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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

The Board of Directors of Yangtzekiang Garment Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2010 as follows. The interim results have not been audited, but have been reviewed by the Company’s Audit Committee.

Consolidated Income Statement - Unaudited For the six months ended 30 September 2010

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2010 \$'000	2009 \$'000
Turnover	3	608,620	565,202
Cost of sales		<u>(518,281)</u>	<u>(468,138)</u>
Gross profit		90,339	97,064
Other revenue		4,259	10,076
Other net income		5,454	5,596
Selling and distribution expenses		(49,343)	(53,622)
Administrative expenses		(38,172)	(42,318)
Other operating expenses		<u>(8,676)</u>	<u>(13,265)</u>
Profit from operations		3,861	3,531
Finance costs	4(a)	(2,617)	(3,010)
Share of profits less losses of associates		1,017	641
Share of profits less losses of jointly controlled entities		29,993	1,044
Impairment losses on interest in associate		(1,155)	-
Net valuation gains on investment properties		-	1,110
Profit before taxation	4	31,099	3,316
Income tax	5	<u>(1,852)</u>	<u>(1,003)</u>
Profit for the period		<u>29,247</u>	<u>2,313</u>
Attributable to:			
Equity shareholders of the Company		29,150	2,250
Non-controlling interests		97	63
Profit for the period		<u>29,247</u>	<u>2,313</u>
Earnings per share			
Basic and diluted	7	<u>\$0.14</u>	<u>\$0.01</u>

Details of dividend payable to equity shareholders of the Company attributable to the period are set out in note 6.

Consolidated Statement of Comprehensive Income - Unaudited
For the six months ended 30 September 2010

(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2010	2009
	\$'000	\$'000
Profit for the period	29,247	2,313
Other comprehensive income for the period (after reclassification adjustments):		
Exchange differences:		
- translation of financial statements of subsidiaries outside Hong Kong	2,082	244
- share of associates' and jointly controlled entities' exchange reserves	<u>11,150</u>	<u>681</u>
	13,232	925
Available-for-sale securities: net movement in the investment revaluation reserve	(161)	-
Cash flow hedge: net movement in hedging reserve	<u>(7,518)</u>	<u>-</u>
	<u>5,553</u>	<u>925</u>
Total comprehensive income for the period	<u>34,800</u>	<u>3,238</u>
Attributable to:		
Equity shareholders of the Company	34,703	3,175
Non-controlling interests	<u>97</u>	<u>63</u>
Total comprehensive income for the period	<u>34,800</u>	<u>3,238</u>

Consolidated Balance Sheet - Unaudited**At 30 September 2010***(Expressed in Hong Kong dollars)*

		At 30 September 2010		At 31 March 2010	
	<i>Note</i>	\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets					
Investment properties		84,168		83,711	
Other property, plant and equipment		97,652		104,529	
Interest in leasehold land held for own-use under operating lease		1,754	183,574	1,747	189,987
Intangible assets			1,569		1,569
Interests in jointly controlled entities			554,138		513,133
Other financial assets			7,862		5,820
Deferred tax assets			17,623		17,301
			764,766		727,810
Current assets					
Inventories		130,989		90,416	
Trade and other receivables	8	178,596		197,939	
Current tax recoverable		1,914		2,311	
Cash and cash equivalents		189,128		184,770	
		500,627		475,436	
Current liabilities					
Trade and other payables	9	211,342		164,821	
Current tax payable		9,297		17,131	
		220,639		181,952	
Net current assets			279,988		293,484
Total assets less current liabilities			1,044,754		1,021,294
Non-current liabilities					
Provision for long service payments		26,036		24,754	
Deferred tax liabilities		26,788	52,824	26,788	51,542
NET ASSETS			991,930		969,752
CAPITAL AND RESERVES					
Share capital			105,184		105,184
Reserves			885,422		863,341
Total equity attributable to equity shareholders of the Company			990,606		968,525
Non-controlling interests			1,324		1,227
TOTAL EQUITY			991,930		969,752

Notes:

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 March 2010, except for the accounting policy changes that are expected to be reflected in the financial statements for the year ending 31 March 2011. Details of these changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 March 2010. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”, which term collectively includes HKASs and Interpretations).

The interim financial report is unaudited, but has been reviewed by the Audit Committee.

