YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 MARCH 2014

The Board of Directors of YGM Trading Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates for the year ended 31 March 2014 together with comparative figures for the corresponding year and selected explanatory notes as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2014

(Expressed in Hong Kong Dollars)

	Note	**2014**	2013
		$'000	*$'000*
Turnover	3, 4	**1,246,262**	1,363,541
Cost of sales		**(448,345)**	(443,896)
Gross profit		**797,917**	919,645
Other revenue		**24,147**	17,939
Other net income		**535**	3,914
Distribution costs		**(459,714)**	(482,173)
Administrative expenses		**(170,548)**	(204,317)
Other operating expenses		**(7,281)**	(7,101)
Profit from operations		**185,056**	247,907
Net valuation gains on investment properties		**28,700**	7,100
Reversal of indemnity liabilities arising from disposal of interest in associate	5(e)	**30,024**	-
Net gain on disposal of assets held for sale	5(f)	**-**	15,846
Loss on litigation	5(d)	**-**	(15,968)
Finance costs	5(a)	**(185)**	(126)
Profit before taxation	5	**243,595**	254,759
Income tax	6	**(21,945)**	(30,013)
Profit for the year		**221,650**	224,746
Attributable to:			
- Equity shareholders of the Company		**218,702**	222,447
- Non-controlling interests		**2,948**	2,299
Profit for the year		**221,650**	224,746
Earnings per share	7		
- Basic		**$1.32**	$1.34
- Diluted		**$1.32**	$1.34

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 8.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2014
(Expressed in Hong Kong Dollars)

	2014	2013
	$'000	*$'000*
Profit for the year	**221,650**	224,746
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:-		
- Exchange differences on translation of financial statements of subsidiaries based outside Hong Kong	**12,868**	(5,919)
Other comprehensive income for the year	**12,868**	(5,919)
Total comprehensive income for the year	**234,518**	218,827
Attributable to:		
- Equity shareholders of the Company	**232,055**	216,522
- Non-controlling interests	**2,463**	2,305
Total comprehensive income for the year	**234,518**	218,827

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2014
(Expressed in Hong Kong Dollars)

	Note	**2014**	2013
		$'000	*$'000*
			(restated)
Non-current assets			
Fixed assets			
- Investment properties		**139,200**	110,500
- Other property, plant and equipment		**102,194**	87,251
- Interest in leasehold land held for own use under operating lease		**5,232**	5,344
		246,626	203,095
Intangible assets		**447,882**	447,882
Lease premium		**8,472**	7,737
Interests in associates		**200**	-
Other financial assets		**138**	185
Rental deposits and prepayments		**37,356**	36,657
Deferred tax assets		**62,357**	54,050
		803,031	749,606
Current assets			
Other financial assets		**-**	264
Trading securities		**1,670**	1,715
Inventories		**236,249**	236,340
Trade and other receivables	10	**138,591**	151,141
Current tax recoverable		**2,838**	25,206
Cash and cash equivalents		**621,455**	656,144
		1,000,803	1,070,810
Current liabilities			
Trade and other payables	11	**160,009**	253,816
Bank overdrafts		**16,803**	4,071
Current tax payable		**47,642**	41,776
		224,454	299,663
Net current assets		**776,349**	771,147
Total assets less current liabilities		**1,579,380**	1,520,753
Non-current liabilities			
Deferred tax liabilities		**4,909**	4,300
NET ASSETS		**1,574,471**	1,516,453
CAPITAL AND RESERVES			
Share capital: nominal value		-	82,932
Other statutory capital reserves		-	300,977
Share capital and other statutory capital reserves		**383,909**	383,909
Other reserves		**1,163,276**	1,105,378
Total equity attributable to shareholders of the Company		**1,547,185**	1,489,287
Non-controlling interests		**27,286**	27,166
TOTAL EQUTIY		**1,574,471**	1,516,453

NOTES:
(Expressed in Hong Kong Dollars)

1. Basis of preparation of the financial statements

The consolidated results set out in this announcement do not constitute the Group's statutory financial statements for the year ended 31 March 2014 but are extracted from those financial statements.

