YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The Board of Directors (the "Board") of YGM Trading Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2018 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 unless otherwise indicated)

	Note	**2018**	2017
		$'000	*$'000*
Revenue	3, 4	**575,690**	760,510
Cost of sales		**(223,229)**	(327,298)
Gross profit		**352,461**	433,212
Other income/(loss)		**27,205**	(11,566)
Distribution costs		**(322,017)**	(402,767)
Administrative expenses		**(127,543)**	(118,735)
Other operating expenses		**(2,934)**	(4,669)
Loss from operations		**(72,828)**	(104,525)
Net valuation gains on investment properties		**3,770**	7,400
Net gain on disposal of an investment property		**4,378**	-
Net gain on disposal of subsidiaries	5(c)	**220,790**	-
Finance costs	5(a)	**(86)**	(515)
Profit/(loss) before taxation	5	**156,024**	(97,640)
Income tax	6	**(4,709)**	(2,222)
Profit/(loss) for the year		**151,315**	(99,862)
Attributable to:			
Equity shareholders of the Company		**151,023**	(97,335)
Non-controlling interests		**292**	(2,527)
Profit/(loss) for the year		**151,315**	(99,862)
Earnings/(loss) per share	8		
- Basic and diluted		**$ 0.91**	$ (0.59)

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 unless otherwise indicated)

	2018	2017
	$'000	*$'000*
Profit/(loss) for the year	**151,315**	(99,862)
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Surplus on revaluation of land and buildings held for own use upon change of use to investment properties	**99,229**	-
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries based outside Hong Kong	**29,277**	(21,516)
Other comprehensive income for the year	**128,506**	(21,516)
Total comprehensive income for the year	**279,821**	(121,378)
Attributable to:		
Equity shareholders of the Company	**278,890**	(119,409)
Non-controlling interests	**931**	(1,969)
Total comprehensive income for the year	**279,821**	(121,378)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Hong Kong dollars unless otherwise indicated)

	Note	**2018**	2017
		$'000	*$'000*
Non-current assets			
Investment properties		**381,580**	180,655
Other property, plant and equipment		**33,547**	112,236
		415,127	292,891
Intangible assets		**102,050**	102,050
Lease premium		**6,354**	6,225
Rental deposits and prepayments		**16,616**	15,762
Deferred tax assets		**32,964**	35,081
		573,111	452,009
Current assets			
Trading securities		**16,253**	195
Inventories		**74,093**	75,894
Trade and other receivables	9	**53,129**	40,866
Current tax recoverable		**304**	1,259
Cash and cash equivalents		**244,964**	150,504
Assets of a disposal group classified as held for sale		**-**	605,515
		388,743	874,233
Current liabilities			
Trade and other payables	10	**79,824**	112,585
Bank loans and overdrafts		**10,478**	6,627
Current tax payable		**907**	1,035
Provisions	11	**120,266**	-
Liabilities of a disposal group classified as held for sale		**-**	43,121
		211,475	163,368
Net current assets		**177,268**	710,865
Total assets less current liabilities		**750,379**	1,162,874
Non-current liability			
Deferred tax liabilities		**1,730**	2,011
NET ASSETS		**748,649**	1,160,863
CAPITAL AND RESERVES			
Share capital		**383,909**	383,909
Reserves		**337,843**	749,095
Total equity attributable to equity shareholders of the Company		**721,752**	1,133,004
Non-controlling interests		**26,897**	27,859
TOTAL EQUITY		**748,649**	1,160,863

NOTES:
(Expressed in Hong Kong dollars unless otherwise indicated)

1. Basis of preparation of the financial statements

The unaudited financial information relating to the year ended 31 March 2018 and the financial information relating to the year ended 31 March 2017 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 March 2017, is derived 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 2018 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 2017 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 2017. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; 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"), accounting principles generally accepted in Hong Kong 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 value. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2018 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft 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 several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group.

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 manufacturing, wholesaling and retailing, trademark ownership and licensing, property investment and provision of security printing, general business printing and trading of printing products.

