

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

YGM TRADING LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The board of directors (the “Board”) of YGM Trading Limited (the “Company”) hereby announces the unaudited interim results of the Company and its subsidiaries (together referred to as “the Group”) for the six months ended 30 September 2025 as follows. The interim results have not been audited, but have been reviewed by the Company’s audit committee (the “Audit Committee”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – UNAUDITED

(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2025	2024
	Note	\$'000	\$'000
Revenue	3 & 4	78,701	88,524
Cost of sales and direct costs		<u>(32,672)</u>	<u>(33,944)</u>
Gross profit		46,029	54,580
Other net gain		3,939	7,516
Distribution costs		<u>(33,602)</u>	<u>(40,463)</u>
Administrative and other operating expenses		<u>(16,854)</u>	<u>(22,837)</u>
Loss from operations		(488)	(1,204)
Finance costs	5(a)	<u>(1,117)</u>	<u>(1,330)</u>
Loss before taxation	5	<u>(1,605)</u>	<u>(2,534)</u>
Income tax credit/(expense)	6	<u>8</u>	<u>(80)</u>
Loss for the period		<u><u>(1,597)</u></u>	<u><u>(2,614)</u></u>
Attributable to :			
Equity shareholders of the Company		(929)	(2,086)
Non-controlling interests		<u>(668)</u>	<u>(528)</u>
Loss for the period		<u><u>(1,597)</u></u>	<u><u>(2,614)</u></u>
Loss per share	8		
Basic and diluted		<u><u>(0.6 cents)</u></u>	<u><u>(1.3 cents)</u></u>

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME – UNAUDITED**

(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Loss for the period	(1,597)	(2,614)
Other comprehensive income for the period (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>4,757</u>	<u>6,708</u>
Other comprehensive income for the period	<u>4,757</u>	<u>6,708</u>
Total comprehensive income for the period	<u>3,160</u>	<u>4,094</u>
Attributable to :		
Equity shareholders of the Company	3,828	4,622
Non-controlling interests	<u>(668)</u>	<u>(528)</u>
Total comprehensive income for the period	<u>3,160</u>	<u>4,094</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

(Expressed in Hong Kong dollars)

		30 September 2025 \$'000	31 March 2025 \$'000
	Note		
Non-current assets			
Investment properties	9	182,013	175,228
Other property, plant and equipment		36,361	38,548
		218,374	213,776
Intangible assets		128,442	128,442
Rental deposits		1,417	1,391
Deferred tax assets		9	18
		348,242	343,627
Current assets			
Trading securities		7,011	7,955
Inventories		26,780	31,816
Trade and other receivables	10	30,636	28,383
Current tax recoverable		2	322
Cash and cash equivalents		99,176	93,673
		163,605	162,149
Current liabilities			
Trade and other payables	11	38,761	37,811
Contract liabilities	12	7,912	3,696
Lease liabilities		17,094	21,421
Dividends payable	7	16,586	-
Current tax payable		67	62
		80,420	62,990
Net current assets		83,185	99,159
Total assets less current liabilities		431,427	442,786
Non-current liabilities			
Lease liabilities		25,398	23,307
Deferred tax liabilities		958	982
		26,356	24,289
NET ASSETS		405,071	418,497
CAPITAL AND RESERVES			
Share capital		383,909	383,909
Reserves		16,490	29,248
Total equity attributable to equity shareholders of the Company		400,399	413,157
Non-controlling interests		4,672	5,340
TOTAL EQUITY		405,071	418,497

Notes:

(Expressed in Hong Kong dollars)

1. Basis of preparation

This interim financial results have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 21 November 2025.

The interim financial results have been prepared in accordance with the same accounting policies adopted in the annual financial statements of the Group for the year ended 31 March 2025, except for the accounting policy changes that are expected to be reflected in the annual financial statements of the Group for the year ending 31 March 2026. Details of these changes in accounting policies are set out in note 2.

