**11,820**	4,394
61 – 90 days	**1,880**	1,234
Over 90 days	**676**	103
	46,576	29,356

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

	2023	2022
	RMB'000	*RMB'000*
At the beginning of the year	**2,632**	6,544
Reversal of impairment loss on trade receivables	**(359)**	(4,124)
Exchange realignment	**35**	212
At the end of the year	**2,308**	2,632

At 31 December 2023, none of the loss allowance (2022: nil) classified as lifetime ECL (credit-impaired).

The Group's trade receivables that are denominated in currencies other than functional currency of the relevant group entities are set out below:

	2023	2022
	RMB'000	*RMB'000*
RMB	**383**	–
USD	**3,320**	2,323
	3,703	2,323

14. BILLS RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Receivables at amortised cost comprise:		
Bills receivables	**679**	6,541

At as 31 December 2023, the gross amount of bills receivables arising from contracts with customers amounted to approximately RMB679,000 (2022: 6,541,000).

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

	2023	2022
	RMB'000	*RMB'000*
0 – 30 days	**–**	6,504
31 – 60 days	**679**	37
	679	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 2023 and 2022.

15. TRADE AND BILLS PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables	**64,353**	43,446
Bills payables	**32,150**	32,796
	96,503	76,242

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

	2023	2022
	RMB'000	*RMB'000*
0 – 30 days	**37,113**	41,553
31 – 90 days	**35,833**	16,483
91 – 180 days	**22,399**	17,543
Over 180 days	**1,158**	663
	96,503	76,242

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

Reflecting on 2023, the world entered a period of turbulence unprecedented in decades. Many countries faced economic pressures, including a recession in the US, continuous interest rate hikes by the Federal Reserve, and significant fluctuations in the capital market. At the same time, frequent geopolitical conflicts such as the ongoing Russia-Ukraine conflict and the escalation of the Israel-Palestinian conflict have led to divergence among major economies and further threatened the global economy. According to the statistics of the World Bank, the global gross domestic product (GDP) growth rate was 2.6% in 2023, of which the average growth rate of developed countries was 1.5%, and the average growth rate of developing countries was 4%. In China, according to the data released by the National Bureau of Statistics, the GDP of China exceeded RMB126 trillion in 2023, representing a year-on-year increase of 5.2%, and the growth rate accelerated by 2.2 percentage points as compared with 2022. China is still a very important driving force for global economic growth.

During the Year under Review, China's foreign trade achieved a remarkable result of "steady growth in scale and quality improvement". According to the statistics of the General Administration of Customs, the total import and export value[1] of China in 2023 was RMB41.76 trillion, representing a year-on-year increase of 0.2%. Among them, exports amounted to RMB23.77 trillion, representing an increase of 0.6%; imports amounted to RMB17.99 trillion, representing a decrease of 0.3%. The share of China's exports in the international market continued to maintain at a higher level of approximately 14% in 2023. However, exports of China's textile and apparel industry recorded a year-on-year decrease of 8.1% (a year-on-year decrease of 2.9% in RMB terms) to US$293.64 billion. Among them, textile exports amounted to US$134.50 billion, representing a year-on-year decrease of 8.3% (a year-on-year decrease of 3.1% in RMB terms); apparel exports amounted to US$159.14 billion, representing a year-on-year decrease of 7.8% (a year-on-year decrease of 2.8% in RMB terms). Nevertheless, the textile industry in China showed a stable performance in exports to major markets such as the United States and ASEAN. At the same time, the formation of a diversified international market pattern is accelerating, with the annual export value from 'Belt and Road' countries now accounting for more than 50%. Among these, Russia, Kazakhstan, Saudi Arabia, Singapore, and Algeria have shown particularly notable export performance.