The amount of each significant category of revenue is as follows:

	2018	2017
	$'000	*$'000*
Sales of garments	**471,169**	643,482
Royalty and related income	**54,765**	73,407
Income from printing and related services	**33,561**	35,740
Gross rentals from investment properties	**16,195**	7,881
	575,690	760,510

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

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, wholesale and retail 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

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 2018 and 2017 is set out below:

	Sales of garments		**Licensing of trademarks**		**Printing and related services**		**Property rental**		**Total**	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**471,169**	643,482	**54,765**	73,407	**33,561**	35,740	**16,195**	7,881	**575,690**	760,510
Inter-segment revenue	**-**	-	**8,968**	16,035	**350**	371	**7,089**	9,068	**16,407**	25,474
Reportable segment revenue	**471,169**	643,482	**63,733**	89,442	**33,911**	36,111	**23,284**	16,949	**592,097**	785,984
Reportable segment (loss)/ profit (adjusted EBITDA)	**(86,208)**	(119,578)	**23,195**	43,925	**4,695**	8,592	**18,765**	2,924	**(39,553)**	(64,137)
Reportable segment assets	**332,415**	744,214	**124,505**	477,935	**24,384**	24,930	**386,558**	181,087	**867,862**	1,428,166
Reportable segment liabilities	**371,019**	420,903	**27,745**	20,142	**4,757**	3,742	**3,687**	3,022	**407,208**	447,809

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

(b) Reconciliation of reportable profit or loss

	2018	2017
	$'000	*$'000*
Reportable segment loss	**(39,553)**	(64,137)
Elimination of inter-segment profits	**(3,987)**	(4,063)
Reportable segment loss derived from the Group's external customers	**(43,540)**	(68,200)
Other income/(loss)	**2,217**	(411)
Depreciation	**(9,845)**	(22,483)
Impairment loss on other property, plant and equipment	**-**	(4,482)
Impairment loss on lease premium	**(874)**	(340)
Net valuation gains on investment properties	**3,770**	7,400
Net gain on disposal of an investment property	**4,378**	-
Net gain on disposal of subsidiaries	**220,790**	-
Finance costs	**(86)**	(515)
Unallocated head office and corporate expenses	**(20,786)**	(8,609)
Consolidated profit/(loss) before taxation	**156,024**	(97,640)

5. Profit/(loss) before taxation

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

	2018	2017
	$'000	*$'000*
(a) Finance costs		
Interest on bank loans and overdrafts	**86**	515
(b) Other items		
Depreciation of other property, plant and equipment	**9,845**	22,483
Impairment loss on other property, plant and equipment	**-**	4,482
Impairment loss on lease premium	**874**	340
Impairment loss on trade debtors	**1,726**	4,870
Reversal of impairment loss on trade debtors	**(1,535)**	(1,974)
Cost of inventories	**223,229**	327,298
Net unrealised gain on trading securities	**(51)**	(49)
Net loss on disposal of trading securities	**14**	141
Net loss on disposal of other property, plant and equipment	**1,873**	739
Interest income on financial assets not at fair value through profit or loss	**(4,051)**	(155)
Dividend income from listed securities	**(3)**	(10)

(c) Net gain on disposal of subsidiaries

On 28 February 2017, the Company entered into a disposal agreement ("the Disposal Agreement") with an independent third party, Shandong Ruyi International Fashion Industry Investment Holdings Co., Ltd. (the "Purchaser"), pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of Aquascutum Holdings Limited ("Aquascutum Holdings"), a wholly-owned subsidiary of the Company, at a cash consideration of US$117,000,000 (approximately $912,960,000) (the "Disposal"). Aquascutum Holdings and its subsidiaries were engaged in the manufacturing and sales of products under the "Aquascutum" brand and the intellectual property rights associated with the brand within the sales of garments and the licensing of trademarks segments. The Disposal was completed on 23 November 2017. A net gain on disposal of $220,790,000 was recognised during the year ended 31 March 2018.

