

YANGTZEKIANG GARMENT LIMITED

長江製衣有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 294)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2008

The Board of Directors of Yangtzekiang Garment Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries, associates and jointly controlled entities (the “**Group**”) for the year ended 31st March, 2008 as follows:

CONSOLIDATED INCOME STATEMENT

(Expressed in Hong Kong dollars)

	<i>Note</i>	2008 \$'000	2007 \$'000
Turnover	3	1,540,276	1,725,435
Cost of sales		<u>(1,269,541)</u>	<u>(1,382,430)</u>
Gross profit		270,735	343,005
Other revenue		6,843	12,471
Other net income		40,324	24,482
Selling and distribution expenses		(132,484)	(131,862)
Administrative expenses		(93,879)	(87,960)
Other operating expenses		<u>(22,988)</u>	<u>(45,610)</u>
Profit from operations		68,551	114,526
Finance costs	4(a)	(10,803)	(19,099)
Share of profits less losses of associates		1,523	(343)
Share of profits less losses of jointly controlled entities		76,987	14,121
Loss on disposal of subsidiaries		-	(9,296)
Impairment loss of an associate		(4,000)	-
Net valuation gains on investment properties		<u>18,866</u>	<u>10,231</u>
Profit before taxation	4	151,124	110,140
Income tax	5	<u>(9,174)</u>	<u>(13,670)</u>
Profit for the year		<u>141,950</u>	<u>96,470</u>
Attributable to:			
Equity shareholders of the Company		142,240	96,706
Minority interests		<u>(290)</u>	<u>(236)</u>
Profit for the year		<u>141,950</u>	<u>96,470</u>
Dividends payable to equity shareholders of the Company attributable to the year:			
Interim dividend declared during the year	6	10,518	6,311
Final dividend proposed after the balance sheet date		<u>37,866</u>	<u>31,555</u>
		<u>48,384</u>	<u>37,866</u>
Earnings per share			
Basic	7	<u>\$0.68</u>	<u>\$0.46</u>

CONSOLIDATED BALANCE SHEET

		2008		2007	
	<i>Note</i>	\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets					
Investment properties		100,432		86,677	
Other property, plant and equipment		160,292		146,607	
Interests in leasehold land held for own use under operating leases		<u>2,125</u>	<u>262,849</u>	<u>6,955</u>	240,239
Construction in progress			291		42
Intangible assets			2,874		2,874
Goodwill			-		-
Interest in associates			12,110		14,671
Interest in jointly controlled entities			428,655		314,042
Other financial assets			1,453		4,586
Deferred tax assets			<u>1,204</u>		-
			<u>709,436</u>		<u>576,454</u>
Current assets					
Inventories		162,114		139,038	
Trade and other receivables	8	288,557		324,105	
Tax recoverable		1,008		1,493	
Cash and cash equivalents		<u>96,838</u>		<u>80,055</u>	
		<u>548,517</u>		<u>544,691</u>	
Current liabilities					
Trade and other payables	9	288,339		301,578	
Bank loans		78,434		104,624	
Tax payable		<u>10,702</u>		<u>3,806</u>	
		<u>377,475</u>		<u>410,008</u>	
Net current assets			<u>171,042</u>		<u>134,683</u>
Total assets less current liabilities			880,478		711,137
Non-current liabilities					
Bank loans		-		11,250	
Provision for long service payments		24,531		3,591	
Deferred tax liabilities		<u>16,997</u>	<u>41,528</u>	<u>16,819</u>	<u>31,660</u>
NET ASSETS			<u>838,950</u>		<u>679,477</u>
CAPITAL AND RESERVES					
Share capital			105,184		105,184
Reserves			<u>732,996</u>		<u>573,547</u>
Total equity attributable to equity shareholders of the Company			838,180		678,731
Minority interests			<u>770</u>		<u>746</u>
TOTAL EQUITY			<u>838,950</u>		<u>679,477</u>

NOTES:**1. BASIS OF PREPARATION**

The financial information in this announcement have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. This announcement also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. In addition, this announcement has been reviewed by the Company’s Audit Committee.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information of any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

The figures in respect of the preliminary announcement of the Group’s result for the year ended 31st March, 2008 have been compared by the Company’s auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft financial statements for the year ended 31st March, 2008 and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in the financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, *Financial instruments: Disclosures* and the amendment to HKAS 1, *Presentation of financial statements : Capital disclosures*, there have been some additional disclosures provided in the notes to the financial statements.

