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**YANGTZEKIANG GARMENT
MANUFACTURING COMPANY LIMITED**

長江製衣廠有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 294)

**ESTABLISHMENT OF A PRC JOINT VENTURE
QINGHAI WAN ZHAO NINGBEI ELECTRIC CORPORATION LTD.**

青海萬兆寧北發電有限公司

DELAY IN DESPATCH OF CIRCULAR

Despatch of the Circular regarding the establishment of 青海萬兆寧北發電有限公司 (Qinghai Wan Zhao Ningbei Electric Corporation Ltd.) which constitutes a major transaction for the Company will be delayed from 5th August, 2004 to 26th August, 2004.

Reference is made to the announcement of the Company dated 14th July, 2004 (“Announcement”) in relation to the establishment of 青海萬兆寧北發電有限公司 (Qinghai Wan Zhao Ningbei Electric Corporation Ltd.) which constitutes a major transaction for the Company. Terms used herein have the same meanings as defined in the Announcement.

Pursuant to Rule 14A.49 of the Listing Rules, the Company is required to despatch a circular (the “Circular”) in respect of the Transaction to its Shareholders within 21 days after publication of the Announcement, being no later than 5th August, 2004.

Since the Company needs additional time to finalise certain financial information relating to the Group and in particular, the statement of indebtedness, to be included in the Circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 26th August, 2004.

By Order of the Board
**Yangtzekiang Garment Manufacturing
Company Limited**
Chan Wing Fui, Peter
Vice Chairman

Hong Kong, 4th August, 2004

As at the date of this announcement, the executive directors of the Company are Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Suk Man, Chan Wing Sun Samuel, Chan Wing Chak David and Chan Suk Ling Shirley; the non-executive director of the Company is Yeung Wing Tak; and the independent non-executive directors of the Company are Leung Hok Lim, Wong Lam and Lin Keping.

Please also refer to the published version of this announcement in China Daily.