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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 2026**

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 2026 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 2026**

*(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2026</b> <i>\$'000</i>	2025 <i>\$'000</i>
<b>Revenue</b>	3&4	<b>191,766</b>	186,431
Cost of sales		<u><b>(151,931)</b></u>	<u>(152,017)</u>
<b>Gross profit</b>		<b>39,835</b>	34,414
Other net income	5	<b>16,605</b>	6,723
Selling and distribution expenses		<b>(18,318)</b>	(18,007)
Administrative expenses		<b>(25,849)</b>	(31,333)
Other operating expenses	6(b)	<u><b>(10,437)</b></u>	<u>(11,484)</u>
<b>Profit/(loss) from operations</b>		<b>1,836</b>	(19,687)
Finance costs	6(a)	<b>(587)</b>	(760)
Share of losses of joint ventures		<b>(88,405)</b>	(39,028)
Net valuation losses on investment properties	10	<u><b>(9,047)</b></u>	<u>(6,843)</u>
<b>Loss before taxation</b>	6	<b>(96,203)</b>	(66,318)
Income tax (expenses)/credits	7	<u><b>(1,505)</b></u>	<u>6,440</u>
<b>Loss for the year</b>		<u><u><b>(97,708)</b></u></u>	<u><u>(59,878)</u></u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<u><u><b>(97,708)</b></u></u>	<u><u>(59,878)</u></u>
<b>Loss per share</b>			
Basic and diluted	9	<u><u><b>(\$0.47)</b></u></u>	<u><u>(\$0.29)</u></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 2026***(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2026</b>	2025
		<b>\$'000</b>	<b>\$'000</b>
<b>Loss for the year</b>		<b>(97,708)</b>	<b>(59,878)</b>
<b>Other comprehensive income for the year (after tax and reclassification adjustments)</b>			
<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>1,478</u>	<u>(1,982)</u>
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of:			
- financial statements of subsidiaries and joint ventures outside Hong Kong		<b>3,409</b>	(929)
- share of other comprehensive income of joint ventures		<u>17,778</u>	<u>(1,772)</u>
		<b>21,187</b>	<b>(2,701)</b>
Release of exchange reserve upon reduction of paid-up capital of a subsidiary		<u>3,276</u>	<u>5,790</u>
Other comprehensive income for the year		<u>25,941</u>	<u>1,107</u>
<b>Total comprehensive income for the year</b>		<b><u>(71,767)</u></b>	<b><u>(58,771)</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b><u>(71,767)</u></b>	<b><u>(58,771)</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****At 31 March 2026***(Expressed in Hong Kong dollars)*

		2026	2025
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Non-current assets</b>			
Investment properties	10	188,089	197,136
Other property, plant and equipment		36,061	36,529
Interest in leasehold land held for own use		874	877
		<u>225,024</u>	<u>234,542</u>
Intangible assets		1,997	2,092
Interests in joint ventures		339,233	409,860
Other financial assets		13,688	12,536
		<u>579,942</u>	<u>659,030</u>
<b>Current assets</b>			
Inventories		3,267	8,734
Trade and other receivables	11	25,141	24,375
Current tax recoverable		281	-
Bank deposits		208,261	209,226
Cash and cash equivalents		122,610	122,910
		<u>359,560</u>	<u>365,245</u>
<b>Current liabilities</b>			
Trade and other payables	12	26,332	30,889
Contract liabilities		5,142	7,750
Lease liabilities		40	64
Current tax payable		13,509	11,064
		<u>45,023</u>	<u>49,767</u>
<b>Net current assets</b>		<u>314,537</u>	<u>315,478</u>
<b>Total assets less current liabilities</b>		<u>894,479</u>	<u>974,508</u>
<b>Non-current liabilities</b>			
Provision for employee benefits		4,717	8,815
Lease liabilities		52	-
Deferred tax liabilities		5,330	5,411
		<u>10,099</u>	<u>14,226</u>
<b>NET ASSETS</b>		<u>884,380</u>	<u>960,282</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		208,418	208,418
Reserves		675,962	751,864
<b>TOTAL EQUITY</b>		<u>884,380</u>	<u>960,282</u>

NOTES:

(Expressed in Hong Kong dollars)

**1. BASIS OF PREPARATION**

The financial information relating to the years ended 31 March 2026 and 2025 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but 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 2026 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 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 the financial statements for both years. 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 2026 have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Companies Ordinance. The 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 amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to the financial statements for the current accounting period.