[1] http://info.texnet.com.cn/detail-970950.html

In 2023, AI became the key word to transform the industry and reshape the world. With the continuous development and application of AI technology, emerging AI-related industries and technologies have emerged, and the application scope has rapidly expanded. These changes not only enlarge the boundaries of technological innovation, but also open up a new path for economic development and social progress, demonstrating the status of AI as one of the most influential technologies in the present era. Digital twin cities refer to the transformation of physical cities into virtual digital city models by using Internet of Things (IOT) technology, geographic information technology and intelligent building city models, which can be used to simulate operation in a model to achieve real-time monitoring effect and thus realise functions such as prediction, analysis and optimisation. According to the "Analysis Report on the Prospects and Investment Strategic Planning of China's Digital Twin Industry for 2024–2029" (《2024–2029年中國數字孿生行業前景預測與投資戰略規劃分析報告》) issued by the China Commercial Industry Research Institute (中商產業研究院), the market size of China's digital twin cities reached RMB5.1 billion in 2022, and the market size was approximately RMB9 billion in 2023. With the continuous exploration of application scenarios, digital twin cities will achieve higher growth in multiple rounds of explosive growth. The report also anticipates that the market size of digital twin cities in China will increase to RMB 13.5 billion in 2024.

BUSINESS REVIEW

In 2023, the Group has acquired Youying Intelligent Technology (Shenzhen) Co., Ltd* (優鷹智能科技(深圳)有限公司) ("**Youying**") and its subsidiary (the "**Youying Group**"), which focuses on the research and development of its software and hardware for the provision of data collection services and sales of data, including high-precision space mapping drones (UAV) and 3D high-precision laser radar measuring robots and systems, and the application of such products and technologies, as well as the integration with Building Information Modelling ("**BIM**") and Urban Information Modelling ("**CIM**") software technologies.

In 2023, Youying was awarded as an innovative small and medium enterprise in Shenzhen, a technology-based small and medium enterprise in Shenzhen, won the 4th Unmanned System Industry Golden Wing Award – Application Innovation Award, and won the 2023 "Belt and Road" Low-altitude Technology Development Conference – Technology Innovation Award, and Excellent Product Award in Supply Chain. At the same time, Youying has successively obtained 2 invention patents, 10 utility models, 23 soft works, 1 appearance patent, PCT1 international patents, and 1 provincial and ministerial testing report.

In the fourth quarter of 2023, the first batch of high-precision space measurement drone pilot products of the Youying Group were launched in the PRC along with the commencement of digital twin business and recorded a revenue of RMB1.8 million for the Group for the Year under Review. Since the completion of the equity subscription, the Group has actively participated in the promotion and development of relevant businesses, including management and investment promotion activities, and continued to communicate and coordinate with the business team. During the Year under Review, the revenue contribution of the Youying Group has not yet reached the expected target, which was mainly due to the continuous changes in macroeconomic conditions, relevant polices, market environment and the demand of potential customers. Meanwhile, the development and improvement of technology, along with application integration, have taken longer than anticipated. Additionally, the Youying Group experienced an unexpected delay in realizing revenue, as negotiations with potential customers were more protracted than expected during 2023. These delays resulted in the new business not delivering a significant revenue contribution within the expected timeframe of the Year under Review. However, we believe that the digital business development of Youying Group is heading in the right direction and is highly compatible with the development strategy of "Digital China", so the potential market for the related business is huge. With the gradual maturity of the Youying Group's own conditions, new product launch and the nationwide recovery of the market and construction industry, the new business will become an important source of revenue for the Group.

The Group will continue to actively participate in and improve the operation of the Youying Group from various aspects such as research and development, sales, daily operation and finance, and formulating a comprehensive mechanism. The Group is currently preparing for the development of products and technology optimisation, while actively exploring the product market, and have initiated business negotiations with various departments of the PRC government and major property developers in some key cities.

For the functional fabrics and lingerie manufacturing business, the Group has achieved a steady growth of approximately 8.0% in revenue during the Year under Review. With the development of megatrends, particularly the surging demand for high-quality sportswear and lingerie, the Group is committed to designing and offering diversified products that are not only of high quality but also yield high margins, all tailored to customer needs. The Group ensures the quality of our product and on-time delivery by establishing good cooperative relationships with suppliers across the country. During the Year under Review, the Group maintained a stable market share in major markets such as China, Japan, Italy and the United States.

