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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 2022

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 2022 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	2022 \$'000	2021 \$'000
Revenue	3, 4	211,489	216,181
Cost of sales and direct costs		(77,021)	(80,003)
Gross profit		<u>134,468</u>	<u>136,178</u>
Other net gain		7,317	26,462
Distribution costs		(106,656)	(100,290)
Administrative and other operating expenses		(50,518)	(69,310)
Loss from operations		<u>(15,389)</u>	<u>(6,960)</u>
Net valuation gains on investment properties		6,405	3,178
Net gain on disposal of investment properties		13,336	-
Finance costs	5(a)	(2,379)	(3,182)
Profit/(loss) before taxation	5	<u>1,973</u>	<u>(6,964)</u>
Income tax credit/(expenses)	6	167	(4,718)
Profit/(loss) for the year		<u><u>2,140</u></u>	<u><u>(11,682)</u></u>
Attributable to:			
Equity shareholders of the Company		3,284	(11,740)
Non-controlling interests		(1,144)	58
Profit/(loss) for the year		<u><u>2,140</u></u>	<u><u>(11,682)</u></u>
Earnings/(loss) per share	8		
Basic and diluted		<u>\$ 0.02</u>	<u>\$ (0.07)</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)

	2022	2021
	\$'000	\$'000
Profit/(loss) for the year	2,140	(11,682)
Other comprehensive income for the year (after tax and reclassification adjustment of \$Nil)		
<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>(5,884)</u>	<u>12,813</u>
Other comprehensive income for the year	<u>(5,884)</u>	<u>12,813</u>
Total comprehensive income for the year	<u><u>(3,744)</u></u>	<u><u>1,131</u></u>
Attributable to:		
Equity shareholders of the Company	(2,835)	791
Non-controlling interests	<u>(909)</u>	<u>340</u>
Total comprehensive income for the year	<u><u>(3,744)</u></u>	<u><u>1,131</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Hong Kong dollars)

	Note	2022 \$'000	2021 \$'000
Non-current assets			
Investment properties		186,806	265,024
Other property, plant and equipment		53,042	48,532
		<u>239,848</u>	<u>313,556</u>
Intangible assets		133,442	133,442
Rental deposits		4,415	7,950
Deferred tax assets		281	243
		<u>377,986</u>	<u>455,191</u>
Current assets			
Trading securities		17,119	16,475
Inventories		38,917	35,443
Trade and other receivables	9	41,801	40,476
Current tax recoverable		317	654
Cash and cash equivalents		132,788	142,423
		<u>230,942</u>	<u>235,471</u>
Current liabilities			
Bank overdrafts		7,049	8,864
Trade and other payables and contract liabilities	10	36,904	37,579
Lease liabilities		26,657	39,766
Current tax payable		319	602
Provisions	11	-	9,570
		<u>70,929</u>	<u>96,381</u>
Net current assets		<u>160,013</u>	<u>139,090</u>
Total assets less current liabilities		<u>537,999</u>	<u>594,281</u>
Non-current liabilities			
Lease liabilities		29,325	33,990
Deferred tax liabilities		1,004	1,363
		<u>30,329</u>	<u>35,353</u>
NET ASSETS		<u>507,670</u>	<u>558,928</u>
CAPITAL AND RESERVES			
Share capital		383,909	383,909
Reserves		115,089	154,977
Total equity attributable to equity shareholders of the Company		<u>498,998</u>	<u>538,886</u>
Non-controlling interests		<u>8,672</u>	<u>20,042</u>
TOTAL EQUITY		<u>507,670</u>	<u>558,928</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 2022 and 2021 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 2022 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 2021 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 2021. 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"), 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 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.

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:

	2022 \$'000	2021 \$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of garments	158,844	160,402
Royalty and related income	18,518	17,820
Income from printing and related services	28,689	30,403
	<u>206,051</u>	<u>208,625</u>
Revenue from other sources		
Gross rentals from investment properties - lease payments that are fixed or depend on an index or a rate	5,438	7,556
	<u>211,489</u>	<u>216,181</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 2022 and 2021.