The amendments do not have a material impact on the financial statements 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. 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:

	2026 \$'000	2025 \$'000
<b>Under the scope of HKFRS 15, Revenue from contracts with customers:</b>		
- Manufacture and sale of garments	188,746	182,433
- Manufacture and sale of textiles	4	7
- Processing service income	-	594
	<u>188,750</u>	<u>183,034</u>
<b>Under the scope of HKFRS 16, Leases:</b>		
Gross rentals from investments properties	<u>3,016</u>	<u>3,397</u>
	<u>191,766</u>	<u>186,431</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 2026, revenues of approximately \$69,083,000 (2025: \$45,414,000) are derived from three (2025: 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 2026 and 2025 is set out below:

	Manufacture and sale of garments and textiles		Interests in joint ventures		Property leasing		Total	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Revenue from external customers	188,750	183,034	-	-	3,016	3,397	191,766	186,431
Inter-segment revenue	-	-	-	-	383	766	383	766
<b>Reportable segment revenue</b>	<b>188,750</b>	<b>183,034</b>	<b>-</b>	<b>-</b>	<b>3,399</b>	<b>4,163</b>	<b>192,149</b>	<b>187,197</b>
<b>Reportable segment (loss)/profit (adjusted EBITDA)</b>	<b>(4,880)</b>	<b>(19,832)</b>	<b>(88,405)</b>	<b>(39,028)</b>	<b>2,845</b>	<b>3,714</b>	<b>(90,440)</b>	<b>(55,146)</b>
Interest income	9,575	12,424	-	-	-	-	9,575	12,424
Finance costs	(587)	(760)	-	-	-	-	(587)	(760)
Depreciation and amortisation	(1,668)	(3,094)	-	-	-	-	(1,668)	(3,094)
Impairment losses on trade receivables	-	(671)	-	-	-	-	-	(671)
Recovery of bad debt	-	224	-	-	-	-	-	224
Loss on disposal of investment properties	-	-	-	-	-	(4,814)	-	(4,814)
<b>Reportable segment assets</b>	<b>395,954</b>	<b>402,361</b>	<b>339,233</b>	<b>409,860</b>	<b>188,089</b>	<b>237,349</b>	<b>923,276</b>	<b>1,049,570</b>
Additions to non-current segment assets during the year	576	615	-	-	-	-	576	615
<b>Reportable segment liabilities</b>	<b>35,719</b>	<b>46,938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,719</b>	<b>46,938</b>