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			
	2023	**2023**	2022	2022
	RMB'000	*%*	*RMB'000*	*%*
	(Audited)		(Audited)	
Knitted fabrics	**136,641**	**26.9**	137,240	29.3
Innerwear products	**370,228**	**72.8**	331,804	70.7
Space measurement	**1,753**	**0.3**	–	–
Total	**508,622**	**100.0**	469,044	100.0

For the Year under Review, the Group recorded a revenue of approximately RMB508.6 million (2022: RMB469.0 million), representing an increase of approximately RMB39.6 million, or approximately 8.4%. The sales volume of knitted fabrics and innerwear products for the Year under Review were approximately 4,670 tons and 28.6 million pieces respectively (2022: approximately 4,483 tons and 27.8 million pieces respectively). The increase of revenue was mainly due to the increase in sales of innerwear products from approximately RMB331.8 million in 2022 to approximately RMB370.2 million in 2023.

The sales of knitted fabrics amounted to approximately RMB136.6 million (2022: RMB137.2 million) representing approximately 26.9% (2022: 29.3%) of the total revenue for the Year under Review while the sales volume of knitted fabrics increased to 4,670 ton for the Year under Review (2022: 4,483 ton). The revenue generated from knitted fabrics products for the year ended 31 December 2023 was similar as 2022 because the unit selling price of the products slightly decreased. For the Year under Review, the sales of fabrics subcontracting process (including dying and pattern printing), which has a relatively lower unit selling price, increased from RMB39.3 million in 2022 to RMB52.2 million in 2023. Therefore, in the Year under Review, the overall sales of knitted fabrics slightly decreased even the sales volume increased.

Sales of innerwear products amounted to approximately RMB370.2 million (2022: RMB331.8 million), representing approximately 72.8% (2022: 70.7%) of the total revenue for the Year under Review. An increase in sales of innerwear products in the amount of approximately RMB38.4 million was recorded for the Year under Review. The sales volume of innerwear products increased from approximately 27.8 million pieces for the year ended 31 December 2022 to approximately 28.6 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.

For the Year under Review, the space measurement business contributed a revenue of approximately RMB1.8 million.

Cost of sales

Cost of sales increased by approximately 8.3% from approximately RMB372.4 million for the year ended 31 December 2022 to approximately RMB403.2 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 RMB128.0 million and RMB244.4 million, respectively for the year ended 31 December 2022 to RMB126.1 million and RMB276.0 million, respectively for the Year under Review.

Gross profit and gross profit margin

Gross profit increased by approximately RMB8.8 million, or approximately 9.0%, from approximately RMB96.7 million for the year ended 31 December 2022 to approximately RMB105.4 million for the Year under Review. The Group's gross profit margin slightly increased from approximately 20.6% for the year ended 31 December 2022 to approximately 20.7% for the Year under Review.

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 2022, are as follows:

	Year ended 31 December			
	2023	**2023**	2022	2022
	Gross profit	**Gross profit margins**	Gross profit	Gross profit margins
	RMB'000	***%***	*RMB'000*	*%*
	(Audited)		(Audited)	
Knitted fabrics	**10,535**	**7.7**	9,234	6.7
Innerwear products	**94,194**	**25.4**	87,459	26.4
Space measurements	**720**	**41.1**	–	–
Total	**105,449**	**20.7**	96,693	20.6

Other income and gains

Other income and gains amounted to approximately RMB3.9 million (2022: RMB9.4 million) for the Year under Review which were mainly exchange gain, and sales of scrap materials. The decrease in other income and gains was mainly due to the decrease in reversal of impairment loss on trade receivables. For the Year under Review, RMB0.4 million reversal of impairment loss on trade receivables was noted (2022: RMB4.1 million).

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB2.5 million to approximately RMB24.7 million (2022: RMB22.2 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 increased by 17.0% to approximately RMB84.6 million (2022: RMB72.3 million) for the Year under Review. Administrative expenses mainly represented staff salaries and welfare expenses, social insurance, depreciations and research and development expenses. The increase in the administrative expense was mainly due to the increase in research and development expenses. As the Group acquired the new space measurement business during 2023, which required relatively high intensity of research and development activities to maintain the compatibility of the business, research and development expenses of RMB6.2 million was recorded in the Year under Review (2022: Nil).

Finance costs

Finance costs increased to approximately RMB5.8 million (2022: RMB5.3 million) for the Year under Review, primarily due to the increase in average borrowing during the Year under Review.