- (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

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 2022 and 2021 is set out below:

	Sales of garments		Licensing of trademarks		Printing and related services		Property rental		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revenue from external customers	158,844	160,402	18,518	17,820	28,689	30,403	5,438	7,556	211,489	216,181
Inter-segment revenue	-	-	2,100	4,331	136	188	2,433	2,433	4,669	6,952
Reportable segment revenue	<u>158,844</u>	<u>160,402</u>	<u>20,618</u>	<u>22,151</u>	<u>28,825</u>	<u>30,591</u>	<u>7,871</u>	<u>9,989</u>	<u>216,158</u>	<u>223,133</u>
Reportable segment (loss)/profit (adjusted EBITDA)	<u>(4,422)</u>	<u>22,071</u>	<u>6,282</u>	<u>1,338</u>	<u>3,325</u>	<u>8,431</u>	<u>390</u>	<u>8,627</u>	<u>5,575</u>	<u>40,467</u>
Reportable segment assets	498,612	447,093	140,228	141,126	14,190	14,197	199,729	278,327	852,759	880,743
Reportable segment liabilities	455,622	427,319	11,522	15,065	4,336	5,939	16,223	15,037	487,703	463,360

(b) Reconciliation of reportable profit or loss

	2022	2021
	\$'000	\$'000
Reportable segment profit	5,575	40,467
Elimination of inter-segment profits	<u>(1,316)</u>	<u>(5,097)</u>
Reportable segment profit derived from the Group's external customers	4,259	35,370
Other net gain	4,239	191
Depreciation	(33,751)	(35,279)
Impairment loss on other property, plant and equipment	-	(4,513)
Gain on lease modifications	1,910	-
Net valuation gains on investment properties	6,405	3,178
Net gain on disposal of investment properties	13,336	-
Reversal of provision/(provision) for claims	5,478	(9,570)
Finance costs	(2,379)	(3,182)
Unallocated head office and corporate income	<u>2,476</u>	<u>6,841</u>
Consolidated profit/(loss) before taxation	<u><u>1,973</u></u>	<u><u>(6,964)</u></u>

5. Profit/(loss) before taxation

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

	2022	2021
	\$'000	\$'000
(a) Finance costs		
Interest expense on bank overdrafts	265	367
Interest on lease liabilities	<u>2,114</u>	<u>2,815</u>
	<u><u>2,379</u></u>	<u><u>3,182</u></u>
(b) Other items		
Depreciation charge		
- owned property, plant and equipment	2,894	2,275
- right-of-use assets	30,857	33,004
Impairment loss on other property, plant and equipment		
- right-of-use assets	-	4,513
Gain on lease modifications	(1,910)	-
Impairment loss on trade debtors	2,727	3,733
Reversal of impairment loss on trade debtors	(8,683)	(1,445)
(Reversal of provision)/provision for claims (Note 5(c))	(5,478)	9,570
Cost of inventories	73,009	79,631
Government subsidies (note)	-	(15,033)
Change in fair value of trading securities	(34)	(22)
Net gain on disposal of trading securities	<u>-</u>	<u>(36)</u>

Note: During the year ended 31 March 2021, the Group was granted \$13,200,000 from Employment Support Scheme under the Anti-epidemic Fund set up by the Government of the Hong Kong Special Administrative Region ("the Government") for not to make redundancies during the subsidy period and to spend all the funding on paying wages to its employees. In addition, \$1,400,000 from Retail Sector Subsidy Scheme was also granted to the Group by the Government.

(c) *Provision for claims*

Upon the disposal of Aquascutum Holdings Limited to an independent third party (the “Purchaser”) during the year ended 31 March 2018, the tenancy agreement (“Tenancy Agreement”) of retail stores in Macau was also assigned to a subsidiary of the Purchaser (“Defendant”). During the year ended 31 March 2021, the landlord of retail stores in Macau (the “Landlord”) filed a declaratory judgement action in the form of an ordinary lawsuit against the Defendant and a subsidiary of the Group which was the guarantor of the Tenancy Agreement demanding for unpaid rent and other fees and compensation for damages and losses amounting to a total of MOP9,857,060 (equivalent to \$9,570,000).

