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## **YGM TRADING LIMITED**

*(incorporated in Hong Kong with limited liability)*  
**(Stock Code: 00375)**

### **ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

The board of directors (the “Board”) of YGM Trading Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (together referred to as the “Group”) for the year ended 31 March 2024 together with comparative figures for the corresponding year and selected explanatory notes as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*(Expressed in Hong Kong dollars)*

	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>	3, 4	<b>238,435</b>	214,129
Cost of sales and direct costs		<u><b>(71,473)</b></u>	<u>(70,289)</u>
<b>Gross profit</b>		<b>166,962</b>	143,840
Other net gain		<b>3,807</b>	1,695
Distribution costs		<b>(118,558)</b>	(117,045)
Administrative and other operating expenses		<u><b>(54,520)</b></u>	<u>(50,154)</u>
<b>Loss from operations</b>		<b>(2,309)</b>	(21,664)
Valuation gains on investment properties		-	9,259
Finance costs	5(a)	<u><b>(3,722)</b></u>	<u>(2,366)</u>
<b>Loss before taxation</b>	5	<b>(6,031)</b>	(14,771)
Income tax credit	6	<u><b>96</b></u>	<u>75</u>
<b>Loss for the year</b>		<u><u><b>(5,935)</b></u></u>	<u><u>(14,696)</u></u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(5,121)</b>	(13,771)
Non-controlling interests		<u><b>(814)</b></u>	<u>(925)</u>
<b>Loss for the year</b>		<u><u><b>(5,935)</b></u></u>	<u><u>(14,696)</u></u>
<b>Loss per share</b>	8		
Basic and diluted		<u><u><b>\$ (0.03)</b></u></u>	<u><u>\$ (0.08)</u></u>

Details of dividends payable to equity shareholders of the Company are set out in note 7.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Hong Kong dollars)

	2024 \$'000	2023 \$'000
<b>Loss for the year</b>	<u>(5,935)</u>	<u>(14,696)</u>
<b>Other comprehensive income for the year (after tax and reclassification adjustment of \$Nil)</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	<u>3,317</u>	<u>(7,113)</u>
<b>Other comprehensive income for the year</b>	<u>3,317</u>	<u>(7,113)</u>
<b>Total comprehensive income for the year</b>	<u>(2,618)</u>	<u>(21,809)</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	(1,630)	(20,330)
Non-controlling interests	<u>(988)</u>	<u>(1,479)</u>
<b>Total comprehensive income for the year</b>	<u>(2,618)</u>	<u>(21,809)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*(Expressed in Hong Kong dollars)*

	Note	2024 \$'000	2023 \$'000
<b>Non-current assets</b>			
Investment properties		189,023	186,345
Other property, plant and equipment		<u>58,541</u>	<u>57,270</u>
		247,564	243,615
Intangible assets		133,442	133,442
Rental deposits		6,132	7,346
Deferred tax assets		<u>55</u>	<u>121</u>
		<b>387,193</b>	<b>384,524</b>
<b>Current assets</b>			
Trading securities		9,579	10,610
Inventories		38,186	33,532
Trade and other receivables	9	32,919	37,023
Current tax recoverable		339	318
Cash and cash equivalents		<u>103,397</u>	<u>118,120</u>
		<b>184,420</b>	<b>199,603</b>
<b>Current liabilities</b>			
Bank overdrafts		-	4
Trade and other payables	10	42,679	40,513
Contract liabilities		4,520	1,997
Lease liabilities		33,573	25,924
Current tax payable		<u>37</u>	<u>5</u>
		<b>80,809</b>	<b>68,443</b>
<b>Net current assets</b>		<u><b>103,611</b></u>	<u>131,160</u>
<b>Total assets less current liabilities</b>		<b>490,804</b>	<b>515,684</b>
<b>Non-current liabilities</b>			
Lease liabilities		31,448	37,133
Deferred tax liabilities		<u>943</u>	<u>934</u>
		<b>32,391</b>	<b>38,067</b>
<b>NET ASSETS</b>		<u><b>458,413</b></u>	<u>477,617</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		383,909	383,909
Reserves		<u>68,299</u>	<u>86,515</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>452,208</b>	<b>470,424</b>
<b>Non-controlling interests</b>		<u>6,205</u>	<u>7,193</u>
<b>TOTAL EQUITY</b>		<u><b>458,413</b></u>	<u>477,617</u>