The preparation of this interim financial results in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial results contain consolidated statement of financial position as at 30 September 2025 and the related consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income for the six months period then ended and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements of the Group for the year ended 31 March 2025. This interim financial results do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), HKASs and Interpretations issued by HKICPA and the requirements of the Hong Kong Companies Ordinance (Cap.622) (the “Companies Ordinance”).

The interim financial results are unaudited, but have been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31 March 2025 that is included in the interim financial results as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on these financial statements for the year ended 31 March 2025. 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 section 406(2), 407(2) or (3) of the Companies Ordinance.

2. Changes in accounting policies

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial results for the current accounting period. The amendments do not have a material impact on this interim financial results as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

3. 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 reportable segment profit/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 period is set out below:

For the six months ended 30 September	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	48,842	59,514	11,118	10,641	13,645	13,495	5,096	4,874	78,701	88,524
Inter-segment revenue	-	-	-	-	4	10	1,212	1,212	1,216	1,222
Reportable segment revenue	48,842	59,514	11,118	10,641	13,649	13,505	6,308	6,086	79,917	89,746
Reportable segment profit	3,445	6,188	8,000	3,698	556	625	1,276	4,331	13,277	14,842
As at 30 September / 31 March	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	436,026	449,341	141,615	139,483	14,940	13,138	194,109	187,080	786,690	789,042
Reportable segment liabilities	419,489	427,165	13,448	17,370	7,290	4,964	19,578	15,025	459,805	464,524

(b) Reconciliations of reportable segment profit or loss

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Reportable segment profit	13,277	14,842
Interest income on financial assets measured at amortised cost	680	1,507
Depreciation	(14,112)	(17,673)
Finance costs	(1,117)	(1,330)
Unallocated head office and corporate (loss)/income	(333)	120
Consolidated loss before taxation	(1,605)	(2,534)

4. Seasonality of operations

The Group's sales of garments division on average experiences higher sales in the second half year, compared to the first half year, due to the increased demand of its products during the holiday season. As such, the first half year reports lower revenue and segment result for this segment than the second half.

For the twelve months ended 30 September 2025, the sales of garments division reported reportable segment revenue of \$110,519,000 (twelve months ended 30 September 2024: \$161,679,000) and reportable segment profit of \$18,369,000 (twelve months ended 30 September 2024: \$24,414,000).

5. Loss before taxation

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

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
(a) Finance costs		
Interest on lease liabilities	<u>1,117</u>	<u>1,330</u>
(b) Other items		
Depreciation charge		
- owned property, plant and equipment	1,089	2,024
- right-of-use assets	13,023	15,649
Gain on disposal of other property, plant and equipment	(19)	(711)
Impairment loss on trade debtors	-	436
Reversal of impairment loss on trade debtors	(391)	(942)
Write-down of inventories, net	421	1,811
Bad debts recovery	(4,683)	-
Gain on disposal of trading securities	(38)	(18)
Change in fair value of trading securities	(17)	(11)
Net exchange gain	(2,780)	(4,526)
Interest income	<u>(680)</u>	<u>(1,507)</u>

6. Income tax credit/(expense)

Income tax credit/(expense) in the consolidated statement of profit or loss represents:

	Six months ended 30 September	
	2025	2024
	\$'000	\$'000
Current tax - Hong Kong Profits Tax	(7)	(106)
Deferred tax	<u>15</u>	<u>26</u>
	<u>8</u>	<u>(80)</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the period.

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 period.

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

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, 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 Chinese Mainland and Hong Kong, the Group is subject to a withholding tax at a rate of 5% for any dividend payments from its PRC subsidiaries in Chinese Mainland.

7. Dividends

(a) *Dividend payable to equity shareholders of the Company attributable to the interim period:*

No interim dividend declared and paid after the interim period end (2024: Nil).

(b) *Dividends payable to equity shareholders of the Company attributable to the previous financial year and approved during the interim period:*

Final dividend of 10 cents per ordinary share in respect of the year ended 31 March 2025 amounted to \$16,586,000 was approved in the Company's Annual General Meeting on 26 September 2025. The dividend was paid on 22 October 2025.