During the year ended 31 March 2022, the Landlord and a subsidiary of the Group entered into a settlement agreement and agreed to settle the dispute with a total sum of MOP4,000,000 (equivalent to \$3,908,000). A reversal of provision for claims of \$5,478,000 was made, after deducting the legal expenses incurred, in the consolidated financial statements accordingly.

6. Income tax credit/(expenses)

	2022	2021
	\$'000	\$'000
Current tax - Hong Kong Profits Tax	228	204
Current tax - Outside Hong Kong	-	380
Deferred tax	(395)	4,134
	<u>(167)</u>	<u>4,718</u>

The provision for Hong Kong Profits Tax for 2022 is calculated at 16.5% (2021: 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% (2021: 19%) for the year. The Corporate Income Tax rate applicable to the Group’s operations in Mainland China is 25% (2021: 25%) for the year.

7. Dividends

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

	2022	2021
	\$'000	\$'000
Interim dividend declared and paid of 10 cents (2021: Nil cents) per ordinary share	16,586	-
Final dividend proposed after the end of the reporting period of 5 cents (2021: 10 cents) per ordinary share	8,293	16,586
	<u>24,879</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*

	2022	2021
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 10 cents (2021: Nil cents) per ordinary share	16,586	-

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 \$3,284,000 (2021: loss of \$11,740,000) and 165,864,000 (2021: 165,864,000) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

There were no potential dilutive ordinary shares outstanding during the years ended 31 March 2022 and 2021. Accordingly, the diluted earnings/(loss) per share is the same as the basic earnings/(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:

	2022 \$'000	2021 \$'000
Within 1 month	12,180	12,315
Over 1 month but within 2 months	3,263	1,408
Over 2 months but within 3 months	1,013	1,003
Over 3 months but within 12 months	656	665
Trade debtors, net of loss allowance	<u>17,112</u>	<u>15,391</u>
Deposits, prepayments and other receivables	<u>24,689</u>	<u>25,085</u>
	<u><u>41,801</u></u>	<u><u>40,476</u></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 and contract liabilities

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

	2022 \$'000	2021 \$'000
Trade and other payables		
Within 1 month	7,778	5,259
Over 1 month but within 3 months	2,569	1,728
Over 3 months but within 6 months	166	275
Over 6 months	48	102
Trade creditors	<u>10,561</u>	<u>7,364</u>
Other payables and accrued charges	25,745	27,500
Amounts due to related companies	117	184
	<u>36,423</u>	<u>35,048</u>
Contract liabilities		
Receipts in advance	481	2,531
	<u>36,904</u>	<u>37,579</u>

11. Provisions

	Provision for claims (Note 5(c)) \$'000
Balance at 1 April 2020	-
Provision made	9,570
Balance at 31 March 2021 and 1 April 2021	<u>9,570</u>
Utilised during the year	(4,092)
Provision written back	<u>(5,478)</u>
Balance at 31 March 2022	<u><u>-</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Results of the Group's Operations

The Group's revenue for the year dropped by 2.2% to HK\$211,489,000 (2021: HK\$216,181,000) since the Group's business was still affected by the COVID-19 pandemic (the "Pandemic") during the year under review. The Group's gross profit for the year dropped by 1.3% to HK\$134,468,000 (2021: HK\$136,178,000) as overall gross profit margin improved to 63.6% (2021: 63.0%). Loss from operations for the year increased to HK\$15,389,000 (2021: HK\$6,960,000) despite total operating expenses reduced by 7.3% to HK\$157,174,000 (2021: HK\$169,600,000) which included a write-back of provision for claims of HK\$5,478,000 (2021: provision made of HK\$9,570,000). Major attribute was a government grant income related to the Pandemic totaling HK\$15,033,000 in the previous year.

Profit attributable to the equity shareholders of the Company for the year was HK\$3,284,000 (2021: loss of HK\$11,740,000) included net valuation gains on investment properties of HK\$6,405,000 (2021: HK\$3,178,000) and net gain on disposal of investment properties of HK\$13,336,000 (2021: HK\$Nil).

For the year ended 31 March 2022, the Group used net cash outflow of HK\$3,828,000 (2021: generated net cash inflow of HK\$28,461,000) from operations. Inventories as at 31 March 2022 was HK\$38,917,000 (2021: HK\$35,443,000).