The financial information relating to the financial year ended 31 March 2010 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2010 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 16 July 2010.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group’s financial statements:

- HKFRS 3 (revised), Business combinations
- HKAS 27 (revised), Consolidated and separate financial statements
- Amendments to HKAS 39, Financial instruments: Recognition and measurement – eligible hedged items
- Improvements to HKFRSs 2009

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

The adoption of improvements to HKFRSs 2009 and the amendments to HKAS 39 do not have a significant impact on the Group's results of operations and financial position. The other developments resulted in changes in accounting policies but none of these changes in policies have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3 and HKAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a disposal of a subsidiary) and there is no requirement to restate the amounts recorded in respect of such previous transactions.
- The amendments to HKFRS 3 (in respect of recognition of acquirer's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as "minority interests") in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.

3. 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 operates the manufacture and sale of garment and textile products, and the provision of garment sub-contracting services.
- Interests in jointly controlled entities: the Group's jointly controlled entities engage in the manufacturing 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, interest in associate, 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 is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at "adjusted EBITDA", the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, directors' and 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 expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses 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 jointly controlled entities

The Group's interests in jointly controlled entities 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 results of the interests in jointly controlled entities, which is defined as the reportable segment profit for this particular segment. Reportable segment assets represent the Group's share of net assets of the jointly controlled entities. Revenue of jointly controlled entities is not presented as reportable segment revenue as 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 period is set out below:

	Manufacture and sale of garments and textiles		Interests in jointly controlled entities		Property leasing		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
For the six months ended 30 September								
Revenue from external customers	606,535	562,407	-	-	2,085	2,795	608,620	565,202
Inter-segment revenue	-	-	-	-	1,367	1,464	1,367	1,464
Reportable segment revenue	606,535	562,407	-	-	3,452	4,259	609,987	566,666
Reportable segment profit (adjusted EBITDA)	5,327	81	29,993	1,044	2,579	2,993	37,899	4,118
Interest income	434	313	-	-	-	-	434	313
Finance costs	(2,617)	(3,010)	-	-	-	-	(2,617)	(3,010)
Depreciation and amortisation	(10,675)	(11,672)	-	-	-	-	(10,675)	(11,672)
	As at 30 September 2010 \$'000	As at 31 March 2010 \$'000	As at 30 September 2010 \$'000	As at 31 March 2010 \$'000	As at 30 September 2010 \$'000	As at 31 March 2010 \$'000	As at 30 September 2010 \$'000	As at 31 March 2010 \$'000
Reportable segment assets (including interest in associate)	597,292	578,415	554,138	513,133	84,168	83,711	1,235,598	1,175,259
Additions to non-current segment assets during the period	3,217	4,155	-	-	-	-	3,217	4,155
Reportable segment liabilities	235,652	185,774	-	-	206	206	235,858	185,980

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 September	
	2010	2009
	\$'000	\$'000
<i>Revenue</i>		
Reportable segment revenue	609,987	566,666
Elimination of inter-segment revenue	(1,367)	(1,464)
Consolidated turnover	<u>608,620</u>	<u>565,202</u>
	Six months ended 30 September	
	2010	2009
	\$'000	\$'000
<i>Profit</i>		
Reportable segment profit derived from Group's external customers (adjusted EBITDA)	37,899	4,118
Finance costs	(2,617)	(3,010)
Share of profits less losses of associates	1,017	641
Impairment losses on interest in associate	(1,155)	-
Net valuation gains on investment properties	-	1,110
Other revenue and net income	9,713	15,672
Depreciation and amortisation	(10,675)	(11,672)
Unallocated head office and corporate expenses	(3,083)	(3,543)
Consolidated profit before taxation	<u>31,099</u>	<u>3,316</u>
	30 September	
	2010	31 March
	\$'000	2010
	\$'000	\$'000
<i>Assets</i>		
Reportable segment assets	1,235,598	1,175,259
Intangible assets	1,569	1,569
Interest in associate	-	-
Other financial assets	7,862	5,820
Deferred tax assets	17,623	17,301
Current tax recoverable	1,914	2,311
Unallocated head office and corporate assets	827	986
Consolidated total assets	<u>1,265,393</u>	<u>1,203,246</u>
	30 September	
	2010	31 March
	\$'000	2010
	\$'000	\$'000
<i>Liabilities</i>		
Reportable segment liabilities	235,858	185,980
Current tax payable	9,297	17,131
Deferred tax liabilities	26,788	26,788
Unallocated head office and corporate liabilities	1,520	3,595
Consolidated total liabilities	<u>273,463</u>	<u>233,494</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 fixed assets, intangible assets, goodwill and interests in associate and jointly controlled entities ("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 property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associate and jointly controlled entities.