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group’s financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, *Financial instruments: Disclosure and presentation*.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group’s objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

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

3. **SEGMENT REPORTING**

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because it is more relevant to the Group's internal financial reporting. Geographical segment information has been chosen as the secondary reporting format.

Business segments

The Group comprises the following main business segments:

- Manufacture and sales of garments: the manufacture, process, retail and wholesale of garments
- Manufacture and sales of textiles: the manufacture and wholesale of textiles

	Manufacture and sale of garments		Manufacture and sale of textiles		Others		Unallocated		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	1,525,165	1,712,648	6,412	4,839	8,699	7,948	-	-	1,540,276	1,725,435
Other revenue	4,181	8,174	-	-	804	804	1,858	3,493	6,843	12,471
Total revenue	1,529,346	1,720,822	6,412	4,839	9,503	8,752	1,858	3,493	1,547,119	1,737,906
Segment result	58,493	104,633	691	452	7,509	5,948	1,858	3,493	68,551	114,526
Finance costs									(10,803)	(19,099)
Share of profits less losses of associates and jointly controlled entities	(787)	289	83,641	9,559	(4,344)	3,930	-	-	78,510	13,778
Loss on disposal of subsidiaries									-	(9,296)
Impairment of an associate									(4,000)	-
Net valuation gains on investment properties									18,866	10,231
Income tax									(9,174)	(13,670)
Profit for the year									141,950	96,470
Depreciation and amortisation for the year	23,835	27,356	21	45	498	479	-	-	24,354	27,880
Segment assets	679,597	665,296	1,180	2,052	130,166	113,020	-	-	810,943	780,368
Interest in associates and jointly controlled entities	5,853	9,828	428,655	314,042	6,257	4,843	-	-	440,765	328,713
Unallocated assets									6,245	12,064
Total assets									1,257,953	1,121,145
Segment liabilities	393,275	419,557	24	1,438	46	47	-	-	393,345	421,042
Unallocated liabilities									25,658	20,626
Total liabilities									419,003	441,668
Capital expenditure incurred during the year	23,829	48,254	-	-	-	2,449	-	-	23,829	50,703

4. PROFIT BEFORE TAXATION

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

	2008 \$'000	2007 \$'000
(a) Finance costs:		
Interest on bank loans wholly repayable within five years (including bank charges)	10,803	17,329
Loss on discounting of loans receivable stated at amortised cost	-	1,770
	<u>10,803</u>	<u>19,099</u>
(b) Other items:		
Cost of inventories	1,269,541	1,382,430
Amortisation of land lease premium	111	147
Depreciation	24,243	27,733
(Reversal of) / impairment losses on trade, other receivables and loans receivables	(924)	21,375
Operating lease charges:		
minimum lease payments		
- property rentals	4,102	3,491
Rentals receivable from investment properties less direct outgoings of \$1,803,000 (2007: \$1,815,000)	(6,896)	(6,133)
	<u>1,269,541</u>	<u>1,382,430</u>

5. INCOME TAX

Income tax in the consolidated income statement represents:

	2008 \$'000	2007 \$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	8,728	7,714
Under-provision in respect of prior years	310	154
	<u>9,038</u>	<u>7,868</u>
Current tax - Tax outside Hong Kong		
Provision for the year	1,472	3,414
	<u>1,472</u>	<u>3,414</u>
Deferred tax		
(Reversal)/origination and of temporary differences	(1,216)	2,388
Effect of decrease in tax rate on deferred tax balances at 1st April	(120)	-
	<u>(1,336)</u>	<u>2,388</u>
	<u>9,174</u>	<u>13,670</u>

The provision for Hong Kong Profits Tax for 2008 is calculated at 17.5% (2007: 17.5%) of the estimated assessable profits for the year.

