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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)

MAJOR TRANSACTION: DISPOSAL OF PROPERTIES

On 9 September 2009, the Vendor (which is a wholly owned subsidiary of the Company) entered into the Disposal Agreement with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Properties at an aggregate consideration of HK\$120,000,000.

The Disposal constitutes a major transaction of the Company for the purpose of the Listing Rules and will be subject to the approval by the Shareholders. Since no Shareholders or any of their associates (within the meaning of the Listing Rules) are required to abstain from voting if a general meeting is to be convened for the approval of the Disposal, the Company has sought and obtained the written approval of the Disposal from the Shareholders who hold more than 50% in nominal value of the issued share capital of the Company in lieu of holding a general meeting for the approval of the Disposal pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, details of the Disposal will be despatched to the Shareholders in compliance with the requirements under the Listing Rules as soon as practicable.

DISPOSAL OF PROPERTIES

The board of directors (the “**Directors**”) of YangtzeKiang Garment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that on 9 September 2009, Fábrica de Artigos de Vestuário Tac Cheong, Limitada (Chinese transliteration being “德祥製衣廠有限公司”) (a wholly owned subsidiary of the Company) (the “**Vendor**”) entered into a preliminary sale and purchase agreement (the “**Disposal Agreement**”) which is legally binding under the laws of the Special Administrative Region of Macau (“**Macau**”) of the People’s Republic of China with a purchaser (the “**Purchaser**”) in relation to the sale and purchase (the “**Disposal**”) of the Properties (as defined below). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Purchaser is a limited liability company incorporated in Macau and principally engaged in the development, sale and purchase, and management of properties.

Pursuant to the Disposal Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the premises located at Avenida do Coronel Mesquita Nos. 52, 54, 56 e 58, Units A R/C, A1-A8, Macau, which are currently held by the Vendor (the “**Properties**”), at an aggregate consideration of HK\$120,000,000. The aggregate consideration for the Disposal was determined by the parties after arm’s length negotiations between the parties with reference to recent transaction prices of properties with similar conditions located in the vicinity of the Properties as provided by the property agents.

A sum of HK\$36,000,000 was paid to the Vendor as initial deposit upon the signing of the Disposal Agreement. The balance of the aggregate consideration of HK\$84,000,000 will be paid by the Purchaser when the Vendor and the Purchaser enter into the sale and purchase deed (upon which completion of the Disposal shall occur) by no later than 15 January 2010; or at any later time as the notary appointed under the Disposal Agreement deems suitable, or at such other time as agreed by the parties.

Information on the Properties

Certain parts of the Properties are currently leased out for rental income with the majority portion of the Properties being vacant. The net profits before and after tax and minority interests attributable to the Properties for the year ended 31 March 2008 were approximately HK\$3,261,000 and approximately HK\$2,305,000, respectively. The net profits before and after tax and minority interests attributable to the Properties for the year ended 31 March 2009 were approximately HK\$2,424,000 and approximately HK\$1,827,000, respectively. The net asset value of the Properties as at 31 March 2009 was HK\$37,855,000. The Company will realise a net disposal gain before tax and minority interests of approximately HK\$82,145,000 as a result of the Disposal, subject to final audit.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing and sale of garment products and textiles, the provision of processing services and the rental of properties.

The Directors consider that the rising property market in Macau presents a good opportunity for the Group to yield a reasonable return from the realisation of the Properties. In deciding (i) the timing of the Disposal and (ii) whether the consideration for the Disposal represents a fair value of the Properties, the Directors have taken into account fully, among other matters, the rising property market in Macau.

The Directors are of the view that the Disposal is on normal or better commercial terms to the Group and is fair and reasonable and in the interests of the Company and its shareholders (the “Shareholders”) as a whole.

The total net proceeds from the Disposal, after the deduction of related fees and expenses payable by the Vendor, will amount to approximately HK\$119,500,000. The Company intends to use such net proceeds as general working capital of the Group.

LISTING RULES REQUIREMENT

The Disposal constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and will be subject to the approval by the Shareholders which may be given by a majority vote at a general meeting of the Shareholders or a written Shareholders’ approval in lieu of holding a general meeting on the conditions that (i) no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the transaction; and (ii) the written Shareholders’ approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% in nominal value of the securities giving the right to attend and vote at that general meeting to approve the transaction.