	Revenue from external customers		Specified non-current assets	
	Six months ended		30 September 2010	31 March 2010
	2010	2009		
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	40,476	40,254	93,718	94,346
Europe				
- United Kingdom	159,073	150,931	-	-
- France	1,362	18,683	-	-
- Other European countries	203,744	206,880	-	-
Mainland China	63,197	31,518	643,431	608,775
North America	70,015	63,973	-	-
Others	70,753	52,963	2,132	1,568
	568,144	524,948	645,563	610,343
	608,620	565,202	739,281	704,689

4. PROFIT BEFORE TAXATION

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

	Six months ended 30 September	
	2010	2009
	\$'000	\$'000
(a) Finance costs:		
Interest on bank loans wholly repayable within five years (including bank charges)	<u>2,617</u>	<u>3,010</u>
(b) Staff costs:		
Salaries, wages and other benefits	88,132	102,268
Contributions to defined contribution retirement schemes	3,943	1,992
Provision/(reversal of provision)for long service payments, net	<u>928</u>	<u>(1,931)</u>
	<u>93,003</u>	<u>102,329</u>
(c) Other items:		
Amortisation of land lease premium	27	35
Depreciation	10,648	11,637
Auditors' remuneration	842	799
Operating lease charges:		
minimum lease payments - property rentals	3,319	3,064
(Gain)/loss on disposal of fixed assets	(558)	238
Rentals receivable from investment properties less direct outgoings of \$795,000 (2009: \$848,000)	<u>(1,290)</u>	<u>(1,947)</u>
Dividends income and interest income	<u>(569)</u>	<u>(443)</u>

5. INCOME TAX

	Six months ended 30 September	
	2010	2009
	\$'000	\$'000
Current tax - Hong Kong Profits Tax		
Provision for the period	1,813	4,643
Over-provision in respect of prior years	<u>(1)</u>	<u>-</u>
	<u>1,812</u>	<u>4,643</u>
Current tax - Outside Hong Kong		
Provision for the period	68	-
Under-provision in respect of prior years	<u>192</u>	<u>-</u>
	<u>260</u>	<u>-</u>
Deferred tax		
Reversal of temporary differences	<u>(220)</u>	<u>(3,640)</u>
	<u>1,852</u>	<u>1,003</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the period. Taxation for subsidiaries outside Hong Kong are charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

6. DIVIDENDS

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

	Six months ended 30 September	
	2010	2009
	\$'000	\$'000
Interim dividend declared after the interim period end of \$0.02 (2009: \$0.01) per share	<u>4,207</u>	<u>2,104</u>

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end date.

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

	Six months ended 30 September	
	2010	2009
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of \$0.06 (2009: \$0.09) per share	<u>12,622</u>	<u>18,933</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 \$29,150,000 (2009: \$2,250,000) and on 210,369,000 (2009: 210,369,000) ordinary shares in issue throughout the period.

(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 periods ended 30 September 2010 and 2009.

8. TRADE AND OTHER RECEIVABLES

	30 September 2010 \$'000	31 March 2010 \$'000
Current		
Trade debtors	83,221	101,936
Bills receivable	65,209	48,327
Less: allowance for doubtful debts	<u>(6,312)</u>	<u>(8,955)</u>
	142,118	141,308
Loans receivable	389	667
Deposits, prepayments and other debtors	29,573	22,821
Amounts due from related companies	5,040	3,020
Amounts due from jointly controlled entities	1,392	1,351
Dividend receivable from a jointly controlled entity	-	28,772
Amount due from a shareholder		
- Chan Family Investment Corporation Limited	<u>84</u>	<u>-</u>
	<u><u>178,596</u></u>	<u><u>197,939</u></u>

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

The amounts due from related companies, jointly controlled entities and a shareholder are unsecured, interest-free and repayable on demand.

