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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)

RESULTS OF THE RIGHTS ISSUE

The Directors announce that 851 valid applications have been received for an aggregate of 62,492,201 Rights Shares under PALs and 376 valid applications have been received for an aggregate of 48,534,875 Rights Shares under EAFs. The 111,027,076 Rights Shares applied for by the Qualifying Shareholders under PALs and EAFs represent approximately 158% of the total number of 70,122,896 Rights Shares offered under the Rights Issue.

The Rights Issue has become unconditional from 4:00 p.m. on Monday, 11th October, 2004.

Reference is made to the press announcements of YangtzeKiang Garment Manufacturing Company Limited (the “Company”) dated 30th August, 2004 and 20th September, 2004 and the prospectus of the Company dated 21st September, 2004 in relation to the Rights Issue (“Prospectus”). Capitalised terms used herein have the same meanings as defined in the Prospectus unless otherwise stated.

RESULTS OF THE RIGHTS ISSUE

As at 4:00 p.m. on Thursday, 7th October, 2004, being the latest time for acceptance of and application and payment for the Rights Shares, 851 valid applications have been received for an aggregate of 62,492,201 Rights Shares under PALs and 376 valid applications have been received for an aggregate of 48,534,875 Rights Shares under EAFs.

The 111,027,076 Rights Shares applied for by the Qualifying Shareholders under PALs and EAFs represent approximately 158% of the total number of 70,122,896 Rights Shares offered under the Rights Issue. The Rights Issue has become unconditional from 4:00 p.m. on Monday, 11th October, 2004.

The 7,630,695 Rights Shares provisionally allotted to but not accepted by the Qualifying Shareholders have been allotted to applicants under the EAFs on the following basis:

Number of excess Rights Shares applied for	Number of valid applications	Basis of Allotment	Total of number of Shares allotted
1-999	43	In full	26,730
1,000-250,800	297	Odd lot Rights Shares applied for plus 14.80% of the remaining Rights Shares applied for (rounded up to the nearest board lot)	1,623,216
250,801-3,800,500	35	Odd lot Rights Shares applied for plus 14.81% of the remaining Rights Shares applied for (rounded up to the nearest board lot)	4,900,318
7,283,611	1	1,080,431	1,080,431
Total	<u>376</u>		<u>7,630,695</u>

Preference has been given to applications for topping up odd lots to whole board lots of Shares. The Directors consider the basis of allocation of the said 7,630,695 Rights Shares is fair and equitable.

DESPATCH OF REFUND CHEQUES AND SHARE CERTIFICATES

Refund cheques in respect of those part of unsuccessful applications for excess Rights Shares and share certificates in respect of the fully-paid Rights Shares will be despatched by ordinary post on Tuesday, 12th October, 2004 to those entitled thereto to their registered addresses at their own risk.

RIGHTS SHARES TAKEN UP BY CHAN FAMILY

Pursuant to the Undertaking, the CFICL Group has taken up its provisional allotment of 8,767,834 Rights Shares. Pursuant to the Nil-paid Acquisition Agreement, CFICL has taken up the 18,085,194 Rights Shares provisionally allotted to Joycome and Hearty (or their respective nominees). Pursuant to the Undertaking, members of the Chan Family other than the CFICL Group, Joycome and Hearty have taken up a total of 11,317,772 Rights Shares provisionally allotted to them under the Rights Issue. None of the members of the Chan Family who is a party to the Undertaking has applied for any excess Rights Shares.

Following completion of the Rights Issue, the Chan Family is interested in an aggregate of 114,512,400 Shares, representing approximately 54.43% of the issued share capital of the Company. The remaining 95,856,288 Shares, which represent approximately 45.57% of the issued share capital of the Company, are held by the public following completion of the Rights Issue.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following is a summary of the shareholding structure of the Company before and upon completion of the Rights Issue:

Shareholder	Shareholding before completion of the Nil-paid Acquisition Agreement and the Rights Issue		Shareholding upon completion of the Nil-paid Acquisition Agreement and the Rights Issue	
	Shares	%	Shares	%
CFICL Group	17,535,668	12.50	44,388,696	21.10
Joycome	34,595,908	24.67	34,595,908	16.44
Hearty	1,574,480	1.12	1,574,480	0.75
Other members of the Chan Family	22,635,544	16.14	33,953,316	16.14
<i>Subtotal for Chan Family</i>	<u>76,341,600</u>	<u>54.43</u>	<u>114,512,400</u>	<u>54.43</u>
Public	<u>63,904,192</u>	<u>45.57</u>	<u>95,856,288</u>	<u>45.57</u>
<i>Total</i>	<u><u>140,245,792</u></u>	<u><u>100.00</u></u>	<u><u>210,368,688</u></u>	<u><u>100.00</u></u>

GENERAL

As at the date of this announcement, the executive Directors 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 is Yeung Wing Tak; and the independent non-executive Directors are Leung Hok Lim, Wong Lam and Lin Keping.

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

Hong Kong, 11th October, 2004

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