Since no Shareholders of the Company or any of their associates (within the meaning of the Listing Rules) are required to abstain from voting if a general meeting was to be convened for the approval of the Disposal, the Company has obtained the written approval for the Disposal from the Shareholders who hold more than 50% in nominal value of the issued share capital of the Company in lieu of holding a general meeting for the approval of the Disposal pursuant to Rule 14.44 of the Listing Rules.

The following persons or entities, being the Shareholders not interested in the Disposal and who are beneficially interested in an aggregate of 116,035,256 shares in the capital of the Company which represent approximately 55.16% in nominal value of the issued share capital of the Company, and who shall comprise a closely allied group of Shareholders for the purposes of Rule 14.44 of the Listing Rules, gave their written approval of the Disposal on 8 September 2009 and in compliance with Rule 14.60(5) of the Listing Rules, the details of these shareholders are as follows:

Name of beneficial Shareholder	Relationship among the Shareholders	No. of ordinary shares of the Company beneficially interested	Approximate percentage of total issued share capital of the Company as of the date of the written approval
Chan Sui Kau (“ SK Chan ”)	–	6,324,696	3.01%
Chan Wing Fui Peter (“ Peter Chan ”)	Son of SK Chan and the brother of Samuel Chan and Shirley Chan	486,102	0.23%
Chan Wing Sun Samuel (“ Samuel Chan ”)	Son of SK Chan and the brother of Peter Chan and Shirley Chan	11,244	0.01%
Chan Suk Ling Shirley (“ Shirley Chan ”)	Daughter of SK Chan and the sister of Peter Chan and Samuel Chan	1,728,816	0.82%
Chan Wing Kee (“ WK Chan ”)	Nephew of SK Chan and the brother of WT Chan, SM Chan and David Chan	1,761,624	0.84%
Chan Wing To (“ WT Chan ”)	Nephew of SK Chan and the brother of WK Chan, SM Chan and David Chan	2,934,054	1.39%
Chan Lam Moon Chun	Spouse of SK Chan	3,999,354	1.90%
Chan Fung Kit Ching	Spouse of WK Chan	208,356	0.10%
Chan Wing Chak David (“ David Chan ”)	Nephew of SK Chan, the brother of WK Chan, WT Chan and SM Chan	20,000	0.01%

Chan Suk Man ("SM Chan")	Niece of SK Chan, the sister of WK Chan, WT Chan and David Chan	1,535,442	0.73%
Chan Family Investment Corporation Limited ("CFICL")	Company owned by SK Chan, Peter Chan, WK Chan, WT Chan, Samuel Chan, Shirley Chan, SM Chan and other members of the Chan Family	37,750,734	17.94%
Hearty Development Limited	Company indirectly owned by Peter Chan, WK Chan, WT Chan, Samuel Chan, Shirley Chan, SM Chan and other members of the Chan Family	1,574,480	0.75%
Super Team International Limited	Company indirectly owned by WK Chan, WT Chan, SM Chan and other members of the Chan Family	2,383,500	1.13%
Yangtzekiang Investment Co. (Panama) Ltd. Inc.	Company wholly-owned by SK Chan	5,611,230	2.67%
Trans-Business Inc.	Company wholly-owned by spouse of Peter Chan	1,505,130	0.72%
Runnymede Consultants Ltd.	Company established for the benefit of family members of Samuel Chan	2,343,080	1.11%
Priority Holdings Limited	Company established for the benefit of family members of Samuel Chan	700,000	0.33%
Davidson Trust	Trust set up by David Chan	2,280,000	1.08%

Joycome Limited	Company indirectly owned by Peter Chan, WK Chan, WT Chan, Samuel Chan, Shirley Chan, SM Chan and other members of the Chan Family	34,595,908	16.45%
Tai Wah Investment Co. Ltd.	Subsidiary of CFICL	8,091,360	3.85%
YangtzeKiang Investment Co. Ltd.	Subsidiary of CFICL	190,146	0.09%
	Aggregate:	116,035,256	55.16%

GENERAL

A circular containing, among other things, details of the Disposal will be despatched to the Shareholders in compliance with the requirements under the Listing Rules as soon as practicable.

By Order of the Board
YangtzeKiang Garment Limited
Hui Sau Ling
Secretary

Hong Kong, 9 September 2009

As at the date of this announcement, the Board comprises eight executive Directors, namely Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Suk Man, Chan Wing Sun Samuel, Chan Suk Ling Shirley and So Ying Woon Alan, and, three independent non-executive Directors, namely Leung Hok Lim, Wong Lam and Lin Keping.

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