The statutory financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. The statutory financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties, trading securities and derivative financial instruments are stated at their fair value.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

2. Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- Amendments to HKFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of other new or amended HKFRSs are discussed below:

Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

HKFRS 10, ***Consolidated financial statements***

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12, *Consolidation - Special purpose entities.* It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRS 12, ***Disclosure of interests in other entities***

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13, ***Fair value measurement***

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the annual financial reports. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Amendments to HKFRS 7 – ***Disclosures – Offsetting financial assets and financial liabilities***

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

3. Turnover

The principal activities of the Group are garment wholesaling, retailing and manufacturing, trademark ownership and licensing, property investment and the provision of security printing and general business forms printing.

Turnover represents the net invoiced value of goods supplied to customers, royalty and related income, income from printing and related services and rental income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2014	2013
	$'000	*$'000*
Sales of garments	**1,097,576**	1,200,623
Royalty and related income	**99,422**	117,244
Income from printing and related services	**46,353**	41,559
Gross rentals from investment properties	**2,911**	4,115
	1,246,262	1,363,541

The Group's customer base is diversified and no individual customer with whom transactions have exceeded 10% of the Group's turnover.

4. Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Sales of garments: the manufacture, retail and wholesale of garments.
- Licensing of trademarks: the management and licensing of trademarks for royalty income.
- Printing and related services: the manufacture and sale of printed products.
- Property rental: the leasing of properties to generate rental income.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates, other financial assets, deferred tax assets, trading securities, club memberships, current tax recoverable, cash and cash equivalents and other corporate assets. Segment liabilities include trade and other payables and bank borrowings with the exception of current tax payable, deferred tax liabilities and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA", i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations. Inter-segments sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2014 and 2013 is set out below:

	Sales of garments		**Licensing of trademarks**		**Printing and related services**		**Property rental**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**1,097,576**	1,200,623	**99,422**	117,244	**46,353**	41,559	**2,911**	4,115	**1,246,262**	1,363,541
Inter-segment revenue	**-**	-	**20,390**	20,685	**889**	1,063	**3,640**	3,412	**24,919**	25,160
Reportable segment revenue	**1,097,576**	1,200,623	**119,812**	137,929	**47,242**	42,622	**6,551**	7,527	**1,271,181**	1,388,701
Reportable segment profit (adjusted EBITDA)	**142,838**	191,559	**56,467**	85,946	**13,863**	12,794	**5,660**	6,149	**218,828**	296,448
Bank interest income	**565**	604	**2**	2	**34**	23	**-**	-	**601**	629
Interest expense	**(185)**	(126)	**-**	-	**-**	-	**-**	-	**(185)**	(126)
Depreciation and amortisation for the year	**(25,043)**	(24,819)	**(103)**	(118)	**(1,585)**	(758)	**(1,572)**	(1,572)	**(28,303)**	(27,267)
Reversal of/(impairment losses) on lease premium	**-**	-	**146**	(1,697)	**-**	-	**-**	-	**146**	(1,697)
Reportable segment assets	**482,554**	460,513	**587,264**	527,510	**33,862**	36,479	**139,405**	110,739	**1,243,085**	1,135,241
Additions to non-current segment assets during the year	**40,179**	26,332	**429**	165,613	**2,856**	392	**-**	-	**43,464**	192,337
Reportable segment liabilities	**232,881**	235,984	**61,387**	31,522	**4,632**	3,976	**626**	631	**299,526**	272,113