Loss before tax

The Group's loss before tax was approximately RMB2.3 million (2022: profit before tax of approximately RMB6.3 million) for the Year under Review primarily due to the increase in administrative expenses and decrease in other income and gains. The gross profit increased from RMB96.7 million for the year ended 31 December 2022 to RMB105.4 million for the Year under Review. However, the other income and gains decreased by RMB5.5 million to RMB3.9 million for the Year under Review (2022: RMB9.4 million). The administrative expenses increased by RMB12.3 million to RMB84.6 million of the Year under Review (2022: RMB72.3 million).

Income tax expense

Income tax expense increased to approximately RMB7.4 million (2022: RMB6.4 million) for the Year under Review. The Group's effective tax rate for the Year under Review was approximately negative 318.2%, as compared to approximately 102.5% for the year in 2022.

Loss for the year

The Group recorded a loss of RMB9.7 million for the Year under Review as compared with a net loss of approximately RMB0.2 million for the year ended 31 December 2022, which was mainly due to the decrease in profit before tax of approximately RMB8.6 million for the Year under Review as mentioned in the above paragraphs, netting off the increase in income tax expense of approximately RMB0.9 million for the Year under Review.

Inventories

The inventory balances maintained at approximately RMB68.7 million as at 31 December 2023 (2022: RMB68.8 million). The management actively controls the inventory level of the Group to mitigate the inventory risk.

The average inventory turnover days maintained at approximately 62 days (2022: 77 days) for the Year under Review.

Trade and bills receivables

Trade and bills receivables increased to approximately RMB47.3 million (2022: RMB35.9 million) as at 31 December 2023. The increase in trade and bills receivables was mainly due to the increase in sales activities on December 2023 as compare to the same period in 2022.

The average trade receivables turnover days decreased to approximately 27 days (2022: 29 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 RMB96.5 million (2022: RMB76.2 million) as at 31 December 2023. The average turnover days for trade and bills payables increased to approximately 78 days (2022: 67 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 2023, the Group's current ratio (calculated as current assets divided by current liabilities) was 1.2 (as at 31 December 2022: 1.5). As at 31 December 2023, the Group had cash and cash equivalents of approximately RMB270.1 million (as at 31 December 2022: RMB228.0 million) and short-term bank loans of approximately RMB103.0 million (as at 31 December 2022: RMB103.0 million). As at 31 December 2023, 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 Interest-bearing loans was approximately 25.4%, as compared to approximately 20.4% as at 31 December 2022.

As at 31 December 2023, the Group had fixed rate bank loans and other loan of RMB55.0 million and RMB54.4 million (2022: RMB55.0 million and Nil) and variable rate bank loans of approximately RMB48.0 million (2022: RMB48.0 million). The effective interest rate on the Group's fixed rate borrowings was 3.65%-4.80%, and the effective interest rate for the Group's variable rate borrowings was 4.57%-5.00% per annum as at 31 December 2023 (2022: fixed rate: 4.80%; variable rates: 5.00% 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 2023, the Group had no material contingent liabilities.

Charges on group assets

As at 31 December 2023, the Group's bank loans were secured by the Group's buildings and right-of-use assets of carrying amounts of approximately RMB71.3 million and RMB9.7million, respectively (31 December 2022: RMB79.2 million and RMB10.0 million, respectively).

HUMAN RESOURCES

As at 31 December 2023, the Group employed approximately 2,400 employees. The total staff costs (including directors' and key managements' emoluments) of the Group for the Year under Review were approximately RMB150.0 million (31 December 2022: RMB139.7 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 (2022: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

The Group has acquired the Youying Group in May 2023 at a total consideration of RMB74.0 million, becoming its largest shareholder. The Youying Group is principally engaged in the provision of high precision space measurement and modelling services, provision of geospatial data measurement services, internal and external software development, city information modelling (CIM) underlying platform and system construction, and research and development, production, sales and technical assistance of industrial drone motors and lidar 3D high-precision measurement robots.

As disclosed in the announcements of the Company dated 8 May 2023 and 14 June 2023 (the "**Announcements**"), the existing shareholders of Youying have undertaken to Hainan Guangxun International Investment Co., Ltd. (the "**Investor**") that (i) the net profit of the Youying Group for the years ended 31 December 2023, 2024 and 2025 shall not be less than RMB25,000,000, RMB50,000,000 and RMB80,000,000 respectively; and (ii) the average net profit of Youying for the three years ended 31 December 2025 shall not be less than RMB51,670,000 (the "**Average Net Profit**").