6. Income tax

	2018	2017
	$'000	*$'000*
Current tax - Hong Kong Profits Tax	**2,936**	1,828
Current tax - Outside Hong Kong	**653**	1,296
Deferred tax	**1,120**	(902)
	4,709	2,222

The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 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.

7. Dividends

(a) Dividends payable to equity shareholders attributable to the year:

	2018	2017
	$'000	*$'000*
Interim dividend declared and paid of 20 cents (2017: Nil) per ordinary share	**33,173**	-
Special dividend declared and paid of $4 (2017: Nil) per ordinary share	**663,455**	-
Final dividend proposed after the end of the reporting period of 50 cents (2017: 10 cents) per ordinary share	**82,932**	16,586
	779,560	16,586

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 attributable to the previous financial year, approved and paid during the year:

	2018	2017
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of 10 cents (2017: 5 cents) per ordinary share	**16,586**	8,293

8. Earnings/(loss) per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of $151,023,000 (2017: loss of $97,335,000) and 165,864,000 (2017: 165,864,000) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

There were no dilutive potential ordinary shares outstanding during the years ended 31 March 2018 and 2017. Accordingly, the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

9. Trade and other receivables

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:

	2018	2017
	$'000	*$'000*
Within 1 month	**22,710**	22,849
Over 1 month but within 2 months	**2,381**	2,751
Over 2 months but within 3 months	**983**	2,110
Over 3 months	**4,732**	1,455
Trade debtors, net of allowance for doubtful debts	**30,806**	29,165
Deposits, prepayments and other receivables	**21,573**	10,942
Amounts due from related companies	**-**	9
Club memberships	**750**	750
	53,129	40,866

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

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:

	2018	2017
	$'000	*$'000*
Within 1 month	**15,913**	15,716
Over 1 month but within 3 months	**8,183**	2,615
Over 3 months but within 6 months	**1,223**	1,435
Over 6 months	**1,239**	1,100
Trade creditors and bills payable	**26,558**	20,866
Other payables and accrued charges	**52,452**	87,138
Amounts due to related companies	**814**	4,581
	79,824	112,585

11. Provisions

The provisions for the year represented potential People’s Republic of China (“PRC”) customs duties and indemnity liabilities in relation to the business of the disposed Aquascutum subsidiaries (see note 5(c)).

During the year ended 31 March 2013, Gongbei Customs initiated a field audit on one of the subsidiaries of the Company in respect of its import activities in the PRC. As at 31 March 2017, a certain amount of provision for PRC customs duties has been made by the management which was included in “liabilities of a disposal group classified as held for sale” on the consolidated statement of financial position. During the year ended 31 March 2018, as the investigation became more active, management has sought advice from legal professionals and more provision for PRC customs duties and related charges was made during the year with reference to the communication between the Group and Gongbei Customs, the status of the investigation and advice from legal professionals.

According to the disposal agreement entered into between the Company and the purchaser of the disposed Aquascutum subsidiaries, a contractual indemnity was provided to the purchaser of the disposed Aquascutum subsidiaries if certain events occur within an expiry date of eighteen months from the completion date i.e. from 23 November 2017.

As the above customs investigation and indemnity liabilities are related to the business of the disposed Aquascutum subsidiaries, such provisions were charged to "net gain on disposal of subsidiaries" on the face of the consolidated statement of profit or loss. The provisions were made when reasonably possible losses, additional losses or ranges of loss are more likely than not and reasonably estimable. Further provision or releases of provision may be necessary in the future as developments in such investigation.