On 27th February, 2008, the Financial Secretary of the Hong Kong SAR Government announced his annual Budget which proposes a cut in the profits tax rate from 17.5% to 16.5% with effect from the fiscal year 2008/09. Accordingly, whilst the provision for Hong Kong Profit Tax for 2008 is calculated at 17.5% of the estimated assessable profits for the year, deferred tax is calculated at 16.5% (2007: 17.5%) of the temporary difference at the balance sheet date.

On 16th March, 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China (the "New Tax Law") which has taken effect on 1st January, 2008. Further, on 6th December, 2007, the State Council released the Implementation Rules to the Corporate Income Tax Law (the "Implementation Rules"). Effective from 1st January, 2008, the New Tax Law and Implementation Rules enact the standard tax rate of 25% for the Group's PRC subsidiaries, associates and jointly controlled entities, which had applicable tax rate of 27% and 33%. Taxation for these PRC's subsidiaries, associates and jointly controlled entities were calculated at either 27% or 33% of the estimated assessable profits prior to 1st January, 2008.

Pursuant to the relevant laws and regulations of the PRC, certain of the Group's PRC subsidiaries is eligible for the exemption from income tax for two years starting from the first profitable year of operations and thereafter, a 50 percent relief from their applicable tax rate for the following three years (the "tax holiday"). Pursuant to the notice on the Implementation Rules of the Grandfather Relief under the New Tax Law, Guofa (2007) No.39 issued on 26th December, 2007 by the State Council, these PRC subsidiaries will continue to enjoy the tax holiday under the grandfathering provision of the New Tax Law. The applicable tax rate for these PRC subsidiaries was revised to 25% effective from 1st January, 2008. These PRC subsidiaries will be subject to the standard tax rate of 25% after the tax holiday.

Pursuant to the New Tax Law passed on 16th March, 2007, a 10% withholding tax will be levied on dividends declared to foreign investors from the PRC effective from 1st January, 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investors. Further to the issuance of Guofa (2007) No. 39, the Ministry of Finance and State Administration of Taxation released notice Caishui (2008) No.1 on 22nd February, 2008, stating that the distributions of the pre-2008 earnings of a foreign invested enterprise to a foreign investor in 2008 or later will be exempted from withholding tax.

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

6. DIVIDENDS

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

	2008	2007
	\$'000	\$'000
Interim dividend declared and paid of \$0.05 per share (2007: \$0.03)	10,518	6,311
Final dividend proposed after the balance sheet date of \$0.18 (2007: \$0.15) per share	37,866	31,555
	<u>48,384</u>	<u>37,866</u>

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2008	2007
	\$'000	\$'000
Final dividend inspect of the previous financial year, approved and paid during the year of \$0.15 (2007: \$0.08) per share	31,555	16,829
	<u>31,555</u>	<u>16,829</u>

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$142,240,000 (2007: \$96,706,000) and on 210,369,000 ordinary shares (2007: 210,369,000 shares) in issue throughout the year.

(b) Diluted earnings per share

The diluted earnings per share is not presented as there were no dilutive potential ordinary shares in existence during the years ended 31st March, 2007 and 2008.

8. TRADE AND OTHER RECEIVABLES

	2008	2007
	<i>\$'000</i>	<i>\$'000</i>
Trade receivable	146,908	140,944
Bills receivable	74,798	113,906
Less: allowances for doubtful debts	(2,324)	(7,568)
	219,382	247,282
Loans receivables	4,711	3,109
Deposits, prepayments and other debtors	25,912	34,413
Amount due from subsidiaries	-	-
Amount due from related companies	6,452	8,277
Dividend receivable from associates and jointly controlled entities	30,938	29,904
Derivative financial instruments	1,162	1,120
	69,175	76,823
	288,557	324,105

Included in trade and other receivables are trade debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	2008	2007
	<i>\$'000</i>	<i>\$'000</i>
Current	150,629	171,941
Less than 60 days past due	56,137	63,669
61 – 90 days past due	4,240	8,993
More than 90 days past due	8,376	2,679
Amounts past due	68,753	75,341
Trade debtors and bills receivable	219,382	247,282

Trade debtors and bills receivable are due between 30 days to 90 days from the date of billing.

