YGM TRADING LIMITED

(Incorporated in Hong Kong with limited liabilities)
(Stock Code : 00375)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The Board of Directors of YGM Trading Limited (the "Company") is pleased to announce that the unaudited consolidated interim results of the Company and its subsidiaries and associates (the "Group") for the six months ended 30 September 2009 together with the comparative figures for the corresponding period and selected explanatory notes are as follows :

Condensed Consolidated Profit and Loss Account
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September 2009 (Unaudited) $'000	2008 (Unaudited) $'000
Turnover	3	**411,058**	437,534
Cost of sales		**(151,395)**	(177,572)
Gross profit		**259,663**	259,962
Other revenue		**5,329**	4,577
Other net loss		**(699)**	(998)
Distribution costs		**(156,097)**	(174,368)
Administrative expenses		**(68,820)**	(73,956)
Other operating expenses		**(708)**	(935)
Profit from operations		**38,668**	14,282
Valuation losses on investment properties		**-**	(3,400)
Finance costs		**(345)**	(1,139)
Share of profits less losses of associates		**8,858**	7,577
Profit before taxation	4	**47,181**	17,320
Income tax	5	**(6,282)**	(1,292)
Profit for the period		**40,899**	16,028
Attributable to :			
Equity shareholders of the Company		**41,672**	17,092
Minority interests		**(773)**	(1,064)
Profit for the period		**40,899**	16,028
Earnings per share	7		
Basic		**27.1 cents**	11.1cents
Diluted		**27.1 cents**	11.1cents

Condensed Consolidated Statement of Comprehensive Income
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	$'000	*$'000*
Profit for the period	**40,899**	16,028
Other comprehensive income for the period :		
Exchange differences on translation of financial statements of foreign entities	**4,535**	(1,889)
Share of exchange reserve of associates	**9,161**	(11,909)
	13,696	(13,798)
Total comprehensive income for the period	**54,595**	2,230
Attributable to :		
Equity shareholders of the Company	**54,616**	4,178
Minority interests	**(21)**	(1,948)
Total comprehensive income for the period	**54,595**	2,230

Condensed Consolidated Balance Sheet
(Expressed in Hong Kong dollars)

	Note	**At 30 September 2009 (Unaudited)**		At 31 March 2009 (Audited)	
		$'000	***$'000***	*$'000*	*$'000*
Non-current assets					
Fixed assets					
- Investment properties			**53,300**		53,300
- Other property, plant and equipment			**116,963**		122,542
- Interest in leasehold land held for own use under operating lease			**5,459**		5,533
			175,722		181,375
Intangible assets			**286,914**		107,709
Lease premium			**10,745**		9,727
Interest in associates			**119,940**		109,962
Other financial assets			**71,967**		34,642
Deferred tax assets			**58,618**		55,679
			723,906		499,094
Current assets					
Trading securities		**5,546**		4,537	
Inventories		**142,019**		140,353	
Trade and other receivables	8	**122,744**		106,874	
Cash and cash equivalents		**110,440**		238,615	
Current tax recoverable		**1,070**		2,091	
		381,819		492,470	
Current liabilities					
Trade and other payables	9	**213,741**		155,221	
Bank loans and overdrafts		**57,539**		14,518	
Current tax payable		**10,884**		8,930	
		282,164		178,669	
Net current assets			**99,655**		313,801
Total assets less current liabilities			**823,561**		812,895
Non-current liabilities					
Bank loans		**2,807**		3,467	
Deferred tax liabilities		**10,985**		11,181	
			13,792		14,648
NET ASSETS			**809,769**		798,247
CAPITAL AND RESERVES					
Share capital			**76,916**		76,916
Reserves			**713,929**		702,386
Total equity attributable to shareholders of the Company			**790,845**		779,302
Minority interests			**18,924**		18,945
TOTAL EQUTIY			**809,769**		798,247

Notes to the Condensed Consolidated Financial Statements
(Expressed in Hong Kong dollars)

1. Basis of preparation

The interim financial report are unaudited and have been prepared in accordance with the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), 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 annual financial statements of the Group for the year ended 31 March 2009, except for the accounting policy changes that are expected to be reflected in the annual financial statements of the Group for the year ending 31 March 2010. 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 interim 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 of the Group for the year ended 31 March 2009. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issues by HKICPA.