MANAGEMENT DISCUSSION AND ANALYSIS

RECENT DEVELOPMENTS

As described in the Very Substantial Disposal Circular issued by the Company on 28 March 2017, the Company entered into a disposal agreement (the "Disposal Agreement") on 28 February 2017 with an independent third party, Shandong Ruyi International Fashion Industry Investment Holdings Co., Ltd. (the "Purchaser"), pursuant to which the Group has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of Aquascutum Holdings Limited ("Aquascutum Holdings"), a wholly-owned subsidiary of the Company, at a cash consideration of US$117,000,000 (approximately HK$912,960,000) (the "Disposal"). Aquascutum Holdings and its subsidiaries (the "Disposal Group") were engaged in the manufacturing and sales of products under the "Aquascutum" brand and the intellectual property rights associated with the brand within the sales of garments and the licensing of trademarks segments. On 19 April 2017, the ordinary resolution to approve the Disposal Agreement was duly passed by shareholders of the Company. The Disposal was completed on 23 November 2017.

Following the completion, the Disposal Group ceased to be subsidiaries of the Company. Accordingly, the assets, liabilities and results of the Disposal Group ceased to be consolidated into the consolidated financial statements of the Company since 24 November 2017. A net gain on disposal of HK$220,790,000 was recognised during the year ended 31 March 2018.

Because of the Disposal, a wholly-owned subsidiary of the Company entered into a lease contract with an independent third party for the lease of the shop premise in Macau in May 2017 and the Disposal Group continues the lease of the office premise in London upon the completion of the Disposal. Accordingly, the shop premise in Macau and the office premise in London originally held for own use in previous years were reclassified as investment properties and valuation gains of HK$85,797,000 and HK$13,432,000 respectively were recognised in other comprehensive income during the year.

On 28 June 2017, a wholly-owned subsidiary of the Company entered into the provisional sale and purchase agreement with an independent third party for the sale of an industrial premise in Hong Kong at a consideration of HK$14,678,000. The sale was completed on 11 August 2017 and a net gain on disposal of HK$4,378,000 was recognised during the year.

The Group's manufacturing plant in Dongguan was closed before the end of September 2017 due to losses from operation during the past few years. Total losses and expenses relating to the closure (including employee benefit expenses and termination of operating lease, offset by proceeds from disposal of plant and equipment) of HK$1,129,000 was incurred during the year.

RESULTS OF THE GROUP'S OPERATIONS

The Group recorded a profit for the year ended 31 March 2018 which was mainly attributable to a net gain on the Disposal.

Group's Operations

The Group's revenue for the year was HK$575,690,000 (2017: HK$760,510,000). Total sales of garments, which is the Group's core business, was HK$471,169,000 (2017: HK$643,482,000). Total licensing of trademarks income from external customers was HK$54,765,000 (2017: HK$73,407,000). Overall gross profit margin was 61.2% (2017: 57.0%).

The Group recorded a profit for the year of HK$151,315,000 (2017: a loss of HK$99,862,000). A net gain of HK$220,790,000, after accounting for provisions for potential PRC customs duties and indemnity liabilities of HK$136,319,000, derived from the Disposal was recorded for the year. In addition, a net gain on disposal of an investment property of HK$4,378,000 was recognised for the year.

Total operating expenses for the year was HK$452,494,000 (2017: HK$526,171,000). Total rental and other occupancy expenses was HK$173,722,000 (2017: HK$207,486,000) which accounted for 30.2% (2017: 27.3%) of the Group's revenue. Total staff costs, including directors' emoluments of HK$26,858,000 (2017: HK$7,759,000), was HK$189,931,000 (2017: HK$198,576,000) and accounted for 33.0% (2017: 26.1%) of the Group's revenue. Total advertising and promotion expenses was HK$24,165,000 (2017: HK$25,443,000) which accounted for 4.2% (2017: 3.3%) of the Group's revenue.

Cash Flow from Operations

For the year ended 31 March 2018, the Group used HK$51,467,000 cash in operations as against HK$12,494,000 cash generated from operations for the previous year. Inventories as at 31 March 2018 was HK$74,093,000, a decrease of HK$1,801,000 from the previous year end.

As at 31 March 2018, the Group had cash and bank deposits net of bank loans and overdrafts of HK$234,486,000 (31 March 2017: HK$143,877,000), representing an increase of HK$90,609,000 after dividend payments of HK$710,073,000 during the year, cash receipts of HK$14,678,000 and HK$847,064,000 from disposal of an investment property in Hong Kong and the Disposal respectively. At 31 March 2018, the Group had trading securities with a fair value of HK$16,253,000 (31 March 2017: HK$195,000).