Final dividend of 10 cents per ordinary share in respect of the year ended 31 March 2024 amounted to \$16,586,000 was approved in the Company's Annual General Meeting on 27 September 2024. The dividend was paid on 23 October 2024.

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 \$929,000 (2024: \$2,086,000) and 165,864,000 (2024: 165,864,000) ordinary shares in issue during the period.

(b) *Diluted loss per share*

There were no potential dilutive ordinary shares outstanding during the periods ended 30 September 2025 and 2024. Accordingly, the diluted loss per share is the same as basic loss per share.

9. Investment properties

The directors are of the opinion that no professional valuation is necessary in respect of the Group's investment properties as at 30 September 2025. However, the directors have considered that the fair values of the investment properties as at 30 September 2025 would not be materially different from the professional valuation made as at 31 March 2025 and, accordingly, no valuation gain or loss has been recognised in the current period.

10. 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:

	30 September 2025 \$'000	31 March 2025 \$'000
Within 1 month	9,861	9,321
Over 1 month but within 2 months	836	211
Over 2 months but within 3 months	209	807
Over 3 months but within 12 months	2,489	1,057
Over 12 months	137	-
Trade debtors, net of loss allowance	13,532	11,396
Deposits, prepayments and other receivables	15,053	14,931
Employee retirement benefits	2,051	2,056
	<u>30,636</u>	<u>28,383</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.

11. Trade and other payables

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

	30 September 2025 \$'000	31 March 2025 \$'000
Within 1 month	4,857	6,059
Over 1 month but within 3 months	2,204	1,181
Over 3 months but within 6 months	124	107
Over 6 months	2,547	2,910
Trade creditors	9,732	10,257
Other payables and accrued charges	28,891	27,422
Amounts due to related company	138	132
	38,761	37,811

12. Contract liabilities

	30 September 2025 \$'000	31 March 2025 \$'000
Receipts in advance		
- Third parties	4,155	3,501
- Related company	3,757	195
	7,912	3,696

13. Non-adjusting event after the reporting period

Capital Reduction

As announced on 11 September 2025, the Company proposed to implement the capital reduction by reducing the credit standing to the share capital account of the Company by an amount of \$363,909,000 from \$383,909,000 to \$20,000,000 (the “Capital Reduction”). The credit of \$363,909,000 arising from the Capital Reduction will be applied to a capital reduction reserve of the Company and be regarded as a realised profit pursuant to Section 214 of the Companies Ordinance available for set off against any accumulated losses and/or make distribution to the shareholders of the Company (the “Shareholders”).

The Capital Reduction is subject to the satisfaction of several conditions. The Shareholders have passed a special resolution to approve the Capital Reduction by an extraordinary general meeting held on 4 November 2025 and, subsequently, some conditions have been fulfilled. Meanwhile, the Capital Reduction is still subject to the satisfaction of the following conditions:

- (1) either (a) there being no application to the Court for cancellation of the special resolution by creditors or members of the Company within five weeks of the date of the special resolution to approve the Capital Reduction; or (b) if there is any such application, the Court making an order to confirm the special resolution; and
- (2) the delivery to the Registrar for registration and/or the registration by the Registrar (as applicable) of the relevant documents within the prescribed timeframe in accordance with the Companies Ordinance.

In case all of the above conditions are fulfilled, it is expected that the Capital Reduction will become effective upon the registration by the Registrar of the return of reduction of share capital (by special resolution supported by solvency statement) required under the Companies Ordinance.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of interim dividend for the period ended 30 September 2025 (2024: Nil).

BUSINESS REVIEW AND PROSPECTS

The Group's revenue for the period dropped by 11.1% to HK\$78,701,000 (2024: HK\$88,524,000). The downturn in performance is largely attributed to a decline in the Hong Kong garment retail market. In the Chinese Mainland, the Group discontinued its retail operations last year, transitioning all sales exclusively to consignment arrangements with the new licensee. The garment retail sector in Hong Kong continues to encounter substantial challenges.