**NOTES:**

*(Expressed in Hong Kong dollars unless otherwise indicated)*

**1. Basis of preparation of the financial statements**

The financial information relating to the years ended 31 March 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for these years but is extracted from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 March 2024 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 March 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the statutory financial statements of the Company for the year ended 31 March 2023. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The Company's statutory annual 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 the requirements of the Hong Kong Companies Ordinance. These 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 statutory annual financial statements is the historical cost basis except that investment properties and trading securities are stated at their fair values.

**2. Changes in accounting policies**

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this financial report.

The Group has not applied any new standard or interpretation issued by HKICPA that is not yet effective for the current accounting period.

***New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism***

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1 May 2025 (the "Transaction Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to the mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transaction Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transaction Date will be calculated based on the employee's monthly salary immediately before the Transaction Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19 in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the rest of the year ended 31 March 2023, with the corresponding adjustment to the comparative carrying amount of the LSP liability. However, since the amount of the catch-up profit or loss adjustment was immaterial with reference to the assessment by external specialist engaged by the Group, the Group did not restate the comparative figures of the consolidated financial statements.

### 3. Revenue

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

#### (i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by significant category of revenue is as follows:

	2024 \$'000	2023 \$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Sales of garments	182,623	161,416
Royalty and related income	19,861	18,644
Income from printing and related services	<u>27,084</u>	<u>27,730</u>
	<b>229,568</b>	<b>207,790</b>
<b>Revenue from other sources</b>		
Gross rentals from investment properties - lease payments that are fixed or depend on an index or a rate	<u>8,867</u>	<u>6,339</u>
	<b><u>238,435</u></b>	<b><u>214,129</u></b>

The Group’s customer base is diversified and no individual customer with whom transactions have exceeded 10% of the Group’s revenue for the years ended 31 March 2024 and 2023.

#### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 and therefore the information about the remaining performance obligation is not disclosed for contracts that have an original expected duration of one year or less and also for those performance obligations which are regarded as satisfied as invoiced.

#### 4. Segment reporting

##### (a) Segment results, assets and liabilities

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 resource 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: wholesaling and retailing of garments
- Licensing of trademarks: management and licensing of trademarks for royalty income
- Printing and related services: provision of security printing and sale of printed products
- Property rental: leasing of properties to generate rental income

The measure used for reporting segment profit or loss is "EBITDA", i.e. "earnings before interest, taxes, depreciation and impairment loss on non-current assets", where "interest" includes investment income.

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 2024 and 2023 is set out below:

	Sales of garments		Licensing of trademarks		Printing and related services		Property rental		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue from external customers	182,623	161,416	19,861	18,644	27,084	27,730	8,867	6,339	238,435	214,129
Inter-segment revenue	-	-	-	738	23	53	2,232	2,433	2,255	3,224
<b>Reportable segment revenue</b>	<b>182,623</b>	<b>161,416</b>	<b>19,861</b>	<b>19,382</b>	<b>27,107</b>	<b>27,783</b>	<b>11,099</b>	<b>8,772</b>	<b>240,690</b>	<b>217,353</b>
<b>Segment profit</b>	<b>25,663</b>	<b>10,787</b>	<b>6,531</b>	<b>7,139</b>	<b>68</b>	<b>1,126</b>	<b>3,898</b>	<b>7,718</b>	<b>36,160</b>	<b>26,770</b>
<b>Reportable segment assets</b>	<b>495,338</b>	<b>493,835</b>	<b>147,113</b>	<b>146,369</b>	<b>14,028</b>	<b>14,240</b>	<b>202,080</b>	<b>200,601</b>	<b>858,559</b>	<b>855,045</b>
<b>Reportable segment liabilities</b>	<b>471,831</b>	<b>467,234</b>	<b>14,356</b>	<b>11,969</b>	<b>5,189</b>	<b>4,642</b>	<b>14,300</b>	<b>14,750</b>	<b>505,676</b>	<b>498,595</b>