The financial information relating to the financial year ended 31 March 2009 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 2009 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 10 July 2009.

2. Principal accounting policies

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations 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 8, 'Operating segments'
- HKAS 1 (revised 2007), 'Presentation of financial statements'
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, 'Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate'
- Amendments to HKFRS 7, 'Financial instruments : Disclosures – improving disclosures about financial instruments'
- HKAS 23 (revised 2007), 'Borrowing costs'
- Amendments to HKFRS 2, 'Share-based payment – vesting conditions and cancellations'

The amendments to HKAS 23 and HKFRS 2 have had no material impact on the Group's financial statements as the amendments were consistent with policies already adopted by the Group. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of the remainder of these developments on the interim financial report is as follows :

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, but has not resulted in additional reportable segments being identified and presented (see note 3). As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.

- As a result of adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit and loss, total income and expense or net assets for any period presented.

- The "Improvements to HKFRSs (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. Of these, the following amendment has resulted in changes to the Group's accounting policies :

    - As a result of amendments to HKSA 28, 'Investment in associates', impairment losses recognised in respect of the associates and jointly controlled entities carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group allocated impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the loss to be reversible. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any impairment losses that arise in the current or future periods and previous periods have not been restated.

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognizing dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not restated.

3. Segment reporting

The Group manages its business by divisions, which are organized by business lines (products and services). On first-time adoption of HKFRS 8 'Operating segments' and 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 identified the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Sales of garments : the manufacture, retail and wholesale of garments.
- Royalty and related income : the management and licensing of a trademark for royalty income.
- Printing and related services : the manufacture and sale of printed products.
- Property rental : the leasing of properties to generate rental income.

Unaudited six months ended 30 September

	Sales of garments		Royalty and related income		Printing and related services		Property rental		Inter-segment elimination		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**364,386**	386,477	**30,502**	30,114	**15,484**	18,776	**686**	2,167	**-**	-	**411,058**	437,534
Inter-segment revenue	**-**	-	**897**	-	**780**	1,391	**3,231**	3,199	**(4,908)**	(4,590)	**-**	-
Total	**364,386**	386,477	**31,399**	30,114	**16,264**	20,167	**3,917**	5,366	**(4,908)**	(4,590)	**411,058**	437,534
Segment result	**29,963**	11,640	**8,767**	2,015	**1,657**	3,331	**2,523**	2,759			**42,910**	19,745
Inter-segment transactions	**1,296**	1,633	**-**	-	**218**	101	**(1,514)**	(1,734)			**-**	-
Contribution from operations	**31,259**	13,273	**8,767**	2,015	**1,875**	3,432	**1,009**	1,025			**42,910**	19,745
Unallocated operating income and expenses											**(4,242)**	(5,463)
Profit from operations											**38,668**	14,282
Valuation losses on investment properties											**-**	(3,400)
Finance costs											**(345)**	(1,139)
Share of profits less losses of associates	**8,858**	7,577									**8,858**	7,577
Income tax											**(6,282)**	(1,292)
Profit after taxation											**40,899**	16,028

The following tables presents segment assets and liabilities of the Group's operating segments.

	Sales of garments	Royalty and related income	Printing and related services	Property rental	Inter-segment elimination	Consolidated
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Unaudited at 30 September 2009 :						
Segment assets	314,010	341,678	23,819	53,308	-	732,815
Interest in associates	115,220	-	-	-	4,720	119,940
Unallocated assets	-	-	-	-	252,970	252,970
Total assets						1,105,725
Segment liabilities	153,512	50,451	3,861	269	-	208,093
Unallocated liabilities	-	-	-	-	87,863	87,863
Total liabilities						295,956
Audited at 31 March 2009 :						
Segment assets	336,490	127,345	25,176	53,423	-	542,434
Interest in associates	105,242	-	-	-	4,720	109,962
Unallocated assets	-	-	-	-	339,168	339,168
Total assets						991,564
Segment liabilities	114,978	28,233	4,435	310	-	147,956
Unallocated liabilities	-	-	-	-	45,361	45,361
Total liabilities						193,317