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2014	2013
	$'000	*$'000*
Revenue		
Reportable segment revenue	**1,271,181**	1,388,701
Elimination of inter-segment revenue	**(24,919)**	(25,160)
Consolidated turnover	**1,246,262**	1,363,541
Profit		
Reportable segment profit	**218,828**	296,448
Elimination of inter-segment profits	**(6,269)**	(3,103)
Reportable segment profit derived from the Group's external customers	**212,559**	293,345
Other revenue	**7,682**	5,741
Other net (loss)/income	**(1,249)**	1,278
Depreciation and amortisation	**(29,135)**	(28,291)
Net valuation gains on investment properties	**28,700**	7,100
Reversal of indemnity liabilities	**30,024**	-
Net gain on disposal of assets held for sale	**-**	15,846
Loss on litigation	**-**	(15,968)
Finance costs	**(185)**	(126)
Reversal of/(impairment losses) on non-current assets	**146**	(1,697)
Unallocated head office and corporate expenses	**(4,947)**	(22,469)
Consolidated profit before taxation	**243,595**	254,759
Assets		
Reportable segment assets	**1,243,085**	1,135,241
Elimination of inter-segment receivables	**(130,849)**	(55,609)
	1,112,236	1,079,632
Interests in associates	**200**	-
Other financial assets	**138**	449
Deferred tax assets	**62,357**	54,050
Trading securities	**1,670**	1,715
Club memberships	**750**	750
Current tax recoverable	**2,838**	25,206
Cash and cash equivalents	**621,455**	656,144
Unallocated head office and corporate assets	**2,190**	2,470
Consolidated total assets	**1,803,834**	1,820,416
Liabilities		
Reportable segment liabilities	**299,526**	272,113
Elimination of inter-segment payables	**(130,849)**	(55,609)
	168,677	216,504
Current tax payable	**47,642**	41,776
Deferred tax liabilities	**4,909**	4,300
Unallocated head office and corporate liabilities	**8,135**	41,383
Consolidated total liabilities	**229,363**	303,963

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, intangible assets, lease premium and interests in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets and lease premium, and the location to which they are managed, in the case of intangible assets and interests in associates.

	Revenue from external customers		**Specified non-current assets**	
	2014	2013	**2014**	2013
	$'000	*$'000*	***$'000***	*$'000*
Hong Kong (place of domicile)	**512,611**	563,847	**472,585**	444,425
Taiwan	**92,294**	100,677	**4,904**	3,087
Other areas of the People's Republic of China ("the PRC")	**502,857**	535,109	**48,870**	49,731
The United Kingdom ("the UK")	**85,119**	100,637	**65,817**	51,372
Others	**53,381**	63,271	**111,004**	110,099
	733,651	799,694	**230,595**	214,289
	1,246,262	1,363,541	**703,180**	658,714

5. Profit before taxation

Profit before taxation is arrived at after charging/(crediting) :

	2014	2013
	$'000	*$'000*
(a) *Finance costs*		
Interest on bank overdrafts wholly repayable within five years	**185**	126
(b) *Staff costs*		
Contributions to defined contribution retirement plans	**15,808**	16,525
Salaries, wages and other benefits	**223,643**	236,429
	239,451	252,954
(c) *Other items*		
Depreciation and amortisation of fixed assets	**29,135**	28,291
(Reversal of)/impairment loss on lease premium	**(146)**	1,697
Impairment loss on trade debtors	**7,406**	3,252
Reversal of impairment loss on trade debtors	**(4,135)**	(2,173)
Cost of inventories	**448,345**	443,896
Net unrealised loss/(gain) on trading securities	**45**	(124)
Net loss/(gain) on disposal of fixed assets	**1,204**	(767)
Bank interest income	**(6,927)**	(5,727)
Other interest income	**(743)**	(2)
Dividend income from listed securities	**(11)**	(12)

(d) Loss on litigation

In March 2008, the Group's subsidiary in France (the "French Subsidiary") early terminated the licensing contract (the "Licensing Contract") with a company incorporated in France, which was a former licensee of the Group's men's wear for Southern Europe and North Africa (the "Former Licensee"), on the ground that the Former Licensee breached the Licensing Contract on numerous occasions.

The French Subsidiary then initiated a claim in the Tribunal of Commerce of Paris against the Former Licensee requesting confirmation of termination of the Licensing Contract and compensation for damages in an amount of EUR1,404,000 for the breach of the Licensing Contract by the Former Licensee. The Former Licensee counterclaimed for losses arising from the wrongful termination of the Licensing Contract for approximately EUR2,773,000.

On 22 December 2010, the Tribunal of Commerce of Paris ruled against the French Subsidiary and ordered it to pay approximately EUR2,600,000 as damages for the loss of gross margins resulting from the termination of the Licensing Contract, approximately EUR15,000 for a design fee and EUR15,000 towards legal costs. The Tribunal of Commerce of Paris ordered the design fee of EUR15,000 to be paid immediately while the damages of approximately EUR2,600,000 were suspended pending the judgment from the Court of Appeal after the French Subsidiary appealed against the ruling on 28 December 2010.