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:

	30 September 2010 \$'000	31 March 2010 \$'000
Current	<u>105,743</u>	<u>115,949</u>
Less than 61 days past due	32,097	19,637
61 to 90 days past due	1,630	2,830
More than 90 days past due	<u>2,648</u>	<u>2,892</u>
Amounts past due	<u>36,375</u>	<u>25,359</u>
	<u><u>142,118</u></u>	<u><u>141,308</u></u>

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

9. TRADE AND OTHER PAYABLES

	30 September 2010 \$'000	31 March 2010 \$'000
Trade creditors	99,647	88,695
Bills payable	9,216	3,387
	<u>108,863</u>	<u>92,082</u>
Accrued charges and other creditors	88,368	70,077
Amounts due to related companies	1,242	427
Amounts due to jointly controlled entities	5,231	96
Amount due to a shareholder		
- Chan Family Investment Corporation Limited	-	2,139
	<u>203,704</u>	<u>164,821</u>
Derivative financial instruments	7,638	-
	<u>211,342</u>	<u>164,821</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 related companies, jointly controlled entities and a shareholder are unsecured, interest-free and repayable on demand.

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

	30 September 2010 \$'000	31 March 2010 \$'000
Current	70,207	65,987
Less than 61 days past due	34,389	21,078
61 to 90 days past due	959	3,488
More than 90 days past due	3,308	1,529
	<u>38,656</u>	<u>26,095</u>
Amounts past due	38,656	26,095
	<u>108,863</u>	<u>92,082</u>

INTERIM DIVIDEND

The Board have resolved to pay an interim dividend of HK\$0.02 (2009: HK\$0.01) per share for the six months ended 30 September 2010 to shareholders whose names appears on the register of members of the Company as at the close of business on 15 December 2010. The interim dividend is expected to be paid on or around 21 December 2010.

CLOSURE OF REGISTER OF MEMBER

The register of members of the Company will be closed from 10 December 2010 to 15 December 2010 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 9 December 2010.

BUSINESS REVIEW AND PROSPECTS

The drastic increase in profit (2010: HK\$29,247,000, 2009: HK\$2,313,000) for our group was caused largely by the huge improvement in profit from our textile investment, Wuxi no. 1 Cotton Investment Company in China. Currently most textile business including spinning such as ours is enjoying a very profitable cycle. Cotton yarn prices are at historical high and our textile company has well positioned itself to benefit from the present situation. Our garment trading and manufacturing business remain difficult but stable. Export markets in both the USA and Europe remain weak but we are starting to develop more business in selling to domestic brands in China. During this period under review, losses from our Panyu factories have been reduced. We also have been successful in reducing further our administration and operating expenses. Looking forward we believe the second half results to be similar in that most profit will be generated from our Wuxi textile investment while garment business will remain steady.

FINANCIAL POSITION AND CAPITAL STRUCTURE

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

As at 30 September 2010, the cash and bank balances of the Group were approximately HK\$189,128,000 (as at 31 March 2010: HK\$184,770,000).

As at 30 September 2010 and 31 March 2010, the gearing ratio (calculated by dividing total bank borrowings by total equity) of the Group was zero as the Group did not have any short term borrowings and long term borrowings as at 30 September 2010 and 31 March 2010. As at 30 September 2010, 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. As most of the Group's sales, purchases, cash and bank balances and bank borrowings 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 30 September 2010, the Group has outstanding foreign exchange contracts amounting to HK\$203,615,000.

The share capital of the Company remained unchanged during the period under review.

PLEDGE OF ASSETS

As at 30 September 2010, none of the assets of the Group was pledged.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2010, the Group, including its subsidiaries but excluding its associates and jointly controlled entities, employed approximately of 3,900 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 23 September 2004, the Company adopted a share option scheme (the "Share Option Scheme") which will remain in force until 22 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 14,024,579 shares. On 19 September 2006, it was approved in the Annual General Meeting that the maximum number of options to be granted under the Share Option Scheme was increased to 21,036,868 shares, representing 10% of the total number of ordinary shares in issue on that day.

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 shares during the period ended 30 September 2010.

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 unaudited interim financial statements of the Group for the period ended 30 September 2010.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied throughout the period ended 30 September 2010 with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Company's articles of association.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a Securities Dealing Code regarding director's securities transactions on terms no less exacting than required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 of the Listing Rules. All Directors have confirmed, upon specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and its Securities Dealing Code throughout the period under review.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.ygm.com.hk under "Results Announcement". The interim report for the period ended 30 September 2010 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, 24 November 2010

As at the date of this announcement, the Board consists of eight executive directors, namely Dr. Chan Sui Kau, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley and Mr. So Ying Woon, Alan and three independent non-executive directors, namely Mr. Leung Hok Lim, Mr. Lin Keping and Mr. Sze Cho Cheung, Michael.