9. TRADE AND OTHER PAYABLES

	2008	2007
	\$'000	\$'000
Trade creditors	156,594	163,724
Bills payable	8,891	17,003
Accrued charges and other creditors	108,133	113,200
Amounts due to related companies	3,709	217
Amounts due to associates and jointly controlled entities	7,686	4,148
Amount due to a shareholder	3,326	3,286
	<u>288,339</u>	<u>301,578</u>

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the balance sheet date:

	2008	2007
	\$'000	\$'000
Less than 60 days	129,181	155,715
61 – 90 days	11,562	11,392
More than 90 days	24,742	13,620
Trade creditors and bills payable	<u>165,485</u>	<u>180,727</u>

DIVIDEND

The Board resolved to recommend the payment of a final dividend of HK18 cents (2007: HK15 cents) per share for the year ended 31st March, 2008 at the forthcoming annual general meeting of the Company to be held on 10th September, 2008. The aggregate final dividend amounts to \$37,866,000 (2007: \$31,555,000), if approved by the shareholders, is expected to be paid on or around 11th September, 2008.

CLOSURE OF REGISTER OF MEMBER

The register of members of the Company will be closed from 2nd September, 2008 to 10th September, 2008 (both days inclusive). In order to qualify for the final dividend, transfers must be lodged with the company share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 1st September, 2008.

BUSINESS REVIEW AND PROSPECTS

The increase in our overall profits as compared with last year is mainly attributable to the following reasons:-

1. Our garment business continues to benefit from foreign exchange gain on Euro and Pound Sterling during the current year.
2. Compensation received for the relocation of one of our principal jointly controlled entities' factory in Wuxi.
3. Closing down of all losing operations such as the Cambodia factory.

OUTLOOK

The coming year will be a difficult one for all our garment operations. Our manufacturing costs in China have gone up sharply due to the appreciation of the Renminbi, the new labour ordinance and the rising cost of labour, fuel and raw materials. In addition we are facing a severe downturn in both the U.S. and European markets. In order to combat this adverse situation, our garment factories in Panyu endeavour to improve our competitiveness by introducing new mode of operation and to allocate more resources on the development of our domestic business in China.

As to our Wuxi investment, we do not expect our spinning and weaving operation to make much profit for the coming year due to the weak market condition. However the compensation for the relocation of one of its factories will continue to contribute profits to its operation.

GARMENT BUSINESS

We operate our textiles and garment business under the names of Yangtzekiang Garment Ltd. and Hong Kong Knitters Ltd. Our products include men's and women's shirts, trousers, shorts, polo shirts, t-shirts and fleeces. The office in Hong Kong is the headquarters for our whole group where we concentrate on the role of garment trading, sourcing and the overall control of our own production facilities in the PRC as well as our partnership garment factories in the PRC, Bangladesh, India, Cambodia, Myanmar and Vietnam. We also have sales offices in the PRC at Panyu, Guangzhou and Shanghai which oversee our domestic sales in the regions.

Our fully-owned production facilities in the PRC are all located in Panyu Guangzhou. They are Exquisite Knitters (Guangzhou) Ltd. ("EQK"); Whampoa Garment Mfg. (Guangzhou) Co., Ltd. ("WGM") and Guangzhou Top Yield Garment Ltd. ("TYG"). Our setup is a vertical one from knitting, dyeing and finishing of fabrics to the manufacturing of garments. Both EQK and WGM are compliant factories manufacturing mainly high-end garments. Business has been steady in general but the adverse factors in the PRC in the recent months as mentioned in the paragraph headed "Outlook" have put a lot of pressure on our operation. In order to stay competitive and to survive this unprecedented hardship, we are introducing innovative manufacturing concepts to our operation, upgrading our production equipments as well as putting in significant resources to open up more of the PRC market for our products. Results have been encouraging and we do expect both of our export and domestic business to grow steadily in the coming year.

