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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 2025

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 2025 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	2025 \$'000	2024 \$'000
Revenue	3, 4	177,852	238,435
Cost of sales and direct costs		(60,388)	(71,473)
Gross profit		117,464	166,962
Other net gain		9,537	3,807
Distribution costs		(79,695)	(118,558)
Administrative and other operating expenses		(46,865)	(54,520)
Gain/(loss) from operations		441	(2,309)
Valuation losses on investment properties	5(b)	(17,450)	-
Impairment losses on intangible assets	5(b)	(5,000)	-
Finance costs	5(a)	(2,352)	(3,722)
Loss before taxation	5	(24,361)	(6,031)
Income tax (expense)/credit	6	(154)	96
Loss for the year		(24,515)	(5,935)
Attributable to:			
Equity shareholders of the Company		(23,650)	(5,121)
Non-controlling interests		(865)	(814)
Loss for the year		(24,515)	(5,935)
Loss per share	8		
Basic and diluted		\$ (0.14)	\$ (0.03)

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)*

	2025 \$'000	2024 \$'000
Loss for the year	<u>(24,515)</u>	<u>(5,935)</u>
Other comprehensive income for the year (after tax and reclassification adjustment of \$Nil)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	3,406	3,317
Release of exchange reserve upon deregistration of subsidiaries	(1,967)	-
<i>Item that will not be reclassified to profit or loss:</i>		
Remeasurement of provision for long service payments	<u>(254)</u>	-
Other comprehensive income for the year	<u>1,185</u>	<u>3,317</u>
Total comprehensive income for the year	<u>(23,330)</u>	<u>(2,618)</u>
Attributable to:		
Equity shareholders of the Company	(22,465)	(1,630)
Non-controlling interests	<u>(865)</u>	<u>(988)</u>
Total comprehensive income for the year	<u>(23,330)</u>	<u>(2,618)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Non-current assets			
Investment properties		175,228	189,023
Other property, plant and equipment		<u>38,548</u>	<u>58,541</u>
		213,776	247,564
Intangible assets		128,442	133,442
Rental deposits		1,391	6,132
Deferred tax assets		<u>18</u>	<u>55</u>
		343,627	387,193
Current assets			
Trading securities		7,955	9,579
Inventories		31,816	38,186
Trade and other receivables	9	28,383	32,919
Current tax recoverable		322	339
Cash and cash equivalents		<u>93,673</u>	<u>103,397</u>
		162,149	184,420
Current liabilities			
Trade and other payables	10	37,811	42,679
Contract liabilities		3,696	4,520
Lease liabilities		21,421	33,573
Current tax payable		<u>62</u>	<u>37</u>
		62,990	80,809
Net current assets		<u>99,159</u>	<u>103,611</u>
Total assets less current liabilities		442,786	490,804
Non-current liabilities			
Lease liabilities		23,307	31,448
Deferred tax liabilities		<u>982</u>	<u>943</u>
		24,289	32,391
NET ASSETS		<u>418,497</u>	<u>458,413</u>
CAPITAL AND RESERVES			
Share capital		383,909	383,909
Reserves		<u>29,248</u>	<u>68,299</u>
Total equity attributable to equity shareholders of the Company		413,157	452,208
Non-controlling interests		<u>5,340</u>	<u>6,205</u>
TOTAL EQUITY		<u>418,497</u>	<u>458,413</u>

NOTES:

(Expressed in Hong Kong dollars unless otherwise indicated)

1. Basis of preparation

The financial information relating to the years ended 31 March 2025 and 2024 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 2025 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 2024 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 2024. 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 HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountant ("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 Group has applied the following amendments to HKFRS Accounting Standards and HKASs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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:

	2025 \$'000	2024 \$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of garments	119,017	182,623
Royalty and related income	21,739	19,861
Income from printing and related services	27,462	27,084
	<u>168,218</u>	<u>229,568</u>
Revenue from other sources		
Gross rentals from investment properties - lease payments that are fixed or depend on an index or a rate	9,634	8,867
	<u>177,852</u>	<u>238,435</u>

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 2025 and 2024.