On 27 June 2012, the Court of Appeal confirmed the judgment of the Tribunal of Commerce but reduced the damages to approximately EUR1,980,000 (equivalent to $19,760,000) instead of the sum of approximately EUR2,600,000 (equivalent to $25,948,000). The French Subsidiary's legal counsels advised that, although the French Subsidiary had filed an appeal with the Cour de cassation, it was unlikely to render a decision within 12 to 18 months from 27 June 2012 and in the meantime the Court of Appeal's judgment was enforceable. However, after having considered the further costs involved, the Group decided to settle with the Former Licensee. On 25 September 2012, the French Subsidiary entered into a settlement agreement with the Former Licensee for settlement of outstanding issues between the parties against a payment of EUR1,600,000 (equivalent to $15,968,000). A loss on litigation of $15,968,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2013.

(e) Reversal of indemnity liabilities arising from disposal of interest in associate

On 26 January 2012, the Group disposed of all its interest in associate, Hang Ten Group Holdings Limited ("HTGH"), for cash consideration of $600,485,000. The indemnity liabilities as at 31 March 2013 represented a contractual indemnity provided to the acquirer of HTGH if certain events occur with an expiry date at eighteen months from the completion date i.e. 26 July 2013.

Upon the expiry of contractual indemnity on 26 July 2013, there was no indemnity raised by the acquirer of HTGH, a reversal of indemnity liabilities arising from the disposal of interest in associate amounted to $30,024,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2014.

(f) Net gain on disposal of assets held for sale

On 28 June 2012, the Group disposed its investment properties with carrying value of $420,000,000, at a cash consideration of $439,800,000 to an independent third party. After netting off professional fees of $3,954,000, a net gain of $15,846,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2013.

6. Income tax in the consolidated statement of profit or loss

Taxation in the consolidated statement of profit or loss represents:

	2014	2013
	$'000	*$'000*
Current tax - Hong Kong Profits Tax		
Provision for the year	**24,528**	28,678
Over-provision in respect of prior years	**(715)**	(583)
	23,813	28,095
Current tax - Outside Hong Kong		
Provision for the year	**5,252**	10,872
(Over)/under-provision in respect of prior years	**(2,546)**	967
	2,706	11,839
Deferred tax		
Origination and reversal of temporary differences	**(4,938)**	(9,807)
Effect on deferred tax balances at the beginning of the year resulting from a decrease in tax rate	**364**	(114)
	(4,574)	(9,921)
	21,945	30,013

The provision for Hong Kong Profits Tax for 2014 is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year, taking into account a one-off reduction of 75% of the tax payable for the year of assessment 2012/13 subject to a ceiling of $10,000 allowed by the Hong Kong SAR Government for each business.

Taxation for subsidiaries based outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

Under the tax law of the PRC, a 10% withholding tax shall be levied on dividends declared to foreign investors from the Group's PRC subsidiaries, however, only the dividends attributable to the profits of the financial period starting from 1 January 2008 will be subject to withholding tax. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investor. Pursuant to a double tax arrangement between the PRC and Hong Kong, the Group is subject to a withholding tax at a rate of 5% for any dividend payments from its PRC subsidiaries.

During the year ended 31 March 2014, the UK tax authority announced a decrease in the corporate tax rate applicable to the Group's operations in the UK from 24% to 23% for the year of assessment 2013/14, and then 21% for the year of assessment 2014/15 (2013: UK from 26% to 24% for the year of assessment 2012/13, and then 23% for the year of assessment 2013/14). The decrease is taken into account in the preparation of the Group's financial statements. Accordingly, the deferred tax liabilities as at 31 March 2014 in respect of the Group's operations in the UK was calculated using a tax rate of 21% (31 March 2013: 23%).

7. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $218,702,000 (2013: $222,447,000) and the weighted average of 165,864,000 (2013: 165,834,000) ordinary shares in issue during the year, calculated as follows:

Weighted averge number of ordinary shares

	2014	2013
	'000	*'000*
Issued ordinary shares at the beginning of the year	**165,864**	164,779
Effect of share options exercised	**-**	1,055
Weighted average number of ordinary shares at the end of the year	**165,864**	165,834

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $218,702,000 (2013: $222,447,000) and the weighted average number of ordinary shares of 165,874,000 (2013: 165,846,000) shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2014	2013
	'000	*'000*
Weighted average number of ordinary shares at the end of the year	**165,864**	165,834
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**10**	12
Weighted average number of ordinary shares (diluted) at the end of the year	**165,874**	165,846

8. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2014	2013
	$'000	*$'000*
Interim dividend declared and paid of 25 cents (2013: 25 cents) per ordinary share	**41,466**	41,466
Final dividend proposed after the end of the reporting period of 80 cents (2013: 80 cents) per ordinary share	**132,691**	132,691
	174,157	174,157

The final dividend proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2014	2013
	$'000	*$'000*
Special dividend in respect of the previous financial year, approved and paid during the year, of $Nil (2013: $4) per ordinary share	**-**	663,455
Final dividend in respect of the previous financial year, approved and paid during the year, of 80 cents (2013: 80 cents) per ordinary share	**132,691**	132,691
	132,691	796,146

9. Acquisition of Aquascutum

On 9 May 2012, the Group acquired (i) the intellectual property rights of Aquascutum worldwide except Asian Territory and (ii) certain assets in relation to apparel retailing business in the UK. Upon completion of the acquisition, the Group completed global unification of Aquascutum.

10. Trade and other receivables

	2014	2013
	$'000	*$'000*
		(restated)
Trade debtors	**79,362**	108,511
Less: Allowance for doubtful debts	**(15,758)**	(12,708)
	63,604	95,803
Deposits, prepayments and other receivables	**70,623**	54,573
Amounts due from related companies	**3,614**	15
Club memberships	**750**	750
	138,591	151,141

All of the Group's trade and other receivables, apart from club memberships of $750,000 (2013: $750,000), are expected to be recovered or recognised as expense within one year.

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in the trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	2014	2013
	$'000	*$'000*
Within 1 month	**42,992**	63,501
1 to 2 months	**5,707**	9,575
2 to 3 months	**11,348**	13,004
Over 3 months	**3,557**	9,723
	63,604	95,803

The Group's credit risk is primarily attributable to trade and other receivables, listed equity securities, debt investments and deposits with banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

11. Trade and other payables

	2014	2013
	$'000	*$'000*
Bills payable	**1,792**	1,960
Trade creditors	**30,836**	43,900
	32,628	45,860
Other payables and accrued charges	**126,185**	176,547
Indemnity liabilities	**-**	30,024
Amounts due to related companies	**1,196**	1,385
	160,009	253,816

All of the trade and other payables are expected to be settled within one year.

The indemnity liabilities represented a contractual indemnity provided to the acquirer of HTGH if certain events occur with an expiry date at eighteen months from the completion date i.e. 26 July 2013. Upon the expiry of contractual indemnity on 26 July 2013, there were no indemnity raised by the acquirer of HTGH, a reversal of indemnity liabilities arising from the disposal of interest in associate amounted to $30,024,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2014.

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	2014	2013
	$'000	*$'000*
Within 1 month	**28,378**	35,104
1 to 3 months	**3,433**	9,230
Over 3 months but within 6 months	**48**	349
Over 6 months	**769**	1,177
	32,628	45,860

12. Comparative figures

Rental deposits paid of $36,657,000 included under "trade and other receivables" have been reclassified as "rental deposits and prepayments" under non-current assets to comply with the current year's presentation. The revised presentation reflects better the nature and term of the balances.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF THE GROUP'S OPERATIONS