##### (b) Reconciliation of reportable profit or loss

	2024 \$'000	2023 \$'000
Segment profit	36,160	26,770
Interest income on financial assets measured at amortised cost	2,445	1,230
Depreciation	(39,895)	(38,381)
Impairment loss on other property, plant and equipment	-	(4,472)
Finance costs	(3,722)	(2,366)
Unallocated head office and corporate (loss)/income	(1,019)	2,448
<b>Consolidated loss before taxation</b>	<b>(6,031)</b>	<b>(14,771)</b>

## 5. Loss before taxation

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

	2024 \$'000	2023 \$'000
(a) <i>Finance costs</i>		
Interest on LSP liability	43	-
Interest on lease liabilities	3,679	2,366
	<u>3,722</u>	<u>2,366</u>
(b) <i>Other items</i>		
Depreciation charge		
- owned property, plant and equipment	3,585	3,474
- right-of-use assets	36,310	34,907
Impairment loss on other property, plant and equipment		
- owned property, plant and equipment	-	1,221
- right-of-use assets	-	3,251
Gain on early termination of leases	(1,979)	(174)
Impairment loss on trade debtors	831	330
Reversal of impairment loss on trade debtors	-	(809)
Rental receivable from investment properties less direct outgoings of \$1,907,000 (2023: \$2,294,000)	(6,960)	(4,045)
Cost of inventories	69,566	67,995
Government subsidies (Note)	-	(4,788)
Change in fair value of trading securities	(109)	18
Gain on disposal of trading securities	(23)	(110)
	<u>(23)</u>	<u>(110)</u>

Note: During the year ended 31 March 2023, the Group was granted \$4,298,000 from the Employment Support Scheme under the Anti-epidemic Fund set up by the Government of the Hong Kong Special Administrative Region for not to make redundancies during the subsidy period and to spend all the funding on paying wages to its employees. In addition, the Group also successfully applied for \$490,000 funding support from the Government of the Macau Special Administrative Region for eligible enterprise in Macau.

## 6. Income tax credit

	2024 \$'000	2023 \$'000
Current tax - Hong Kong Profits Tax	(178)	29
Current tax - Outside Hong Kong	-	(198)
Deferred tax	82	94
	<u>(96)</u>	<u>(75)</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Taxation for subsidiaries based outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions. The corporate tax rate applicable to the Group's operations in the United Kingdom is 19% (2023: 19%) for the year. The Corporate Income Tax rate applicable to the Group's operations in Mainland China is 25% (2023: 25%) for the year.

## 7. Dividends

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

	2024 \$'000	2023 \$'000
Interim dividend declared and paid of Nil cents (2023: Nil) per ordinary share	-	-
Final dividend proposed after the end of the reporting period of 10 cents (2023: 10 cents) per ordinary share	<u>16,586</u>	<u>16,586</u>
	<u>16,586</u>	<u>16,586</u>

The final dividend proposed after the end of the reporting period has 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*

	2024 \$'000	2023 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 10 cents (2023: 5 cents) per ordinary share	<u>16,586</u>	<u>8,293</u>

## 8. Loss per share

(a) *Basic loss per share*

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of \$5,121,000 (2023: \$13,771,000) and 165,864,000 (2023: 165,864,000) ordinary shares in issue during the year.