4. Profit before taxation

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

	Six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	$'000	*$'000*
(a) *Finance costs*		
Interest on bank advances and other borrowings wholly repayable within five years	**345**	1,139
(b) *Staff costs*		
Contributions to defined contribution retirement plans	**6,108**	6,806
Salaries, wages and other benefits	**73,911**	82,872
	80,019	89,678
(c) *Other items*		
Amortisation of intangible assets	**390**	390
Depreciation and amortisation on owned assets	**12,552**	13,544
Share of associates' taxation	**2,364**	1,933
Net realised and unrealised (gain)/ loss on trading securities	**(866)**	1,246
Interest income	**(1,229)**	(2,473)
Dividend income from listed securities	**(5)**	(8)

5. Income tax

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008 : 16.5%) of the estimated assessable profits for the period. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

	Six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	$'000	*$'000*
Hong Kong Profits Tax	**2,175**	2,891
Overseas taxation	**3,729**	(988)
Deferred tax relating to the origination and reversal of temporary differences	**378**	(611)
	6,282	1,292

6. Dividends

Interim dividends attributable to the period are as follows:

	Six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	$'000	*$'000*
Interim dividend declared of 15.0 HK cents (2008 : 10.0 HK cents) per share	**23,075**	15,383

The dividends declared after the balance sheet date of the interim period have not been recognised as a liability at the balance sheet date.

7. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $41,672,000 (2008 : $17,092,000) and 153,831,792 (2008: 153,831,792) ordinary shares in issue during the period.

(b) Diluted earnings per share

The Company did not have dilutive potential ordinary shares outstanding during both 2009 and 2008. Accordingly, the diluted earnings per share is the same as the basic earnings per share for both 2009 and 2008.

8. Trade and other receivables

	30 September	31 March
	2009	2009
	(Unaudited)	(Audited)
	$'000	*$'000*
Debtors and bills receivable	**69,042**	64,060
Less : Allowance for doubtful debts	**(13,364)**	(12,159)
	55,678	51,901
Deposits and prepayments	**66,203**	50,143
Amounts due from related companies	**3**	3,970
Club memberships	**860**	860
	122,744	106,874

All of the Group’s trade and other receivables, apart from club memberships and deposits of $26,150,000 (31 March 2009 : $24,921,000), are expected to be recovered or recognised as expense within one year.

Included in trade and other receivables are trade debtors and bills receivable (net of impairment losses for bad and doubtful debts) with the following ageing analysis as of the balance sheet date :

	30 September 2009 (Unaudited) $'000	31 March 2009 (Audited) $'000
Current	**48,663**	46,416
1 to 3 months	**6,460**	5,069
More than 3 months but less than 12 months	**555**	416
	55,678	51,901

The Group's credit risk is primarily attributable to trade and other receivables, listed debt securities and deposits with banks and other financial institutions. Management has a credit policy in place and exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into current information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days to 90 days from the date of billing.

9. Trade and other payables

	30 September 2009 (Unaudited) $'000	31 March 2009 (Audited) $'000
Bills payable	**797**	1,377
Creditors and accrued charges	**208,497**	151,923
Amounts due to related companies	**4,447**	1,921
	213,741	155,221

All of the trade and other payables are expected to be settled within one year.

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 2009 (Unaudited) $'000	31 March 2009 (Audited) $'000
Due within 1 month or on demand	**26,743**	22,665
Due after 1 month but within 3 months	**19,039**	14,086
Due after 3 months but within 6 months	**1,927**	1,935
Due after 6 months but within 12 months	**1,045**	947
	48,754	39,633

10. Acquisition of Certain Trademarks of "AQUASCUTUM"

On 8 September 2009, the Group completed the acquisition of all right, title and interest in the intellectual property rights of "AQUASCUTUM" in relation to the Asian territories ("Asian IP Rights") at a cash consideration of ￡13,700,000 (equivalent to approximately HK$173,716,000). Asian territories consists 42 countries and regions in Asia including, but not limited to, the People's Republic of China ("the PRC"), Hong Kong, Japan, the Republic of Korea, Indonesia, India, the Philippines, Malaysia, Thailand, Taiwan, Singapore, Brunei and Macau.