During the year, the Group spent approximately HK$16,167,000 in additions and replacement of other property, plant and equipment, compared to HK$20,797,000 for the previous year.

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 2018 were HK$748,649,000 (31 March 2017: HK$1,160,863,000). The Group's gearing ratio at the end of the year was 0.015 (31 March 2017: 0.006) which was calculated based on total borrowings of HK$10,478,000 (31 March 2017: HK$6,627,000) and shareholders' equity of HK$721,752,000 (31 March 2017: HK$1,133,004,000). 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, Pound Sterling, Euros, Renminbi Yuan and Japanese Yen. To manage currency risk, non Hong Kong Dollar assets are financed primarily by matching local currency debts as far as possible.

OPERATION REVIEW

Sales of Garments

Total revenue of the sales of garment segment was HK$471,169,000 (2017: HK$643,482,000). The segment recorded a loss of HK$86,208,000 (2017: HK$119,578,000). Inventory turnover decreased from 245.8 days for the previous year to 226.6 days.

The Group's principal business is wholesaling and retailing of branded garments and accessories. The retail climate in the Group's principal operating markets has improved in the second half of the year. However, rental represents a considerably significant portion of the total retail operating costs and has continued to place downward pressure on the segment's profitability during the year.

A subsidiary in Taiwan, which is 68% owned by the Group, continues the retailing of Aquascutum garments and accessories in Taiwan after the completion of the Disposal till the end of December 2018.

With the disposal of Aquascutum during the year, Ashworth and J.Lindeberg are two main remaining brands which showed continuous improvement in the past few months. The Group launched Harmont & Blaine and Tommy Bahama in March 2017 and October 2017 respectively.

As at the end of March 2018, the Group has a distribution network of 98 points of sales ("POSs") in our operating market comprising 27 POSs in Hong Kong, 10 POSs in Macau, 33 POSs in Mainland China, 27 POSs in Taiwan and 1 POS in Paris. The Group will remain prudent with regard to store network expansion.

Licensing of Trademarks

The Group owns the global intellectual property rights of Guy Laroche and owned the global intellectual property rights of Aquascutum before the Disposal. Total income of licensing of trademarks decreased mainly due to the completion of the Disposal.

Other Business

Both revenue and profit of printing and related services segment dropped from last year.

With the disposal of Aquascutum, a shop premise in Macau and an office premise in London originally held for own use in previous years were reclassified as investment properties. Hence, property rental income increased from last year.

HUMAN RESOURCES

As at 31 March 2018, the Group had approximately 500 employees (31 March 2017: 1,500). 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

Despite the retail climate in the Group's principal operating markets has improved in the second half of the year, we do not expect a strong recovery in the foreseeable future. Hence, we will continue to control costs and expenses at all levels of operation, in particular, we are in the process of reducing overhead to suit the reduced business with the disposal of Aquascutum. Two new brands, Harmont & Blaine and Tommy Bahama, were launched but need to wait for profits to be achieved. We adopt a very cautious approach to our further expansion and development strategies.

DIVIDENDS

The Board had recommend the payment of a final dividend of 50 HK cents (2017: 10 HK cents) per ordinary share for the year ended 31 March 2018 at the forthcoming annual general meeting to be held on 3 September 2018. The final dividend totaling HK$82,932,000 (2017: HK$16,586,000), if approved by the shareholders, is expected to be paid on or around 21 September 2018 to those shareholders whose names appear on the register of members of the Company as at the close of business on 12 September 2018.

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 28 August 2018 to 3 September 2018, 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 27 August 2018.

The register of members of the Company will also be closed from 10 September 2018 to 12 September 2018, 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 21 September 2018 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 7 September 2018.

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 2018.

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 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 2018, 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 2018. 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 2018 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, 27 June 2018

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