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長江製衣有限公司
YANGTZEKIANG GARMENT LIMITED
(incorporated in Hong Kong with limited liability)
(Stock Code: 00294)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The Board of Directors of Yangtzekiang Garment Limited (“**the Company**”) hereby announces the consolidated results of the Company and its subsidiaries (together referred to as “**the Group**”) and the Group’s interests in joint ventures for the year ended 31 March 2025 together with comparative figures for the corresponding period and selected explanatory information as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	<i>Note</i>	2025 \$'000	2024 \$'000
Revenue	3&4	186,431	234,302
Cost of sales		<u>(152,017)</u>	<u>(189,849)</u>
Gross profit		34,414	44,453
Other net income	5	6,723	20,691
Selling and distribution expenses		(18,007)	(23,966)
Administrative expenses		(31,333)	(29,610)
Other operating expenses	6(b)	<u>(11,484)</u>	<u>(10,915)</u>
(Loss)/profit from operations		(19,687)	653
Finance costs	6(a)	(760)	(865)
Share of losses of joint ventures		(39,028)	(39,615)
Net valuation losses on investment properties	10	<u>(6,843)</u>	<u>(11,844)</u>
Loss before taxation	6	(66,318)	(51,671)
Income tax credits	7	<u>6,440</u>	<u>3,499</u>
Loss for the year		<u>(59,878)</u>	<u>(48,172)</u>
Attributable to:			
Equity shareholders of the Company		<u>(59,878)</u>	<u>(48,172)</u>
Loss per share			
Basic and diluted	9	<u>(\$0.29)</u>	<u>(\$0.23)</u>

Details of dividends payable to equity shareholders of the Company attributable to the year are set out in note 8(a).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2025
(Expressed in Hong Kong dollars)

	2025	2024
<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>
Loss for the year	<u>(59,878)</u>	<u>(48,172)</u>
Other comprehensive income for the year (after tax and reclassification adjustments)		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Equity investments at fair value through other comprehensive income: net movement in the investment revaluation reserve (non-recycling)	<u>(1,982)</u>	<u>(1,468)</u>
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of:		
- financial statements of subsidiaries outside Hong Kong	(971)	(6,068)
- share of joint ventures' net assets	<u>(1,730)</u>	<u>(25,091)</u>
	(2,701)	(31,159)
Release of exchange reserve upon deregistration of a subsidiary	-	(63)
Release of exchange reserve upon reduction of paid-up capital of a subsidiary	<u>5,790</u>	<u>-</u>
Other comprehensive income for the year	<u>1,107</u>	<u>(32,690)</u>
Total comprehensive income for the year	<u><u>(58,771)</u></u>	<u><u>(80,862)</u></u>
Attributable to:		
Equity shareholders of the Company	<u><u>(58,771)</u></u>	<u><u>(80,862)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

(Expressed in Hong Kong dollars)

		2025	2024
	<i>Note</i>	\$'000	\$'000
Non-current assets			
Investment properties	10	197,136	225,714
Other property, plant and equipment		36,529	38,948
Interest in leasehold land held for own use		877	935
		<u>234,542</u>	<u>265,597</u>
Intangible assets		2,092	2,187
Interests in joint ventures		409,860	450,660
Other financial assets		12,536	18,153
		<u>659,030</u>	<u>736,597</u>
Current assets			
Inventories		8,734	8,030
Trade and other receivables	11	24,375	45,328
Bank deposits		209,226	115,517
Cash and cash equivalents		122,910	188,987
		<u>365,245</u>	<u>357,862</u>
Current liabilities			
Trade and other payables	12	30,889	35,703
Contract liabilities		7,750	1,983
Lease liabilities		64	99
Current tax payable		11,064	11,103
		<u>49,767</u>	<u>48,888</u>
Net current assets		<u>315,478</u>	<u>308,974</u>
Total assets less current liabilities		<u>974,508</u>	<u>1,045,571</u>
Non-current liabilities			
Provision for employee benefits		8,815	10,388
Lease liabilities		-	65
Deferred tax liabilities		5,411	11,930
		<u>14,226</u>	<u>22,383</u>
NET ASSETS		<u>960,282</u>	<u>1,023,188</u>
CAPITAL AND RESERVES			
Share capital		208,418	208,418
Reserves		751,864	814,770
TOTAL EQUITY		<u>960,282</u>	<u>1,023,188</u>

NOTES:

(Expressed in Hong Kong dollars)

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 those years but, in respect of the year ended 31 March 2024, 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 (Cap. 622) ("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 Companies Ordinance. The Company's auditor has reported on these financial statements 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 Companies Ordinance.