Group's Operations

	2014	2013	+/(-)
	HK$'000	*HK$'000*	change
Turnover	**1,246,262**	1,363,541	-8.6%
Gross profit	**797,917**	919,645	-13.2%
Gross profit margin	**64.0%**	67.4%	-3.4 pp
Profit from operations	**185,056**	247,907	-25.4%
Operating margin	**14.8%**	18.2%	-3.4 pp
Net valuation gains on investment properties	**28,700**	7,100	304.2%
Reversal of indemnity liabilities arising from disposal of interest in associate	**30,024**	-	-
Net gain on disposal of assets held for sale	**-**	15,846	-
Loss on litigation	**-**	(15,968)	-
Profit attributable to equity shareholders of the Company	**218,702**	222,447	-1.7%
Net profit margin	**17.5%**	16.3%	+1.2 pp
EBITDA	**272,915**	283,176	-3.6%
EBITDA margin	**21.9%**	20.8%	+1.1 pp
Earnings per share - basic	**$1.32**	$1.34	-1.5%
Interim dividend per share	**$0.25**	$0.25	-
Final dividend per share	**$0.80**	$0.80	-
Dividend payout	**79.5%**	78.4%	+1.1 pp

The Group's turnover decreased by 8.6% to HK$1,246,262,000 (2013: HK$1,363,541,000). Total sales of garments, which is the Group's core business, fell by 8.6% to HK$1,097,576,000 (2013: HK$1,200,623,000). Total licensing of trademarks income from external customers decreased by 15.2% to HK$99,422,000 (2013: HK$117,244,000). Total gross profit decreased by 13.2% to HK$797,917,000 (2013: HK$919,645,000). Overall gross profit margin decreased to 64.0% from 67.4% for the previous year.

Profit from operations decreased by 25.4% from HK$247,907,000 for the previous year to HK$185,056,000. Total operating expenses amounted to HK$637,543,000 (2013: HK$693,591,000), representing a decrease of 8.1%. Total rental and other occupancy expenses of the Group dropped by 1.4% to HK$240,537,000 (2013: HK$243,873,000) which accounted for 19.3% (2013: 17.9%) of the Group's turnover. Total staff costs, including directors' remuneration, decreased by 5.3% to HK$239,451,000 (2013: HK$252,954,000) and accounted for 19.2% (2013: 18.6%) of the Group's turnover. Total advertising and promotion expenses of the Group grew by 1.3% to HK$43,201,000 (2013: HK$42,639,000) which accounted for 3.5% (2013: 3.1%) of the Group's turnover.

The Group's profit for the year decreased by 1.4% from HK$224,746,000 for the previous year to HK$221,650,000 which included a reversal of indemnity liabilities arising from disposal of interest in associate of HK$30,024,000 (2013: HK$Nil) and net valuation gains on investment properties of HK$28,700,000 (2013: HK$7,100,000).

For the year under review, EBITDA of the Group was HK$272,915,000 (2013: HK$283,176,000) and EBITDA margin was 21.9% (2013: 20.8%).

Profit attributable to equity shareholders of the Company was HK$218,702,000 (2013: HK$222,447,000). Basic earnings per share decreased to HK$1.32 (2013: HK$1.34).

Cash Flow from Operations

For the year ended 31 March 2014, the Group generated HK$159,795,000 cash from operations which decreased from HK$223,903,000 of the previous year same period. Inventories as at 31 March 2014 decreased slightly to HK$236,249,000 (31 March 2013: HK$236,340,000).

As at 31 March 2014, the Group had cash and bank deposits net of overdrafts of HK$604,652,000 (31 March 2013: HK$652,073,000), a decrease of HK$47,421,000 after dividend payments of HK$174,023,000. At 31 March 2014, the Group had trading securities with a fair value of HK$1,670,000 (2013: HK$1,715,000).

During the year, the Group spent approximately HK$43,464,000 in additions and replacement of fixed assets, compared to HK$29,593,000 for the previous year.

After the end of the reporting period, the Group completed the acquisition of an office building at 42-43 Great Marlborough Street, London at a cash consideration of GBP13,880,000 (equivalent to HK$180,440,000) on 12 June 2014. The office building is partly for the headquarter of Aquascutum in the United Kingdom and the remaining is investment property for rental income.

GROUP'S FINANCIAL POSITION

The Group financed its operations by internally generated cashflows and banking facilities provided by its bankers. The Group continues to maintain a prudent approach in managing its financial requirements.

