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YANGTZEKIANG GARMENT LIMITED

長江製衣有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00294)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2009

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, 2009 as follows:

CONSOLIDATED INCOME STATEMENT

(Expressed in Hong Kong dollars)

	<i>Note</i>	2009 \$'000	2008 \$'000
Turnover	3	1,625,529	1,540,276
Cost of sales		<u>(1,323,270)</u>	<u>(1,269,541)</u>
Gross profit		302,259	270,735
Other revenue		7,368	6,843
Other net (loss)/income		(9,872)	40,324
Selling and distribution expenses		(128,395)	(132,484)
Administrative expenses		(91,678)	(93,879)
Other operating expenses		<u>(31,013)</u>	<u>(22,988)</u>
Profit from operations		48,669	68,551
Finance costs	5(a)	(9,238)	(10,803)
Share of profits less losses of associates		1,151	1,523
Share of profits less losses of jointly controlled entities		38,193	76,987
Gain on disposal of an associate		4,684	-
Impairment loss on an associate		-	(4,000)
Net valuation (losses)/gains on investment properties		<u>(7,845)</u>	<u>18,866</u>
Profit before taxation	5	75,614	151,124
Income tax	6	(3,447)	(9,174)
Profit for the year		<u>72,167</u>	<u>141,950</u>
Attributable to:			
Equity shareholders of the Company		71,877	142,240
Minority interests		<u>290</u>	<u>(290)</u>
Profit for the year		<u>72,167</u>	<u>141,950</u>
Dividends payable to equity shareholders of the Company attributable to the year:	7		
Interim dividend declared during the year		2,104	10,518
Final dividend proposed after the balance sheet date		18,933	37,866
		<u>21,037</u>	<u>48,384</u>
Earnings per share			
Basic and diluted	8	<u>\$0.34</u>	<u>\$0.68</u>

CONSOLIDATED BALANCE SHEET*(Expressed in Hong Kong dollars)*

		2009		2008	
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Non-current assets					
Fixed assets					
Investment properties		93,028		100,432	
Other property, plant and equipment		154,006		160,292	
Interests in leasehold land held for own use under operating leases		<u>2,103</u>	<u>249,137</u>	<u>2,125</u>	262,849
Construction in progress			609		291
Intangible assets			2,874		2,874
Interest in associates			6,586		12,110
Interest in jointly controlled entities			477,224		428,655
Other financial assets			5,986		1,453
Dividend receivable from jointly controlled entities			28,678		-
Deferred tax assets			<u>7,765</u>		<u>1,204</u>
			<u>778,859</u>		<u>709,436</u>
Current assets					
Inventories		147,698		162,114	
Trade and other receivables	9	175,813		288,557	
Tax recoverable		242		1,008	
Pledged deposits		9,070		-	
Cash and cash equivalents		<u>116,153</u>		<u>96,838</u>	
		<u>448,976</u>		<u>548,517</u>	
Current liabilities					
Trade and other payables	10	201,224		288,339	
Bank loans		84,420		78,434	
Tax payable		8,805		10,702	
		<u>294,449</u>		<u>377,475</u>	
Net current assets			<u>154,527</u>		<u>171,042</u>
Total assets less current liabilities			933,386		880,478
Non-current liabilities					
Provision for long service payments		33,335		24,531	
Deferred tax liabilities		<u>15,432</u>	<u>48,767</u>	<u>16,997</u>	<u>41,528</u>
NET ASSETS			<u>884,619</u>		<u>838,950</u>
CAPITAL AND RESERVES					
Share capital			105,184		105,184
Reserves			<u>778,375</u>		<u>732,996</u>
Total equity attributable to equity Shareholders of the Company			883,559		838,180
Minority interests			<u>1,060</u>		<u>770</u>
TOTAL EQUITY			<u>884,619</u>		<u>838,950</u>

NOTES:

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION

The consolidated financial statements of the Group for the year ended 31st March, 2009 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. 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. 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, 2009 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, 2009 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 the following new Interpretation and an amendment to HKFRSs that are first effective for the current accounting period of the Group:

- HK(IFRIC) 12, *Service concession arrangements*
- HK (IFRIC) 14, *HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction*
- Amendment to HKAS 39, *Financial instruments: Recognition and measurement*, and HKFRS 7, *Financial instruments: Disclosures - Reclassification of financial assets*

These HKFRS developments have had no material impact on the Group’s financial statements as either they are consistent with accounting policies already adopted by the Group or they were not relevant to the Group’s operations.