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

	2026	2025
	\$'000	\$'000
<b>Revenue</b>		
Reportable segment revenue	192,149	187,197
Elimination of inter-segment revenue	<u>(383)</u>	<u>(766)</u>
Consolidated revenue	<u><u>191,766</u></u>	<u><u>186,431</u></u>
<b>Loss</b>		
Reportable segment loss derived from the Group's external customers (adjusted EBITDA)	(90,440)	(55,146)
Finance costs	(587)	(760)
Interest income	9,575	12,424
Depreciation and amortisation	(1,668)	(3,094)
Net valuation losses on investment properties	(9,047)	(6,843)
Loss on disposal of an other financial asset	-	(3,174)
Loss on disposal of investment properties	-	(4,814)
Unallocated head office and corporate expenses	<u>(4,036)</u>	<u>(4,911)</u>
Consolidated loss before taxation	<u><u>(96,203)</u></u>	<u><u>(66,318)</u></u>
<b>Assets</b>		
Reportable segment assets	923,276	1,049,570
Elimination of inter-segment assets	<u>-</u>	<u>(40,213)</u>
	923,276	1,009,357
Intangible assets	1,997	2,092
Other financial assets	13,688	12,536
Current tax recoverable	281	-
Unallocated head office and corporate assets	<u>260</u>	<u>290</u>
Consolidated total assets	<u><u>939,502</u></u>	<u><u>1,024,275</u></u>
<b>Liabilities</b>		
Reportable segment liabilities	35,719	46,938
Current tax payable	13,509	11,064
Deferred tax liabilities	5,330	5,411
Unallocated head office and corporate liabilities	<u>564</u>	<u>580</u>
Consolidated total liabilities	<u><u>55,122</u></u>	<u><u>63,993</u></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	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Hong Kong (place of domicile)	6,158	5,585	215,893	225,838
Europe				
- United Kingdom	51,738	61,324	-	-
- Italy	1,901	1,547	-	-
- Spain	21,347	23,043	-	-
- Germany	24,588	20,619	-	-
- Other European countries	5,480	3,299	-	-
Chinese Mainland	903	1,458	350,361	420,656
North America				
- United States	40,969	30,667	-	-
- Canada	309	1,822	-	-
Others	38,373	37,067	-	-
	<u>185,608</u>	<u>180,846</u>	<u>350,361</u>	<u>420,656</u>
	<u>191,766</u>	<u>186,431</u>	<u>566,254</u>	<u>646,494</u>

5. **OTHER NET INCOME**

	2026 \$'000	2025 \$'000
Interest income	9,575	12,424
Scrap income	366	1,130
Net gain on forward foreign exchange contracts	247	57
Net exchange loss	(3,540)	(5,552)
Management fee income	780	780
Dividend income from equity securities	565	547
Net gain/(loss) on disposals of other property, plant and equipment	18	(24)
Net claim income	2,715	1,036
Loss on disposal of an other financial asset	-	(3,174)
Loss on disposal of investment properties	-	(4,814)
Sundry income	5,879	4,313
	<u>16,605</u>	<u>6,723</u>

## 6. LOSS BEFORE TAXATION

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

	2026 \$'000	2025 \$'000
<b>(a) Finance costs:</b>		
Interest on bank advances (including bank charges)	585	755
Interest on lease liabilities	2	5
	<u>587</u>	<u>760</u>
<b>(b) Other operating expenses:</b>		
Impairment losses on trade receivables	-	671
Recovery of bad debt	-	(224)
Auditors' remuneration		
- audit services	1,244	1,310
- other services	262	262
Auditors' remuneration – other auditors	24	31
Security fee	1,537	1,497
Insurance	969	1,111
Consultancy fee	1,011	852
Repair and maintenance fee	1,295	713
Other taxes and surcharges	859	773
Legal and professional fee	1,313	1,584
Motor vehicle expenses	459	522
Membership fee	435	439
Business and other registration fees	385	388
Amortisation of intangible assets	95	95
Donation	12	10
Sundry expenses	537	1,450
	<u>10,437</u>	<u>11,484</u>
<b>(c) Other items:</b>		
Cost of inventories	151,931	152,017
Depreciation charges		
- owned property, plant and equipment	646	596
- right-of-use assets	927	2,403

## 7. INCOME TAX EXPENSES/(CREDITS)

Income tax expenses/(credits) in the consolidated statement of profit or loss represents:

	2026 \$'000	2025 \$'000
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	-	187
Over-provision in respect of prior years	(29)	-
	<u>(29)</u>	<u>187</u>
<b>Current tax – Outside Hong Kong</b>		
Provision/(credits) for the year	1,951	(147)
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(417)	(6,480)
Income tax expenses/(credits)	<u>1,505</u>	<u>(6,440)</u>

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2026 as the Company and its Hong Kong subsidiaries sustained losses for taxation purpose during the year.