(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 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: 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 losses on non-current assets and valuation losses on investment properties", 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 2025 and 2024 is set out below:

	Sales of garments		Licensing of trademarks		Printing and related services		Property rental		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	119,017	182,623	21,739	19,861	27,462	27,084	9,634	8,867	177,852	238,435
Inter-segment revenue	-	-	-	-	36	23	2,424	2,232	2,460	2,255
Reportable segment revenue	119,017	182,623	21,739	19,861	27,498	27,107	12,058	11,099	180,312	240,690
Reportable segment profit	21,113	25,663	3,101	6,531	1,464	68	4,121	3,898	29,799	36,160
Reportable segment assets	449,341	495,338	139,483	147,113	13,138	14,028	187,080	202,080	789,042	858,559
Reportable segment liabilities	427,165	471,831	17,370	14,356	4,964	5,189	15,025	14,300	464,524	505,676

(b) *Reconciliation of reportable segment profit or loss*

	2025	2024
	\$'000	\$'000
Reportable segment profit	29,799	36,160
Interest income on financial assets measured at amortised cost	2,367	2,445
Depreciation	(31,644)	(39,895)
Valuation losses on investment properties	(17,450)	-
Impairment losses on intangible assets	(5,000)	-
Finance costs	(2,352)	(3,722)
Unallocated head office and corporate loss	(81)	(1,019)
Consolidated loss before taxation	(24,361)	(6,031)

5. Loss before taxation

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

	2025	2024
	\$'000	\$'000
(a) <i>Finance costs</i>		
Interest on long service payments liabilities	47	43
Interest on lease liabilities	2,305	3,679
	2,352	3,722
(b) <i>Other items</i>		
Depreciation charge		
- owned property, plant and equipment	3,259	3,585
- right-of-use assets	28,385	36,310
Valuation losses on investment properties	17,450	-
Impairment losses on intangible assets	5,000	-
Impairment losses on trade debtors	685	831
Rental receivable from investment properties		
less direct outgoings of \$2,149,000 (2024: \$1,907,000)	(7,485)	(6,960)
Cost of inventories	58,239	69,566
Gain on early termination of leases	(137)	(1,979)
Gain on deregistration of subsidiaries	(1,917)	(9)
Gain on disposal of trading securities	(67)	(23)
Change in fair value of trading securities	(59)	(109)

6. Income tax expense/(credit)

	2025 \$'000	2024 \$'000
Current tax - Hong Kong Profits Tax	78	(178)
Deferred tax	76	82
	<u>154</u>	<u>(96)</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 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% (2024: 19%) for the year.

The Corporate Income Tax rate applicable to the Group's operations in Mainland China is 25% (2024: 25%) for the year.

Under the tax law of the People's Republic of China ("PRC"), a 10% withholding tax shall be levied on dividends declared to foreign investors from the Group's subsidiaries in Mainland China, 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 Mainland China and Hong Kong, the Group is subject to a withholding tax at a rate of 5% for any dividend payments from its subsidiaries in Mainland China.

7. Dividends

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

	2025 \$'000	2024 \$'000
Final dividend proposed after the end of the reporting period of 10 cents (2024: 10 cents) per ordinary share	<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

	2025 \$'000	2024 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 10 cents (2024: 10 cents) per ordinary share	<u>16,586</u>	<u>16,586</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 \$23,650,000 (2024: \$5,121,000) and 165,864,000 (2024: 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 2025 and 2024. 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:

	2025 \$'000	2024 \$'000
Within 1 month	9,321	14,449
Over 1 month but within 2 months	211	563
Over 2 months but within 3 months	807	578
Over 3 months but within 12 months	1,057	1,267
Trade debtors, net of loss allowance	11,396	16,857
Deposits, prepayments and other receivables	14,931	14,334
Employee retirement benefits	2,056	1,728
	<u>28,383</u>	<u>32,919</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:

	2025 \$'000	2024 \$'000
Within 1 month	6,059	9,031
Over 1 month but within 3 months	1,181	1,280
Over 3 months but within 6 months	107	105
Over 6 months	2,910	133
Trade creditors	10,257	10,549
Other payables and accrued charges	27,422	31,993
Amounts due to related companies	132	137
	<u>37,811</u>	<u>42,679</u>

BUSINESS REVIEW AND PROSPECTS

Results of the Group's Operations

The Group's financial results for the year demonstrate a downward trend influenced by challenging market conditions and an economic slowdown. Revenue declined by 25.4% compared to the previous year, amounting to HK\$177,852,000 (2024: HK\$238,435,000). Similarly, gross profit experienced a reduction of 29.6%, reaching HK\$117,464,000 (2024: HK\$166,962,000). These results highlight the impact of external factors on the Group's performance, necessitating a focus on strategic measures to navigate the current economic environment and drive future growth.