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

3. **TURNOVER**

The principal activities of the Group are the manufacture and sale of garments and textiles, the provision of processing services and the rental of properties.

Turnover represents the sales value of goods supplied to customers, fee income from processing services and rental income from external customers (including associates) and is analysed as follows:

	2009	2008
	\$'000	\$'000
Manufacture and sale of garments	1,585,676	1,513,490
Manufacture and sale of textiles	15,592	6,412
Processing services	16,675	11,675
Property rental	7,586	8,699
	<u>1,625,529</u>	<u>1,540,276</u>

4. **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
- Others: rental of properties and other investments

	Manufacture and sale of garments		Manufacture and sale of textiles		Others		Unallocated		Consolidated	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue from external customers	1,602,351	1,525,165	15,592	6,412	7,586	8,699	-	-	1,625,529	1,540,276
Other revenue	4,957	4,181	-	-	804	804	1,607	1,858	7,368	6,843
Total revenue	<u>1,607,308</u>	<u>1,529,346</u>	<u>15,592</u>	<u>6,412</u>	<u>8,390</u>	<u>9,503</u>	<u>1,607</u>	<u>1,858</u>	<u>1,632,897</u>	<u>1,547,119</u>
Segment result	41,964	58,493	696	691	4,402	7,509	1,607	1,858	48,669	68,551
Finance costs									(9,238)	(10,803)
Share of profits less losses of associates and jointly controlled entities	(1,361)	(787)	72,340	83,641	(31,635)	(4,344)	-	-	39,344	78,510
Gain on disposal of an associate									4,684	-
Impairment loss on an associate									-	(4,000)
Net valuation (losses)/gains on investment properties									(7,845)	18,866
Income tax									(3,447)	(9,174)
Profit for the year									<u>72,167</u>	<u>141,950</u>
Depreciation and amortization for the year	24,747	23,835	25	21	652	498	-	-	<u>25,424</u>	<u>24,354</u>
Segment assets	602,063	679,597	1,000	1,180	123,273	130,166	-	-	726,336	810,943
Interest in associates and jointly controlled entities	-	5,853	477,224	428,655	6,586	6,257	-	-	483,810	440,765
Unallocated assets									17,689	6,245
Total assets									<u>1,227,835</u>	<u>1,257,953</u>
Segment liabilities	234,464	314,841	50	24	45	46	-	-	234,559	314,911
Unallocated liabilities									108,657	104,092
Total liabilities									<u>343,216</u>	<u>419,003</u>
Capital expenditure incurred during the year	<u>17,407</u>	<u>23,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,407</u>	<u>23,198</u>

Geographical segments

The Group's business is managed on a worldwide basis, but participates in four principal economic environments.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	Revenue from external customers	
	2009	2008
	\$'000	\$'000
– Europe		
United Kingdom	386,335	352,301
France	41,460	44,474
Other European countries	501,208	492,160
– North America	207,535	239,989
– Asia Pacific	449,135	376,083
– Others	39,856	35,269
	<u>1,625,529</u>	<u>1,540,276</u>

	Segment assets		Capital expenditure incurred during the year	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
– Hong Kong	373,226	413,357	2,821	3,628
– The People's Republic of China ("PRC")	348,971	395,972	14,193	19,352
– South East Asia	4,139	1,614	393	218
	<u>726,336</u>	<u>810,943</u>	<u>17,407</u>	<u>23,198</u>

5. **PROFIT BEFORE TAXATION**

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

	2009 \$'000	2008 \$'000
(a) Finance costs:		
Interest on bank loans wholly repayable within five years (including bank charges)	<u>9,238</u>	<u>10,803</u>
(b) Other items:		
Cost of inventories	1,323,270	1,269,541
Amortisation of land lease premium	70	111
Depreciation	25,354	24,243
Provision for / (reversal of) impairment losses on trade, other receivables and loans receivables	3,609	(924)
Impairment losses on dividends receivable	1,478	-
Operating lease charges:		
minimum lease payments		
- property rentals	6,899	6,454
Rentals receivable from investment properties less direct outgoings of \$2,081,000 (2008: \$1,803,000)	(5,505)	(6,896)
Interest income	(1,192)	(1,456)
	<u> </u>	<u> </u>

6. **INCOME TAX**

Income tax in the consolidated income statement represents:

	2009 \$'000	2008 \$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	12,179	8,728
(Over)/under-provision in respect of prior years	(331)	310
	<u>11,848</u>	<u>9,038</u>
Current tax - Tax outside Hong Kong		
Provision for the year	1,269	1,472
Over-provision in respect of prior years	(1,573)	-
	<u>(304)</u>	<u>1,472</u>
Deferred tax		
Origination and reversal of temporary differences	(8,097)	(1,216)
Effect on deferred tax balances at 1st April resulting from a decrease in tax rate	-	(120)
	<u>(8,097)</u>	<u>(1,336)</u>
	<u> </u>	<u> </u>
	<u>3,447</u>	<u>9,174</u>

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5% (2008: 17.5%) of the estimated assessable profits for the year.