The Group's net assets as at 31 March 2014 were HK$1,574,471,000 (31 March 2013: HK$1,516,453,000). The Group's gearing ratio at the year end was 0.011 (31 March 2013: 0.003) which was calculated based on total borrowings of HK$16,803,000 (31 March 2013: HK$4,071,000) and shareholders' equity of HK$1,547,185,000 (31 March 2013: HK$1,489,287,000). The Group's borrowings are mainly on a floating rate basis.

The Group also maintains a conservative approach to foreign exchange exposure management. The Group is exposed to currency risk primarily through income and expenditure streams denominated in United States Dollars, Pounds Sterling, Euros, Renminbi and Japanese Yen. To manage currency risks, non Hong Kong Dollar assets are financed primarily by matching local currency debts as far as possible.

As at 31 March 2014, the Company issued guarantees to banks to secure banking facilities provided to the subsidiaries amounting to HK$50,010,000 (31 March 2013: HK$94,870,000). The maximum liability of the Company at the balance sheet date under the guarantees issued is the amount of banking facilities drawn down by the relevant subsidiaries amounting to HK$19,644,000 (31 March 2013: HK$4,476,000).

OPERATIONS REVIEW

Sales of Garments

	2014 **HK$'000**	2013 HK$'000	+/(-) change
Revenue from sales of garments	**1,097,576**	1,200,623	-8.6%
Segment profit	**142,838**	191,559	-25.4%
Segment profit margin	**13.0%**	16.0%	-3.0 pp
Inventory turnover (days) *(Note)*	**201.0**	200.7	0.1%

Note: Inventory held at the year end divided by full year cost of sales times 365 days.

Sales of garments is the Group's principal business which is retailing and wholesaling of branded garments, leather goods and accessories. Total sales of the segment declined by 8.6% to HK$1,097,576,000 (2013: HK$1,200,623,000) and total segment profit decreased by 25.4% from HK$191,559,000 for the previous year to HK$142,838,000. Inventory turnover increased slightly from 200.7 days for the previous year to 201.0 days.

Aquascutum apparel retail business in the United Kingdom recorded a total sales of GBP6,870,000 (equivalent to HK$85,119,000), representing a decrease of 16.4% from GBP8,222,000 (equivalent to HK$100,637,000) for the previous year, and a loss before taxation of GBP1,061,000 (equivalent to HK$13,146,000) which improved from GBP1,871,000 (equivalent to HK$22,901,000) for the previous year.

Total sales of the segment in other areas, mainly the Greater China region, decreased by 8.0% to HK$1,012,457,000 (2013: HK$1,099,986,000).

During the year under review, the Group invested in a subsidiary with a 65% interest in its share capital. The subsidiary was granted a license for developing, marketing and selling of Aquascutum leather goods. A slight operating loss was recorded at the development stage.

Number of POSs by geographical locations as at 31 March

	Mainland China		Hong Kong		Macau		Taiwan		Europe		Southeast Asia		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Aquascutum	**137**	132	**10**	10	**4**	5	**29**	29	**11**	13	**-**	-	**191**	189
Ashworth	**47**	47	**12**	11	**3**	4	**6**	2	**-**	-	**-**	-	**68**	64
J.Lindeberg	**-**	-	**6**	8	**2**	2	**-**	-	**-**	-	**-**	-	**8**	10
Michel Rene	**-**	17	**3**	9	**1**	2	**-**	4	**-**	-	**-**	4	**4**	36
Peak Performance	**2**	-	**1**	-	**-**	-	**-**	-	**-**	-	**-**	-	**3**	-
Guy Laroche	**-**	-	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-	**1**	1
Total	**186**	196	**32**	38	**10**	13	**35**	35	**12**	14	**0**	4	**275**	300

As at the end of March 2014, the Group has a distribution network of 275 POSs in our operating market which was a net decrease of 25 POSs from the end of March 2013. Aquascutum was a net increase of 2 POSs. J.Lindeberg was a net decrease of 2 POSs. Ashworth was a net increase of 4 POSs. Michel Rene was a net decrease of 32 POSs. Peak Performance was launched in the year under review with 3 POSs at the end of March 2014.

The Group's manufacturing plant in Dongguan suffered a decline in sales and recorded an operating loss for the year under review in spite of our continuous efforts on controlling costs.