In Bangladesh we have a small shirt factory named Lavender Garment Ltd. ("Lavender") which was established in early 2007. It incurred a slight loss last year due to the fact that it was a new establishment. As Bangladesh is an important area for us in the woven shirts production and despite the fact that Lavender is not generating any profit at the present stage, its presence is essential in the sense that it not only oversees all the production at our partnership factories in Bangladesh but also provides contingent support to both these factories as well as our customers.

As previously advised, our factory in Cambodia after years of deficit was finally closed down and the sale of its property had generated a slight profit to the company.

OTHER BUSINESS

Wuxi Talak Investment Co., Ltd. ("Wuxi Talak") in which we have a 49% shareholding is our jointly controlled entity that fully owns several textiles related companies in Wuxi, the PRC, namely Wuxi Changxin Textile Co., Ltd., Wuxi YGM Textile Co., Ltd. and Wuxi Yangtzekiang Textile Co., Ltd. (collectively the "Wuxi Talak Group"). The core business of the Wuxi Talak Group is the production of medium range to high end yarn. In view of the relatively higher entry level, this is a less competitive industry and thus the Wuxi Talak Group is able to maintain a steady market share with higher profit margin. However due to all the adverse factors mentioned previously, we expect

profits generated from the textile business in the coming year will be drastically reduced. Nonetheless, the compensation derived from the relocation of one of its factory will continue to contribute profits to the Wuxi Talak Group.

LIQUIDITY AND FINANCIAL POSITION

During the period under review, the Group's operations continued to be financed by the internal resources and bank borrowings.

As at 31st March, 2008, the cash and bank balances of the Group were approximately HK\$96,838,000 (2007: HK\$80,055,000). As at 31st March, 2008, the bank borrowings of the Group has short term borrowings of approximately HK\$78,434,000 (2007: HK\$104,624,000) and there was no long term borrowing (2007: HK\$11,250,000). The gearing ratio (calculated by dividing total bank borrowings by total equity) of the Group was 0.09 (2007: 0.17). The bank borrowings including bank loans and overdrafts are mainly in Hong Kong dollars.

The Group adopts a prudent policy to hedge the fluctuation of foreign exchange rates. Most of the operating activities are denominated in Hong Kong dollars, United States dollars, Euros, Pounds Sterling or Renminbi. For those denominated in other currencies, the Group may enter into forward foreign exchange contracts to hedge its receivables and payables denominated in foreign currencies against the exchange rate fluctuation when the exposure is significant.

PLEDGE OF ASSETS

As at 31st March, 2008, the Group had pledged certain assets with carrying values of HK\$42,184,000 (2007: HK\$38,334,000) mainly for security of banking facilities granted to the Group.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2008, the Group, including its subsidiaries but excluding its associates and jointly controlled entities, employed approximately of 6,000 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.

SHARE OPTION SCHEME

On 23rd September, 2004, the Company adopted a share option scheme (the "Share Option Scheme") which will remain in force until 22nd September, 2014. Pursuant to the terms of the Share Option Scheme, the Company may grant options to directors and employees of the Group and other eligible participants to subscribe for shares in the Company, provided that the total number of shares in the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company does not exceed 10% of the shares of the Company in issue at the date of adoption of the Share Option Scheme, which was 21,036,868 shares. No options were granted under the Share Option Scheme during the year.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31st March, 2008 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.

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 the management the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group of the year ended 31st March, 2008.

ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of the Company will be held at 12:00 noon on Wednesday, 10th September, 2008 at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong 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.hkex.com.hk under "Latest Listed Companies Information" and the website of the Company at www.ygm.com.hk under "Results Announcement". The annual report for the year ended 31st March, 2008 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board

Chan Sui Kau

Chairman

Hong Kong, 28th July, 2008

As at the date hereof, the board of Directors comprises eight executive Directors, namely Mr. Chan Sui Kau, Mr. Chan Wing Fui Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Ms. Chan Suk Man, Mr. Chan Wing Sun Samuel, Ms. Chan Suk Ling Shirley and Mr. So Ying Woon Alan and three Independent Non-executive Directors, namely Mr. Leung Hok Lim, Mr. Wong Lam and Mr. Lin Keping.