In February 2008, the Hong Kong Government announced a decrease in the Profits Tax rate from 17.5% to 16.5% applicable to the Group's operations in Hong Kong as from the year ended 31st March, 2009. This decrease is taken into account in the preparation of the Company's 2008 financial statements in respect of deferred tax balances.

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 was effective from 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% or 33%.

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 continue to enjoy the tax holiday under the grandfathering provision of the New Tax Law with the standard tax rate of 25%.

Under the New Tax Law, a 10% withholding tax is also levied on dividends declared to foreign investors from the PRC, however, only the dividends attributable to the profits of the financial period starting from 1st January, 2008 is subject to the withholding tax. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investor. Pursuant to a double tax arrangement between the PRC and Hong Kong, the Group is subject to a withholding tax at the rate of 5% for any dividend payments from the Group's PRC subsidiaries. The Group has not provided for withholding tax in respect of the future dividend income from its PRC subsidiaries as these PRC subsidiaries either sustained accumulated losses after 1st January, 2008 or the effect of withholding tax is immaterial.

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

7. DIVIDENDS

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

	2009	2008
	\$'000	\$'000
Interim dividend declared and paid of \$0.01 (2008: \$0.05) per share	2,104	10,518
Final dividend proposed after the balance sheet date of \$0.09 (2008: \$0.18) per share	18,933	37,866
	<u>21,037</u>	<u>48,384</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

	2009	2008
	\$'000	\$'000
Final dividend inspect of the previous financial year, approved and paid during the year of \$0.18 (2008: \$0.15) per share	37,866	31,555

8. 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 \$71,877,000 (2008: \$142,240,000) and 210,369,000 (2008: 210,369,000) ordinary shares in issue throughout the year.

(b) *Diluted earnings per share*

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the years ended 31st March, 2009 and 2008.

9. TRADE AND OTHER RECEIVABLES

	2009	2008
	<i>\$'000</i>	<i>\$'000</i>
Trade debtors	105,137	146,908
Bills receivable	54,659	74,798
Less: allowances for doubtful debts	(5,933)	(2,324)
	153,863	219,382
Loans receivables	821	4,711
Deposits, prepayments and other debtors	16,434	25,912
Amount due from related companies	2,119	6,452
Amount due from jointly controlled entities	1,027	-
Dividends receivable from associates and jointly controlled entities	1,549	30,938
Derivative financial instruments	-	1,162
	21,950	69,175
	175,813	288,557

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:

	2009	2008
	<i>\$'000</i>	<i>\$'000</i>
Current	126,748	150,629
Less than 61 days past due	22,985	56,137
61 – 90 days past due	2,056	4,240
More than 90 days past due	2,074	8,376
Amounts past due	27,115	68,753
Trade debtors and bills receivable	153,863	219,382

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to the credit risk are monitored on an ongoing basis. Individual credit evaluations are performed on all customers requiring credit over a certain amount and for all new customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. These receivables are due between 30 days to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

10. TRADE AND OTHER PAYABLES

	2009	2008
	\$'000	\$'000
Trade creditors	100,270	156,594
Bills payable	18,254	8,891
Accrued charges and other creditors	76,311	108,133
Amounts due to related companies	4,591	3,709
Amounts due to associates and jointly controlled entities	2	7,686
Amount due to a shareholder	1,796	3,326
	<u>201,224</u>	<u>288,339</u>

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

	2009	2008
	\$'000	\$'000
Current	85,843	102,409
Less than 61 days past due	28,383	26,772
61 – 90 days past due	1,971	11,562
More than 90 days past due	2,327	24,742
Amounts past due	32,681	63,076
	<u>118,524</u>	<u>165,485</u>

DIVIDEND

The Board resolved to recommend the payment of a final dividend of HK9 cents (2008: HK18 cents) per share for the year ended 31st March, 2009 at the forthcoming annual general meeting of the Company to be held on 11th September, 2009. The aggregate final dividend amounts to \$18,933,000 (2008: \$37,866,000), if approved by the shareholders, is expected to be paid on or around 15th September, 2009.