The consolidated financial statements of the Group for the year ended 31 March 2025 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the 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"). In addition, this announcement has been reviewed by the Company's audit committee.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties, investments in equity securities and derivative financial instruments are stated at their fair values.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this financial result for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* ("2022 amendments")
- 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 developments 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 in this financial result announcement. 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 the manufacture and sale of garments and textiles, provision of processing services and rental of properties.

Revenue represents the invoiced value of goods supplied to customers, processing service income and rental income. Disaggregation of revenue by category is analysed as follows:

	2025 \$'000	2024 \$'000
Under the scope of HKFRS 15, <i>Revenue from contracts with customers</i>:		
- Manufacture and sale of garments	182,433	227,960
- Manufacture and sale of textiles	7	119
- Processing service income	594	687
	<u>183,034</u>	<u>228,766</u>
Under the scope of HKFRS 16, <i>Leases</i>:		
Gross rentals from investments properties	<u>3,397</u>	<u>5,536</u>
	<u>186,431</u>	<u>234,302</u>

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4(c).

The Group's customer base is diversified. For the year ended 31 March 2025, revenues of approximately \$45,414,000 (2024: \$65,021,000) is derived from two (2024: two) external customers with whom transactions have exceeded 10% of the Group's revenue. These revenues are attributable to the sales of garments.

4. SEGMENT REPORTING

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Manufacture and sale of garments and textiles: this segment covers the manufacture and sale of garment and textile products, and provision of garment processing services.
- Interests in joint ventures: the Group's joint ventures engage in the manufacture and sale of textile yarn products.
- Property leasing: this segment leases commercial and industrial premises to generate rental income.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Manufacture and sale of garments and textiles and property leasing segments

Segment assets include all assets with the exception of intangible assets, other financial assets, deferred tax assets, current tax recoverable and other corporate assets. Segment liabilities include all liabilities managed directly by the segments with the exception of current tax payable, deferred tax liabilities and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

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

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and finance costs from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Interests in joint ventures

The Group's interests in joint ventures are accounted for in the consolidated financial statements under the equity method, and presented as a separate reportable segment. The Group's senior executive management reviews the post-tax result of the interests in joint ventures, which is defined as the reportable segment profit/loss for this particular segment. Reportable segment assets represent the Group's share of net assets of the joint ventures. Revenue of joint ventures is not presented as reportable segment revenue because it is not reviewed by the Group's senior executive management for resource allocation purposes.

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:

	Manufacture and sale of garments and textiles		Interests in joint ventures		Property leasing		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	183,034	228,766	-	-	3,397	5,536	186,431	234,302
Inter-segment revenue	-	-	-	-	766	930	766	930
Reportable segment revenue	183,034	228,766	-	-	4,163	6,466	187,197	235,232
Reportable segment (loss)/profit (adjusted EBITDA)	(19,832)	(10,469)	(39,028)	(39,615)	3,714	5,870	(55,146)	(44,214)
Interest income	12,424	11,203	-	-	-	-	12,424	11,203
Finance costs	(760)	(865)	-	-	-	-	(760)	(865)
Depreciation and amortisation	(3,094)	(2,924)	-	-	-	-	(3,094)	(2,924)
Impairment losses on trade receivables	(671)	(1,585)	-	-	-	-	(671)	(1,585)
Recovery of bad debt	224	750	-	-	-	-	224	750
Loss on disposal of investment properties	-	-	-	-	(4,814)	-	(4,814)	-
Reportable segment assets	402,361	397,472	409,860	450,660	237,349	267,301	1,049,570	1,115,433
Additions to non-current segment assets during the year	615	350	-	-	-	-	615	350
Reportable segment liabilities	46,938	47,672	-	-	-	-	46,938	47,672