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%.

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

	2026 \$'000	2025 \$'000
Final dividend proposed after the end of the reporting period of \$0.10 (2025: \$0.02) per ordinary share	<u>20,675</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

	2026 \$'000	2025 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year of \$0.02 (2025: \$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 \$97,708,000 (2025: \$59,878,000) and the weighted average number of 206,748,000 (2025: 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 2026 and 2025.

## 10. INVESTMENT PROPERTIES

During the year ended 31 March 2026, the Group recognised net valuation losses of approximately \$9,047,000 (2025: \$6,843,000) on its investment properties.

## 11. TRADE AND OTHER RECEIVABLES

	2026 \$'000	2025 \$'000
Trade debtors	15,038	19,299
Bills receivable	825	1,250
Less: loss allowance	<u>(2,808)</u>	<u>(3,532)</u>
	13,055	17,017
Deposits, prepayments and other debtors	11,709	7,169
Amounts due from related companies	130	132
Derivative financial instruments	<u>247</u>	<u>57</u>
	<u>25,141</u>	<u>24,375</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:

	<b>2026</b>	2025
	<i>\$'000</i>	<i>\$'000</i>
Within 1 month	5,547	5,176
Over 1 month but within 2 months	2,572	4,654
Over 2 months but within 3 months	2,473	3,335
Over 3 months but within 4 months	2,122	2,033
Over 4 months	341	1,819
	<u>13,055</u>	<u>17,017</u>

Trade debtors and bills receivable are due between 0 to 120 days (2025: 0 to 210 days) from the date of billing.

## 12. TRADE AND OTHER PAYABLES

	<b>2026</b>	2025
	<i>\$'000</i>	<i>\$'000</i>
Trade creditors	7,844	7,193
Bills payable	129	-
	<u>7,973</u>	<u>7,193</u>
Accrued charges and other creditors	18,296	23,493
Amounts due to a related company	63	190
Amounts due to a joint venture	-	13
	<u>26,332</u>	<u>30,889</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 and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	<b>2026</b>	2025
	<i>\$'000</i>	<i>\$'000</i>
Within 1 month	3,021	3,861
Over 1 month but within 2 months	651	2,001
Over 2 months but within 3 months	186	520
Over 3 months	4,115	811
	<u>7,973</u>	<u>7,193</u>

## **DIVIDENDS**

The Board resolved to recommend the payment of a final dividend of HK10 cents (2025: HK2 cents) per ordinary share in respect of the year ended 31 March 2026 at the forthcoming annual general meeting of the Company to be held on 18 September 2026. The aggregate final dividend amounting to HK\$20,675,000 (2025: HK\$4,135,000), if approved by the shareholders, is expected to be paid on or around 13 October 2026.

## **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 15 September 2026 to 18 September 2026 (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, 14 September 2026.

The register of members of the Company will also be closed from 28 September 2026 to 2 October 2026 (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 13 October 2026 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 Friday, 25 September 2026.

## **BUSINESS REVIEW AND PROSPECTS**

Revenue of the Group for the year 2025/26 under review was HK\$191,766,000 (2024/25: HK\$186,431,000) and the overall result was a loss of HK\$97,708,000 (2024/25: a loss of HK\$59,878,000).

The year under review continued to present significant challenges for the global apparel industry, marked by geopolitical uncertainties, evolving trade policies, inflationary pressures, and subdued consumer demand in key markets. Despite these headwinds, the Group demonstrated operational resilience. Consolidated revenue increased modestly by approximately 3% to HK\$191,766,000. Notably, our core garment operations achieved a turnaround, recording an operating profit of HK\$1,836,000 compared to an operating loss in the prior year. This reflects our ongoing efforts in cost discipline, supply chain optimization, and focused order execution.

The Group's overall results were materially impacted by non-cash items, including a fair value loss on investment properties of HK\$9,047,000 amid the continued weakness in the Hong Kong property market, as well as the share of losses from our 49% joint venture in Wuxi No. 1 Cotton Investment Co., Ltd. amounting to HK\$88,405,000. These non-cash charges have not affected the Group's healthy cash position.