Due to a 26.9% reduction in total operating expenses, which amounted to HK\$126,560,000 (2024: HK\$173,078,000), the Group had resulted in a gain from operations of HK\$441,000 (2024: loss from operations of HK\$2,309,000). UK property experienced a valuation loss of HK\$17,450,000 due to a downturn in the property market. Additionally, an impairment loss on the trademark was recorded, reflecting the impact of a decline in the global consumer market. Consequently, the loss attributable to the equity shareholders of the Company for the year rose to HK\$23,650,000 (2024: HK\$5,121,000).

For the year ended 31 March 2025, the Group generated cash inflow of HK\$36,407,000 (2024: HK\$40,830,000) from operations. Inventories as at 31 March 2025 was HK\$31,816,000 (2024: HK\$38,186,000).

As at 31 March 2025, the Group had cash and bank deposits of HK\$93,673,000 (2024: HK\$103,397,000), representing a decrease of HK\$9,724,000. At 31 March 2025, the Group had trading securities with fair value of HK\$7,955,000 (2024: HK\$9,579,000).

During the year, the Group spent approximately HK\$1,724,000 (2024: HK\$1,656,000) 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 2025 were HK\$418,497,000 (2024: HK\$458,413,000). The Group's gearing ratio at the end of the year was 0.108 (2024: 0.144) which was calculated based on total leases liabilities of HK\$44,728,000 (2024: HK\$65,021,000) and shareholders' equity of HK\$413,157,000 (2024: HK\$452,208,000). As at 31 March 2025, the Group did not have any interest-bearing bank and other borrowings (2024: Nil).

Operations Review

Total segment sales of garment was HK\$119,017,000 (2024: HK\$182,623,000) and recorded a segment profit of HK\$21,113,000 (2024: HK\$25,663,000). As at the end of March 2025, the Group has a distribution network of 35 points of sales ("POSs") in the Group's operating market comprising 28 POSs in Hong Kong, 5 POSs in Macau and 2 POSs in Taiwan. There is a net decrease of 57 POSs in total POSs from the end of March 2024. The Group will remain prudent with regard to size of the store network.

The Group owns the global intellectual property rights of Guy Laroche and Ashworth. Total income of licensing of trademarks from external customers was HK\$21,739,000 (2024: HK\$19,861,000) and this segment recorded a segment profit for the year.

As at 31 March 2025, the Group held an office premise for rental in London with a fair value of HK\$175,228,000 (2024: HK\$189,023,000) and an industrial building held for own use in Hong Kong with a net book value of HK\$5,563,000 (2024: HK\$5,842,000). 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\$9,634,000 (2024: HK\$8,867,000).

Security printing section recorded increases in sales to HK\$27,462,000 (2024: HK\$27,084,000) and segment profit HK\$1,464,000 (2024: HK\$68,000).

Human Resources

As at 31 March 2025, the Group had approximately 200 employees (2024: 320 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 global market is currently navigating a highly challenging and uncertain environment. Geopolitical tensions in Europe and the Middle East, coupled with fluctuating interest rates in the United States and ongoing trade conflicts, have created a complex economic landscape for businesses worldwide.

In Hong Kong, the weak consumer market necessitates a strategic reassessment to ensure sustainable growth. For organizations like ours, this involves a comprehensive evaluation of current operations and resource allocation to adapt effectively to evolving market conditions. Agility and proactive decision-making are critical in maintaining competitiveness during these uncertain times.

Despite these challenges, our robust financial position provides a solid foundation to explore new opportunities. Diversification and expansion into emerging business sectors could serve as key drivers of future growth. By leveraging our strengths and remaining adaptable, the Group aim to navigate this volatile environment while positioning ourselves for long-term success.

Dividends

The Board resolved to recommend the payment of a final dividend of 10 HK cents (2024: 10 HK cents) per ordinary share in respect of the year ended 31 March 2025 at the forthcoming annual general meeting to be held on 26 September 2025. The aggregate final dividend amounting to HK\$16,586,000 (2024: HK\$16,586,000), if approved by the shareholders, is expected to be paid on or around 22 October 2025 to those shareholders whose names appear on the register of members of the Company as at the close of business on 13 October 2025.

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 23 September 2025 to 26 September 2025 (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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 22 September 2025.

The register of members of the Company will also be closed from 8 October 2025 to 13 October 2025 (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 22 October 2025 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, not later than 4:30 p.m. on 6 October 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 March 2025.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 March 2025 with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, except that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 the Listing Rules. Having made specific enquiry of the Company's directors, all directors confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

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 2025 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 2025, including the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters.

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 2025 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board
YGM TRADING LIMITED
Chan Wing Sun, Samuel
Chairman

Hong Kong, 25 June 2025

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.