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2025	2024
	\$'000	\$'000
<i>Revenue</i>		
Reportable segment revenue	187,197	235,232
Elimination of inter-segment revenue	(766)	(930)
Consolidated revenue	<u>186,431</u>	<u>234,302</u>
<i>Loss</i>		
Reportable segment loss derived from the Group's external customers (adjusted EBITDA)	(55,146)	(44,214)
Finance costs	(760)	(865)
Interest income	12,424	11,203
Depreciation and amortisation	(3,094)	(2,924)
Net valuation losses on investment properties	(6,843)	(11,844)
Loss on disposal of an other financial asset	(3,174)	-
Loss on disposal of investment properties	(4,814)	-
Unallocated head office and corporate expenses	(4,911)	(3,027)
Consolidated loss before taxation	<u>(66,318)</u>	<u>(51,671)</u>
<i>Assets</i>		
Reportable segment assets	1,049,570	1,115,433
Elimination of inter-segment assets	(40,213)	(41,587)
	<u>1,009,357</u>	<u>1,073,846</u>
Intangible assets	2,092	2,187
Other financial assets	12,536	18,153
Unallocated head office and corporate assets	290	273
Consolidated total assets	<u>1,024,275</u>	<u>1,094,459</u>
<i>Liabilities</i>		
Reportable segment liabilities	46,938	47,672
Current tax payable	11,064	11,103
Deferred tax liabilities	5,411	11,930
Unallocated head office and corporate liabilities	580	566
Consolidated total liabilities	<u>63,993</u>	<u>71,271</u>

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties, other property, plant and equipment, interest in leasehold land held for own use, intangible assets and interests in joint ventures ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of investment properties, other property, plant and equipment and interest in leasehold land held for own use, the location of the operation to which they are allocated, in the case of intangible assets, and the location of operations, in the case of interests in joint ventures.

	Revenue from external customers		Specified non-current assets	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	5,585	10,738	225,838	234,775
Europe				
- United Kingdom	61,324	61,646	-	-
- Italy	1,547	1,885	-	-
- Spain	23,043	31,797	-	-
- Germany	20,619	33,361	-	-
- Other European countries	3,299	4,368	-	-
Mainland China	1,458	2,895	420,656	483,669
North America				
- United States	30,667	31,985	-	-
- Canada	1,822	3,256	-	-
Others	37,067	52,371	-	-
	180,846	223,564	420,656	483,669
	186,431	234,302	646,494	718,444

5. OTHER NET INCOME

	2025	2024
	\$'000	\$'000
Interest income	12,424	11,203
Scrap income	1,130	839
Net gain on forward foreign exchange contracts	57	223
Net exchange (loss)/gain	(5,552)	176
Management fee income	780	780
Dividend income from equity securities	547	533
Net (loss)/gain on disposals of other property, plant and equipment	(24)	127
Net claim income	1,036	887
Loss on disposal of an other financial asset	(3,174)	-
Loss on disposal of intangible assets	-	(323)
Loss on disposal of investment properties	(4,814)	-
Sundry income	4,313	6,246
	6,723	20,691

6. LOSS BEFORE TAXATION

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

	2025 \$'000	2024 \$'000
(a) Finance costs:		
Interest on bank advances (including bank charges)	755	860
Interest on lease liabilities	5	5
	<u>760</u>	<u>865</u>
(b) Other operating expenses:		
Impairment losses on trade receivables	671	1,585
Recovery of bad debt	(224)	(750)
Auditors' remuneration		
- audit services	1,341	1,401
- other services	350	344
Security fee	1,497	1,387
Insurance	1,111	1,236
Consultancy fee	852	842
Repair and maintenance fee	713	1,342
Other taxes and surcharges	773	1,364
Legal and professional fee	1,496	221
Motor vehicle expenses	522	523
Membership fee	439	474
Business and other registration fees	388	343
Amortisation of intangible assets	95	95
Donation	10	12
Sundry expenses	1,450	496
	<u>11,484</u>	<u>10,915</u>
(c) Other items:		
Cost of inventories	152,017	189,849
Depreciation charges		
- owned property, plant and equipment	596	623
- right-of-use assets	2,403	2,206
	<u>2,403</u>	<u>2,206</u>

7. INCOME TAX CREDITS

Income tax credits in the consolidated statement of profit or loss represents:

	2025 \$'000	2024 \$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	187	-
Over-provision in respect of prior years	-	(25)
	<u>187</u>	<u>(25)</u>
Current tax – Outside Hong Kong		
Credits for the year	(147)	(456)
Deferred tax		
Origination and reversal of temporary differences	(6,480)	(3,018)
	<u>(6,440)</u>	<u>(3,499)</u>
Income tax credits		

The provision for Hong Kong Profits Tax for 2025 was calculated at 16.5% of the estimated assessable profits for the year ended 31 March 2025, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first \$2 million of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5%.