(b) *Diluted loss per share*

There were no potential dilutive ordinary shares outstanding during the years ended 31 March 2024 and 2023. Accordingly, the diluted loss per share is the same as the basic loss per share.

## 9. Trade and other receivables

At the end of the reporting period, the ageing analysis of trade debtors (net of loss allowance) based on invoice date is as follows:

	2024 \$'000	2023 \$'000
Within 1 month	14,449	16,554
Over 1 month but within 2 months	563	720
Over 2 months but within 3 months	578	888
Over 3 months but within 12 months	<u>1,267</u>	<u>1,446</u>
Trade debtors, net of loss allowance	16,857	19,608
Deposits, prepayments and other receivables	14,334	15,994
Employee retirement benefits	<u>1,728</u>	<u>1,421</u>
	<u>32,919</u>	<u>37,023</u>



Individual credit evaluations are performed on all customers requiring credit over a certain amount. Trade debtors are due within 30 days to 90 days from the date of billing.

## 10. Trade and other payables

At the end of the reporting period, the ageing analysis of trade creditors based on invoice date is as follows:

	2024 \$'000	2023 \$'000
Within 1 month	9,031	8,965
Over 1 month but within 3 months	1,280	4,497
Over 3 months but within 6 months	105	168
Over 6 months	133	262
Trade creditors	<u>10,549</u>	<u>13,892</u>
Other payables and accrued charges	31,993	26,460
Amounts due to related companies	137	161
	<u><u>42,679</u></u>	<u><u>40,513</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results of the Group's Operations

The Group's financial performance for the year reflects a positive trend driven by the market and economy's recovery. The revenue has increased to HK\$238,435,000 (2023: HK\$214,129,000), indicating a moderate growth of 11.4% from the previous year. This growth is further supported by a notable improvement in the overall gross profit margin, which rose to 70.0% (2023: 67.2%). The Group's gross profit for the year also saw a significant increase of 16.1% to HK\$166,962,000 (2023: HK\$143,840,000).

Furthermore, there has been a substantial reduction in the loss from operations, which dropped drastically to HK\$2,309,000, compared to HK\$21,664,000 in the previous year. While the total operating expenses increased by 3.5% to HK\$173,078,000 (2023: HK\$167,199,000), the overall financial performance demonstrates a positive trajectory for the Group. The loss attributable to the equity shareholders of the Company for the year was reduced to HK\$5,121,000 (2023: HK\$13,771,000).

For the year ended 31 March 2024, the Group generated cash inflow of HK\$40,830,000 (2023: HK\$38,938,000) from operations. Inventories as at 31 March 2024 was HK\$38,186,000 (2023: HK\$33,532,000).

As at 31 March 2024, the Group had cash and bank deposits net of bank overdrafts of HK\$103,397,000 (2023: HK\$118,116,000), representing a decrease of HK\$14,719,000. At 31 March 2024, the Group had trading securities with fair value of HK\$9,579,000 (2023: HK\$10,610,000).

During the year, the Group spent approximately HK\$1,656,000 (2023: HK\$4,689,000) in additions and replacement of other property, plant and equipment excluding right-of-use assets.

### 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 2024 were HK\$458,413,000 (2023: HK\$477,617,000). The Group's gearing ratio at the end of the year was 0.144 (2023: 0.134) which was calculated based on total borrowings of HK\$Nil (2023: HK\$4,000) and leases liabilities of HK\$65,021,000 (2023: HK\$63,057,000) and shareholders' equity of HK\$452,208,000 (2023: HK\$470,424,000). The Group's borrowings are mainly on a floating rate basis.

## **Operations Review**

Total segment sales of garment was HK\$182,623,000 (2023: HK\$161,416,000) and recorded a segment profit of HK\$25,663,000 (2023: HK\$10,787,000). As at the end of March 2024, the Group has a distribution network of 92 points of sales (“POSs”) in the Group’s operating market comprising 29 POSs in Hong Kong, 5 POSs in Macau, 56 POSs in Mainland China and 2 POSs in Taiwan. There is a net decrease of 7 POSs in total POSs from the end of March 2023. The Group will remain prudent with regard to store network expansion.