Licensing of Trademark

The Group owns the global intellectual property rights of Guy Laroche and Aquascutum. Total income of licensing of trademarks from external customers decreased by 15.2% to HK$99,422,000 (2013: HK$117,244,000). Guy Laroche dropped by 19.8% in term of EUR from the previous year same period. Aquascutum decreased by 14.2% from the same period last year. Several license agreements were terminated in the year due to financial difficulty of licensees.

Other Business

Our security printing business reported a segment profit of HK$13,863,000 (2013: HK$12,794,000). Rental income from industrial building is steady.

OUTLOOK

During the year under review, the recession in Eurozone economies and the decline in consumer spending in Mainland China affected adversely on our business in the Greater China region and Europe; both turnover and profit from operations recorded a decrease from the previous year. These adverse factors will continue affecting our business in the coming year. Thus, we will continue to maintain a cautious approach to all aspects of our business activities and have already taken measures to minimise costs and overheads.

SHARE OPTION SCHEME

On 23 September 2004, the Company adopted a share option scheme (the "Share Option Scheme") which will remain in force until 22 September 2014. Pursuant to the terms of the Share Option Scheme, the Company may grant options to eligible participants including directors and employees of the Group to subscribe for shares in the Company, subject to a maximum of 15,469,879 new shares. During the year, no option was granted to any directors or employee of the Company.

HUMAN RESOURCES

As at 31 March 2014, the Group had approximately 1,600 employees (31 March 2013: 1,800). The Group offers competitive remuneration packages including medical subsidies and retirement scheme contributions to its employees in compensation for their contribution. In addition, discretionary bonuses and share options may also be granted to the eligible employees based on the Group's and individuals' performances.

DIVIDENDS

The Board had recommend the payment of a final dividend of 80 HK cents (2013: 80 HK cents) per ordinary share for the year ended 31 March 2014 at the forthcoming annual general meeting to be held on 17 September 2014. The final dividend totaling HK$132,691,000 (2013: HK$132,691,000), if approved by the shareholders, is expected to be paid on or around 6 October 2014 to those shareholders whose names appear on the register of members of the Company as at the close of business on 22 September 2014.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the entitlement of the shareholders to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 11 September 2014 to 17 September 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Wednesday, 10 September 2014.

The register of members of the Company will also be closed from 23 September 2014 to 25 September 2014, both days inclusive, during which period no transfer of shares will be effected for the purpose of ascertaining the entitlement of the shareholders to the proposed final dividend. In order to qualify for the final dividend payable on or around 6 October 2014 to be approved at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Monday, 22 September 2014.

CORPORATE GOVERNANCE

The Company had compiled with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2014.

Under Code Provision A.4.1, non-executive directors (including independent non-executive directors) should be appointed for a specific term, subject to re-election. However, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Securities Dealing Code regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 of the Listing Rules.

All Directors have confirmed, upon specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and its Securities Dealing Code throughout the period under review.

AUDIT COMMITTEE

To comply with the revised Code of Best Practice as set out in Appendix 14 to the Listing Rules, the Company set up an audit committee (the "Audit Committee") with written terms of reference, for the purposes of reviewing and providing supervision on the financial reporting process and internal control of the Group. The Audit Committee comprises four Independent Non-executive Directors.

The Audit Committee is mainly responsible for monitoring the integrity of the Company's financial statements, reviewing the Company's internal control system and its execution through the review of the work undertaken by the internal and external auditors, evaluating financial information and related disclosure; and reviewing connected transactions.

The Audit Committee has reviewed with management the consolidated financial statements for the year ended 31 March 2014, including the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the year ended 31 March 2014. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk and the website of the Company at www.ygmtrading.com under "Results Announcement". The annual report for the year ended 31 March 2014 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board
Chan Wing Fui, Peter
Chairman

Hong Kong, 17 June 2014

As at the date of this announcement the Board comprises seven Executive Directors, namely Dr. Chan Sui Kau, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley, Mr. Fu Sing Yam, William, Mr. Chan Wing Kee and Mr. Chan Wing To; and four Independent Non-executive Directors, namely Mr. Leung Hok Lim, Mr. Lin Keping, Mr. Sze Cho Cheung, Michael and Mr. Choi Ting Ki.