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2024 as the Company and its Hong Kong subsidiaries sustained losses for taxation purpose during the year.

Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

8. 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 \$0.02 (2024: \$0.02) per ordinary share	<u>4,135</u>	<u>4,135</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 \$0.02 (2024: \$0.02) per ordinary share	<u>4,135</u>	<u>4,135</u>

9. 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 \$59,878,000 (2024: \$48,172,000) and the weighted average number of 206,748,000 (2024: 206,748,000) ordinary shares in issue during the year.

(b) Diluted loss per share

The diluted loss per share is the same as the basic loss per share as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2025 and 2024.

10. INVESTMENT PROPERTIES

During the year ended 31 March 2025, the Group recognised net valuation losses of approximately \$6,843,000 (2024: \$11,844,000) on its investment properties.

11. TRADE AND OTHER RECEIVABLES

	2025 \$'000	2024 \$'000
Trade debtors	19,299	40,242
Bills receivable	1,250	1,554
Less: loss allowance	<u>(3,532)</u>	<u>(3,290)</u>
	17,017	38,506
Deposits, prepayments and other debtors	7,169	6,462
Amounts due from related companies	132	137
Derivative financial instruments	<u>57</u>	<u>223</u>
	<u>24,375</u>	<u>45,328</u>

Substantially all of the Group's trade and other receivables are expected to be recovered or recognised as an expense within one year.

The amounts due from related companies are unsecured, interest-free and recoverable on demand except for those trade related items under normal trade terms.

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2025 \$'000	2024 \$'000
Within 1 month	5,176	12,011
Over 1 month but within 2 months	4,654	8,160
Over 2 months but within 3 months	3,335	4,088
Over 3 months but within 4 months	2,033	6,104
Over 4 months	1,819	8,143
	<u>17,017</u>	<u>38,506</u>

Trade debtors and bills receivable are due between 0 to 210 days (2024: 0 to 180 days) from the date of billing.

12. TRADE AND OTHER PAYABLES

	2025 \$'000	2024 \$'000
Trade creditors	7,193	14,195
Accrued charges and other creditors	23,493	21,241
Amounts due to a related company	190	254
Amounts due to a joint venture	13	13
	<u>30,889</u>	<u>35,703</u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The amounts due to a related company and a joint venture are unsecured, interest-free and repayable on demand except for those trade related items under normal trade terms.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2025 \$'000	2024 \$'000
Within 1 month	3,861	6,132
Over 1 month but within 2 months	2,001	4,856
Over 2 months but within 3 months	520	2,157
Over 3 months	811	1,050
	<u>7,193</u>	<u>14,195</u>

DIVIDENDS

The Board resolved to recommend the payment of a final dividend of HK2 cents (2024: HK2 cents) per ordinary share in respect of the year ended 31 March 2025 at the forthcoming annual general meeting of the Company to be held on 26 September 2025. The aggregate final dividend amounting to HK\$4,135,000 (2024: HK\$4,135,000), if approved by the shareholders, is expected to be paid on or around 22 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 Company share registrar, Computershare Hong Kong Investor Services Limited, which is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 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 Company share registrar, Computershare Hong Kong Investor Services Limited, which is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 6 October 2025.

BUSINESS REVIEW AND PROSPECTS

Revenue of the Group for the year 2024/25 under review was HK\$186,431,000 (2023/24: HK\$234,302,000) and the overall result was a loss of HK\$59,878,000 (2023/24: a loss of HK\$48,172,000).

Similar to last year, large part of the current year's losses was caused by the recognition of losses of our joint ventures in Wuxi No. 1 Cotton Investment Co., Ltd. in China as well as fair value losses derived from the devaluation of the Group's investment properties on Tai Yau Street due to the depressed property market in Hong Kong. These losses nevertheless do not impact our company's cash position. However, during the current year, our garment operation had incurred a small loss as well.

OUTLOOK

Garment manufacturing business has been challenging for the past many years. At the present it is even more uncertain due to the U.S. tariffs issue and the global economic and political outlook. In the coming year, we expect further non-cash losses from our Wuxi joint venture and from probable continuous devaluation of our Tai Yau Street property. On the positive side, our company still maintain a healthy cash position to weather any unforeseen circumstances.