The Group owns the global intellectual property rights of Guy Laroche and Ashworth. Total income of licensing of trademarks from external customers was HK\$19,861,000 (2023: HK\$18,644,000) and this segment recorded a segment profit for the year.

As at 31 March 2024, the Group held an office premise for rental in London with a fair value of HK\$189,023,000 (2023: HK\$186,345,000) and an industrial building held for own use in Hong Kong with a net book value of HK\$5,842,000 (2023: HK\$6,126,000). Currently, the said industrial building is wholly occupied by security printing section. The office premise in London was fully let during the year and, thus, total rental income from outsiders increased to HK\$8,867,000 (2023: HK\$6,339,000).

Security printing section recorded decreases in sales and segment profit.

## **Human Resources**

As at 31 March 2024, the Group had approximately 320 employees (31 March 2023: 360 employees). The Group offers competitive remuneration packages including medical subsidies and retirement scheme contribution to its employees in compensation for their contribution. In addition, discretionary bonuses may also be granted to the eligible employees based on the Group’s and individuals’ performances.

## **Outlook**

The current global market environment is indeed facing a multitude of challenges and uncertainties. The geopolitical conflicts in Europe and the Middle East, combined with the unpredictable interest rate trends in the US and the slow recovery in China, have created a complex landscape for businesses to navigate.

Despite these challenges, we remain optimistic about our prospects in the Hong Kong market. The stabilization of the market is a positive sign, and we are confident in our ability to achieve a modest profit in the region. Our focus on licensing in the PRC market is expected to yield increased royalty income in the near future, and we anticipate growth in other licensing income streams as well. While the printing sector may face ongoing hurdles, the growth in Guy Laroche licensing is anticipated to contribute positively in the future. Moreover, our UK property is projected to generate steady rental income, providing a stable foundation for our overall financial performance.

## **Dividends**

The Board resolved to recommend the payment of a final dividend of 10 HK cents (2023: 10 HK cents) per ordinary share in respect of the year ended 31 March 2024 at the forthcoming annual general meeting to be held on 27 September 2024. The aggregate final dividend amounting to HK\$16,586,000 (2023: HK\$16,586,000), if approved by the shareholders, is expected to be paid on or around 23 October 2024 to those shareholders whose names appear on the register of members of the Company as at the close of business on 14 October 2024.

## **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 24 September 2024 to 27 September 2024 (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 Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on 23 September 2024.

The register of members of the Company will also be closed from 8 October 2024 to 14 October 2024 (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 23 October 2024 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 Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, not later than 4:30 p.m. on 7 October 2024.

## **CORPORATE GOVERNANCE**

The Company had complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2024.

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.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other 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 HKICPA and consequently no assurance has been expressed by the auditor.

## **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 three Independent Non-executive Directors.

The Audit Committee is mainly responsible for monitoring the integrity of the Company's consolidated financial statements, reviewing the Company's internal control system and its execution through the review of the work undertaken by the 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 2024, including the accounting policies 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 2024. 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](http://www.hkexnews.hk) and the website of the Company at [www.ygmtrading.com](http://www.ygmtrading.com) under “Results Announcement”. The annual report for the year ended 31 March 2024 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board  
**Chan Wing Sun, Samuel**  
*Chairman*

Hong Kong, 18 June 2024

*As at the date of this announcement the Board comprises five Executive Directors, namely Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley, Mr. Fu Sing Yam, William, Mr. Chan Wing Fui, Peter and Mr. Chan Wing Kee; and three Independent Non-executive Directors, namely Mr. Choi Ting Ki, Mr. So Stephen Hon Cheung and Mr. Li Guangming.*