As at the end of September 2025, the Group operates a distribution network of 34 points of sale, with 29 in Hong Kong and 5 in Macau. We will approach store network expansion with caution.

The Group currently holds global intellectual property rights for Guy Laroche and Ashworth. Ashworth currently operates with four licensees. The brand, Guy Laroche, has achieved a slightly higher income through its worldwide licensing system despite global challenges. This performance highlights the strength and strategic importance of our intellectual property assets, reflecting our dedication to leveraging these resources for sustained growth and competitive advantage.

The total revenue from printing and related services experienced a modest increase, reaching HK\$13,645,000 (2024: HK\$13,495,000). Despite this growth, the printing industry faces considerable challenges driven by the rise of digital alternatives, intensifying competition, fluctuating economic conditions, environmental concerns, and rapid technological advancements. These dynamics necessitate a strategic reassessment by industry players to remain competitive and sustainable in an evolving market.

Our London office building continues to perform well, maintaining full occupancy and contributing positively to our financial results. Rental income from external tenants has increased modestly to HK\$5,096,000 (2024: HK\$4,874,000), reflecting consistent demand and a stable revenue stream. We anticipate this trend to persist, supporting our long-term financial stability. However, we recognise the likelihood of rising repair and maintenance expenses in the near future, which could affect operational costs. Our commitment remains focused on proactive property management to uphold the building's value and ensure it continues to deliver reliable income.

The Group has achieved notable improvements in its financial performance. Despite the overall gross profit margin dropped to 58.5% from 61.7% year-on-year, distribution costs decreased by 17.0%, while administrative and other operating expenses were reduced by 26.2%. These cost-saving measures have significantly lowered the Group's loss from operations to HK\$488,000, compared to HK\$1,204,000 in the same period last year. In response to shifting market dynamics and evolving customer preferences, we have strategically adjusted our discount and promotion policies and optimised our product mix. These initiatives are part of our broader commitment to delivering high-quality products and services that meet customer expectations. Our focus on cost efficiency and operational adaptability underscores our dedication to achieving sustained growth and competitiveness in a challenging market environment.

In light of current global uncertainties, including the impact of US tariffs, trade tensions, Middle East conflicts, and the ongoing Russia-Ukraine situation, it is imperative to adopt a proactive and strategic approach to ensure business stability. Management recognises these challenges and underscores the necessity of robust financial planning to safeguard long-term sustainability. By implementing stringent cost control measures and maintaining a disciplined focus on working capital management, we can effectively mitigate risks and navigate the evolving economic landscape.

LIQUIDITY AND 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.

As at 30 September 2025, the Group had cash and bank deposits of HK\$99,176,000 (31 March 2025: HK\$93,673,000) and held trading securities at fair value of HK\$7,011,000 (31 March 2025: HK\$7,955,000).

During the period, the Group spent approximately HK\$206,000 in additions and replacement of owned property, plant and equipment, compared to HK\$16,000 for the last year same period.

The Group's net assets as at 30 September 2025 were HK\$405,071,000 (31 March 2025: HK\$418,497,000). The Group's gearing ratio at the end of the reporting period was 0.106 (31 March 2025: 0.108) which was calculated based on lease liabilities of HK\$42,492,000 (31 March 2025: HK\$44,728,000) and shareholders' equity of HK\$400,399,000 (31 March 2025: HK\$413,157,000).

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

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2025, the Group had approximately 190 employees. The Group offers competitive remuneration packages including medical subsidies and retirement scheme contributions to its employees in compensation for their contribution. In addition, discretionary bonuses may also be granted to the eligible employees based on the Group's and individuals' performances.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied throughout the period ended 30 September 2025 with the Code on Corporate Governance Practices 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 meetings in accordance with the Company's articles of association.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a Securities Dealing Code regarding directors' securities transactions on terms no less exacting than required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 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

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors of the Company.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and the unaudited interim financial statements of the Group for the period ended 30 September 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the period ended 30 September 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.ygmtrading.com under “Results Announcement”. The interim report for the period ended 30 September 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, 21 November 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.