GARMENT BUSINESS

YangtzeKiang Garment Limited and Hong Kong Knitters Limited are the two names that we use to operate our garment business. We manufacture a wide variety of products that include men's and ladies' shirts, trousers, shorts, polo shirts, T-shirts, jackets and knitted outerwear, etc. Hong Kong is our Group's headquarters that handles our core garment businesses including manufacturing, trading and sourcing. In addition to our fully owned factory in China (Panyu), we are also working in partnership with many factories in Myanmar, Bangladesh, Vietnam, Indonesia and Cambodia serving the needs of our customers worldwide. Besides Panyu where we have factory, we also have office in Hangzhou China. This office not only provides supports to our own factory, but also monitors and collaborates with our subcontractors and business partners around the area.

The U.S. tariffs unleashed earlier in early 2025 hit the trade abruptly and has caused further hardships and uncertainties to our garment business especially with U.S. orders that are used to be manufactured in China. Our sales teams are endeavoring to relocate these orders to places like Vietnam and Indonesia as well as to find ways and means to tackle our customers' increasing demand for sustainable and fashionable clothing but in smaller quantities that reduces our profit margin.

Our China factory is operating under the name of Exquisite Knitters (Guangzhou) Limited. Due to sharp decrease of sales orders, the factory has been down-sizing its scale and provisions for further labour dismissal compensation has to be set aside.

OTHER BUSINESS

Wuxi No. 1 Cotton Investment Co., Ltd. in which we have a 49% shareholding is a joint venture that owns several textiles related companies in Wuxi, China (“Wuxi Group”). The core business of the Wuxi Group is the production of medium range to high end yarns. The Group ended the financial year 2024/25 with a substantial loss caused by weak export market, slow domestic demand and rising costs. Substantial stock provision was made due to increased slow moving stock. For the year 2025/26 export and domestic markets are expected to remain weak. Intensive destocking of slow moving stock will impact profitability. Profitability for next year is uncertain.

LIQUIDITY AND FINANCIAL POSITION

During the year under review, the Group’s operations continued to be mainly financed by the internal resources.

As at 31 March 2025, the aggregated cash and cash equivalents and bank deposits of the Group were approximately HK\$332,136,000 (2024: HK\$304,504,000). As at 31 March 2025 and 2024, the Group did not have any short term and long term borrowings.

The Group adopts a prudent policy to hedge the fluctuation of foreign exchange rates. As most of the Group’s sales, purchases, cash and bank balances are denominated in Hong Kong dollars, United States dollars, Euros, Pounds Sterling or Renminbi, the Group may enter into forward foreign exchange contracts to hedge its committed future sales denominated in the above foreign currencies against the exchange rate fluctuation when the exposure is significant. As at 31 March 2025, the Group has forward foreign exchange contracts hedging forecast transactions with net fair value of HK\$57,000 (assets) (2024: HK\$223,000 (assets)), recognised as derivative financial instruments.

PLEDGE OF ASSETS

As at 31 March 2025, none of the assets of the Group was pledged.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2025, the Group, including its subsidiaries but excluding its joint ventures, employed approximately 210 employees. Remuneration packages are determined by reference to employees’ performance and the prevailing salary levels in the market. In addition, the Group provides year end double pay, provident fund scheme, medical insurance and training to staff.

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31 March 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.

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 (the “Model Code”) as set out in Appendix 10 to 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 auditor, 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

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 of the Company has reviewed with management the accounting principles and practices adopted by the Group and the draft consolidated financial statements of the Group for the year ended 31 March 2025.

ANNUAL GENERAL MEETING

The annual general meeting of the shareholders of the Company will be held on Friday, 26 September 2025 and the Notice of annual general meeting will be published and dispatched to the shareholders in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL 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.ygm.com.hk 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
Yangtzekiang Garment Limited
Chan Wing Fui, Peter
Chairman

Hong Kong, 25 June 2025

As at the date of this announcement, the Board consists of six executive directors, namely Mr. Chan Wing Fui, Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun, Samuel, and Madam Chan Suk Ling, Shirley and three independent non-executive directors, namely Mr. Choi Ting Ki, Mr. So Stephen Hon Cheung and Mr. Li Guangming.