Youying recorded a net loss for the year of approximately RMB13.5 million for the Year under Review, falling short of over RMB38.5 million as compared to the profit guarantee for the year ended 31 December 2023. The non-fulfilment of the profit guarantees was mainly due to the prolonged development and improvement of technology, as well as delays in application integration. Furthermore, Youying faced unexpected delays in realizing revenue because negotiations with potential customers extended longer than anticipated throughout 2023. Nonetheless, pursuant to the investment agreement, the existing shareholders are not subject to any compensation to the Investor for the time being, given such obligation would only arise if Youying is unable to fulfill the Average Net Profit. For details regarding the calculation of such compensation, please refer to the Announcements. Going forward, the Company will continue to involve in and monitor the operation of the Youying Group and comply with the relevant disclosure requirements regarding the progress on the fulfilment of the profit guarantee under the Listing Rules.

PROSPECTS

Looking ahead to 2024, the world economy will face a new round of opportunities and challenges in the midst of an uneven recovery. This year is the "year of super election" in the world. A number of countries, including the United States, India, and Russia, will successively hold general elections, potentially reshaping the pattern of international relationships. This brings many uncertainties regarding the strategy for global economic development. In addition, the geopolitical situation remains unstable. The conflicts between Russia and Ukraine, as well as Israel and Palestine, have not been resolved, and tensions in the Red Sea region have escalated. These developments, in turn, further impact the pace of global economic recovery.

However, under the background that major economies such as Europe and the United States have shifted to the interest rate reduction cycle, global trade activities are expected to stabilise in 2024, and loose monetary policies are expected to stimulate the recovery of external demand. The Organisation for Economic Cooperation and Development (OECD) predicts that the growth rate of global GDP will be approximately 2.9% in 2024, while the growth rate of China's GDP will be approximately 4.7%. While the direction of global trade remains to be seen, the outlook for China's exports is positive. In recent years, China has promoted the implementation of the Regional Comprehensive Economic Partnership (RCEP) and expanded its reach to export markets such as the Middle East, Central Asia, Africa, and Latin America. By leveraging initiatives like the 'Belt and Road' and 'BRICS+', China has continuously increased its export scale to developing countries. The PRC government has also proposed policies to support the high-quality economic development of China, moderately increase fiscal policies, issue additional RMB1 trillion treasury bonds, and accelerate the construction of the "three major projects"(三大工程) of real estate, which all are expected to continue to be released this year.

In the future, the Group will drive both new and existing businesses. On the one hand, the Group will continue to focus on the core business of functional fabrics and lingerie, continue to expand its global marketing network, and actively explore market opportunities outside China, Japan and Italy, including the expansion to the United States, countries along the "Belt and Road" and emerging markets. At the same time, the Group has actively enhanced the accuracy, flexibility, and quality of its fabric and lingerie production. By streamlining processes, enforcing strict specifications, and reducing production costs, it aims to distinguish itself in the textile market.

On the other hand, the Group will seize the huge development opportunities of building smart cities in China, so that Youying Group will focus on the development of high-tech infrastructure and technical services for smart cities, and self-developed and advanced software and hardware, including high-precision space measurement drones and 3D high-precision laser radar measuring robots, for big data collection, analysis and sales. The Group will spare no effort in its development into a 'digital space service provider and practitioner of digital China'. Building on its existing business, it aims to become a leading enterprise in smart city high-tech infrastructure technology services.

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 C1 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 C3 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. Zheng Bing (appointed on 1 August 2023), Mr. Xu Dunkai and Ms. Zhao Weihong. The Audit Committee is chaired by Mr. Zheng Bing, 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 Friday, 24 May 2024. 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 Tuesday, 21 May 2024 to Friday, 24 May 2024, 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 Monday, 20 May 2024.

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 2023 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, 26 March 2024

As at the date of this announcement, the Board comprises of Mr. Wang Bin, Mr. Du Shuwei and Mr. Shu Dakun as executive Directors, Mr. Zhang Yanlin as non-executive Director, and Mr. Xu Dunkai, Ms. Zhao Weihong and Mr. Zheng Bing as independent non-executive Directors.