## **OUTLOOK**

Looking ahead, the operating environment for garment manufacturing is expected to remain challenging amid modest global economic growth, ongoing tariff uncertainties, and geopolitical tensions. We anticipate further non-cash impacts from the Wuxi joint venture and potential additional devaluation of our investment properties.

Nevertheless, we are cautiously optimistic about our core garment business. We expect steady and small growth from our existing customers. We also anticipate some improvement in gross profit margin as our team continues to focus on better sourcing strategies and other cost optimization measures. Supported by our diversified manufacturing platform, disciplined cost management, and a strong balance sheet with healthy cash reserves, the Group is well positioned to navigate near-term uncertainties and pursue sustainable long-term growth.

## **GARMENT BUSINESS**

The garment business remains the principal activity of the Group. We offer a diverse portfolio of quality apparel products, including men's and ladies' shirts, trousers, shorts, polo shirts, T-shirts, jackets, and knitted outerwear. Our operations are conducted primarily through Yangtzekiang Garment Limited and Hong Kong Knitters Limited, with Hong Kong continuing to serve as the strategic headquarters for management, trading, design, and sourcing activities.

Production is anchored by our wholly-owned facility in Panyu, Guangdong, which underwent further restructuring during the year in response to softer demand. This has been streamlined to focus primarily on factory management services going forward. In addition, we have strengthened ties with our existing manufacturing partners and expanded capacity by onboarding new partners across Vietnam, Indonesia, Myanmar, Bangladesh, and Cambodia. This diversified multi-country footprint has significantly enhanced our supply chain flexibility and ability to mitigate regional risks.

We continued to serve a portfolio of loyal and long-standing customers who have worked closely with us for many years. Many of these key accounts have collaborated with us to gradually increase order volumes, providing greater stability and visibility in a volatile market. However, the year was not without challenges. Geopolitical shocks, particularly those stemming from the US-Iran conflict, triggered fluctuations and spikes in oil prices, which in turn drove up transportation and logistics costs. Combined with broader inflationary pressures and rising raw material expenses, these factors increased overall operating costs. Through proactive sourcing improvements and internal cost optimization initiatives, we were able to partially mitigate these pressures and deliver an improved operating result for the garment segment.

#### **OTHER BUSINESS**

The Group's investment properties continued to face downward pressure from the weak Hong Kong property market, resulting in a fair value loss during the year. The performance of our joint venture in Wuxi also contributed to the overall loss. These segments, while non-core, form part of the Group's broader asset base and will continue to be monitored closely.

#### **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 2026, the aggregated cash and cash equivalents and bank deposits of the Group were approximately HK\$330,871,000 (2025: HK\$332,136,000). As at 31 March 2026 and 2025, 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 2026, the Group has forward foreign exchange contracts hedging forecast transactions with net fair value of HK\$247,000 (assets) (2025: HK\$57,000 (assets)), recognised as derivative financial instruments.

#### **PLEDGE OF ASSETS**

As at 31 March 2026, none of the assets of the Group was pledged.

#### **EMPLOYMENT AND REMUNERATION POLICIES**

As at 31 March 2026, the Group, including its subsidiaries but excluding its joint ventures, employed approximately 125 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 2026.

#### **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied throughout the year ended 31 March 2026 with the Code on Corporate Governance Practices as set out in Appendix C1 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 the 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 2026 as set out in this preliminary announcement have been agreed 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. 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 Hong Kong Institute of Certified Public Accountants 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 2026.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the shareholders of the Company will be held on Friday, 18 September 2026 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](http://www.hkexnews.hk) and the website of the Company at [www.ygm.com.hk](http://www.ygm.com.hk) under "Results Announcement". The annual report for the year ended 31 March 2026 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, 29 June 2026

*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.*