As at 31 March 2022, the Group had cash and bank deposits net of bank overdrafts of HK\$125,739,000 (2021: HK\$133,559,000), representing a decrease of HK\$7,820,000. At 31 March 2022, the Group had trading securities with fair value of HK\$17,119,000 (2021: HK\$16,475,000).

During the year, the Group spent approximately HK\$6,441,000 (2021: HK\$1,089,000) in additions and replacement of other property, plant and equipment excluding right-of-use assets and approximately HK\$5,699,000 (2021: HK\$Nil) in renovation of investment properties.

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 2022 were HK\$507,670,000 (2021: HK\$558,928,000). The Group's gearing ratio at the end of the year was 0.126 (2021: 0.153) which was calculated based on total borrowings of HK\$7,049,000 (2021: HK\$8,864,000) and leases liabilities of HK\$55,982,000 (2021: HK\$73,756,000) and shareholders' equity of HK\$498,998,000 (2021: HK\$538,886,000). The Group's borrowings are mainly on a floating rate basis.

Operations Review

Total segment sales of garment was HK\$158,844,000 (2021: HK\$160,402,000) and recorded a segment loss of HK\$4,422,000 (2021: segment profit of HK\$22,071,000). As at the end of March 2022, the Group has a distribution network of 87 points of sales (“POSs”) in the Group’s operating market comprising 35 POSs in Hong Kong, 5 POSs in Macau, 43 POSs in Mainland China and 4 POSs in Taiwan. A net increase of 6 POSs in total POSs from the end of March 2021. 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\$18,518,000 (2021: HK\$17,820,000) and this segment recorded a profit for the year.

During the year under review, the Group disposal of certain industrial premises held for rental in Hong Kong and thus recorded net gains on disposal of HK\$13,336,000. As at 31 March 2022, the Group holds an office premise held for rental in London with a fair value of HK\$186,806,000 and an industrial building held for own use in Hong Kong with a net book value of HK\$6,406,000. Currently, the said industrial building is wholly occupied by security printing section. Total rental income from outsiders for the year dropped to HK\$5,438,000 (2021: HK\$7,556,000) which was mainly due to disposal of certain industrial premises held for rental in Hong Kong and vacancy of part of the office premise held for rental in London as the said premise has undergone renovation work during the year.

Security printing section recorded a decrease in both sales and segment profit from the previous year.

Human Resources

As at 31 March 2022, the Group had approximately 370 employees (31 March 2021: 400 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 Group’s principal business market of sales of garments shows sign of improvement. The Group has noticed that shops that have not been affected by those COVID-19 control and preventative measures have shown a very health recovery and a good increase in sales. During the year, some shop leases were renewed with more reasonable rates even though mostly at shorter terms. However, wide spread continuous increasing inflation resulted from the Russia and Ukraine War will have adverse impact on worldwide economy. Meanwhile, COVID-19 mutates into a more contagious variant. As such, social and travel restrictions and mandatory quarantine or medical surveillance orders are expected to remain in place for some time, limiting local and tourist traffic. Even in such a retail quandary that the Group cannot predict with certainty of our profitability, the Group will remain focus on Mainland China and have a prudent expansion plans for Ashworth.

Dividends

The Board resolved to recommend the payment of a final dividend of 5 HK cents (2021: 10 HK cents) per ordinary share in respect of the year ended 31 March 2022 at the forthcoming annual general meeting to be held on 23 September 2022. The aggregate final dividend amounting to HK\$8,293,000 (2021: HK\$16,586,000), if approved by the shareholders, is expected to be paid on or around 17 October 2022 to those shareholders whose names appear on the register of members of the Company as at the close of business on 6 October 2022.

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 20 September 2022 to 23 September 2022 (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 19 September 2022.

The register of members of the Company will also be closed from 30 September 2022 to 6 October 2022 (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 17 October 2022 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 29 September 2022.

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 2022.

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 figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2022 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 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.

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 2022, 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 2022. 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 2022 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, 29 June 2022

As at the date of this announcement the Board comprises six 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 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.