CLOSURE OF REGISTER OF MEMBER

The register of members of the Company will be closed from 3rd September, 2009 to 11th September, 2009 (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 Wednesday, 2nd September, 2009.

BUSINESS REVIEW AND PROSPECTS

In general our garment business remained stable despite the weak economy worldwide. However our overall profits as forecasted in our interim report had dropped mainly due to the following reasons:-

1. Foreign exchange losses on Euro and Pound Sterling during the current year.
2. Our Wuxi textile operations' operating profits reduced drastically as compared with last year.
3. Revaluation loss on our investment properties in both Hong Kong and Macau as compared with revaluation gain of last year's.

OUTLOOK

Overall, the directors expect the coming year to be extremely difficult and results to be drastically dropped.

Although our sales revenue for the current year had recorded a slight increase, we do not anticipate it to be the same for the coming year as our major markets' economy continues to slacken. The coming year will be difficult and challenging for our textiles and garment operations. The decrease of orders has hampered our manufacturing operations in China. In order to contend with this difficult time, the management is in the process of re-structuring the whole manufacturing operation in Panyu China. The domestic business in China continues to be fruitful and we are planning to open up more cities in China for our products. Our export business is still being affected by the economic turmoil and we may experience increasing level of bad debts. To strengthen our export business, we are exploring other non-conventional foreign markets in Eastern Europe and Central Asia.

Our Wuxi yarn operation, although being affected by the economic downturn, still recorded profits. Attention is drawn to the fact that current year was the final year for recognising the profits derived from the compensation received from the relocation of one of Wuxi operation's factories. The coming year continues to be a difficult one for our Wuxi operation and we expect the result to drop drastically for the Wuxi Talak Group.

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, jackets and knitted outerwear. 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 China at Panyu, Guangzhou, Fujian and Shanghai which oversee our domestic sales in the regions.

Our wholly owned production facilities in China 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. Our setup is a vertical one from knitting, dyeing and finishing of fabrics to the manufacturing and wholesaling of garments. Both EQK and WGM are compliant factories manufacturing mainly high end garments. The business slowdown has given our manufacturing operation some hard times, and prompted the management to start reorganizing and consolidating all manpower and resources of our manufacturing facilities in Panyu. Through stringent control on expenses, introduction of lean management and other reform measures, we are certain that our manufacturing business can endure this hard time and be ready when the economy recovers.

Our small shirt factory - Lavender Garment Ltd. in Bangladesh recorded a slight profit despite the weak economy. This factory's main role is to oversee all the production at our partnership factories in Bangladesh and at the same time to provide contingent support to these factories as well as our customers.

OTHER BUSINESS

Wuxi Talak Investment Co., Ltd. in which we have a 49% shareholding is our jointly controlled entity that owns several textiles related companies in Wuxi, China namely: Wuxi Changxin Textile Co., Ltd., Wuxi YGM Textile Co., Ltd. and Wuxi Yangtzejiang 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 yarns. With no exception, the weak market condition also affected the Talak Group’s profits which had reduced drastically as compared with last year. As 2008/09 was the final year for reporting the profit derived from the compensation received from the relocation of one of the group’s factories, and since we foresee the coming year will be just as difficult, we expect the results for the Wuxi Talak Group to drop drastically.

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, 2009, the cash and bank balances of the Group were approximately HK\$116,153,000 (2008: HK\$96,838,000). As at 31st March, 2009, the bank borrowings of the Group has short term borrowings of approximately HK\$84,420,000 (2008: HK\$78,434,000) and there was no long term borrowing (2008: Nil). The gearing ratio (calculated by dividing total bank borrowings by total equity) of the Group was 0.10 (2008: 0.09). The bank borrowings including bank loans and overdrafts are mainly in Hong Kong dollars. As at 31st March, 2009, the Group was in compliance with the financial covenant of its banking facilities.

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. The Group may enter into forward foreign exchange contracts to hedge its receivables and payables denominated in the above foreign currencies against the exchange rate fluctuation when the exposure is significant. As at 31st March, 2009, the Group has no outstanding foreign exchange contracts.

PLEDGE OF ASSETS

As at 31st March, 2009, the Group had pledged certain assets with carrying values of HK\$53,490,000 (2008: HK\$42,184,000) mainly for security of banking facilities and trade financing granted to the Group.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2009, 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.

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, 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31st March, 2009 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, 2009.

ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of the Company will be held at 12:00 noon on Friday, 11th September, 2009 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.hkexnews.hk and the website of the Company at www.ygm.com.hk under "Results Announcement". The annual report for the year ended 31st March, 2009 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, 10th July, 2009

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.