Prior to completion of the acquisition, the Group had been a licensee of the "AQUASCUTUM" brand for Hong Kong, Macau, the PRC, Taiwan, Singapore, Malaysia and Thailand pursuant to a license agreement entered on 25 June 2003 and a variation agreement on 25 January 2006 (the "Licence Agreement"). Upon completion, the Group is no longer required to pay royalties under the Licence Agreement, in respect of which the Group paid to the former owner aggregate royalties of approximately US$7,520,000 (equivalent to approximately HK$58,656,000) for the three years ended 31 December 2008. And, the Group and Renown Incorporated ("Renown") entered into a licence agreement, under which the Group granted a licence to Renown for the use of certain Asian IP Rights in the manufacture, distribution and sale of certain approved products in the territory of Japan in consideration of the payment of the annual royalty calculated in accordance with the terms therein by Renown to the Group and for an initial term of about ten years commencing on the date of completion and ending on 31 December 2019 (the "Initial Term") (with an option to extend for another ten years from the end of the original term to be exercised by Renown no later than 31 December 2017). The Group will receive from Renown aggregate royalty income of not less than Japanese ￥5,000,000,000 (equivalent to approximately HK$425,000,000) for the Initial Term.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Group Operations

The Group completed the acquisition of all right, title and interest in the intellectual property rights of "AQUASCUTUM" in relation to 42 countries and regions in Asia on 8 September 2009. The favorable impact on the operating results of the Group was insignificant in the period under review. On the other hand, all our markets were still affected by the financial tsunami in Asia. Turnover of the Group for the period ended 30 September 2009 decreased by 6.1% from HK$437,534,000 for the corresponding period of 2008 to HK$411,058,000. Total sales of garment, the Group's principal business, decreased by 5.7% to HK$364,386,000 (2008 : HK$386,477,000). As a result of the acquisition of Aquascutum, total royalty and related income from external customers for the period under review increased slightly to HK$30,502,000 (2008 : HK$30,114,000).

As a result of implementation of comprehensive program of cost discipline by the management, the Group's gross profit for the period ended 30 September 2009 decreased slightly to HK$259,287,000 (2008 : HK$259,962,000) in spite of a 6.1% decrease in the Group's turnover. Gross profit margin improved to 63.1% (2008 : 59.4%). Total selling and distribution expenses decreased from HK$174,369,000 for the previous year same period to HK$156,098,000. In addition, total administrative expenses decreased to HK$68,820,000 (2008 : HK$73,956,000). Hence, profit from operations surged from HK$14,282,000 for the previous year same period to HK$38,669,000.

Profit attributable to equity shareholders of the Company for the period was HK$41,672,000 (2008 : HK$17,092,000) which included an unrealized gain on valuation of trading securities at fair value of HK$866,000 in the period as against an unrealized loss of HK$1,342,000 in the previous year same period. In addition, a valuation loss on investment properties of HK$3,400,000 was recorded in 2008.

Business review

The first half of this financial year presented a very interesting period for the Group. Turnover of the Group dropped by 6.1% to HK$411.1 million. However, the tightening of overheads implemented after the financial tsunami is paying dividend resulting to an increase in profit attributable to shareholders of 116% to HK$41.7 million (2008 : HK$17.1 million).

The most interesting development during the period under review is the successful acquisition of all right, title and interest in the intellectual property rights of "AQUASCUTUM" in relation to 42 countries and regions in Asia, at a cash consideration of ￡13.7 million, together with a significant royalty income stream. As YGM is now the owner of "AQUASCUTUM" in our territories, we are no longer limited to products we can market. Such freedom will enable the Group to embark on rapid expansion in Mainland China market in years to come. The Group will also be freed from paying royalty which is quite significant in the past years. Moreover, as we had acquired 42 countries and regions in the deal, we will be able to obtain further income from potential markets.

As of September 2009, the Group has 158 Aquascutum outlets, 70 Ashworth outlets and 86 Michel Rene outlets in the Greater China region and South East Asia. And, the Group also has 1 Guy Laroche outlet in Europe.

	Breakdown of outlets by geographical locations		
	As of September 2009	As of March 2009	+/(-) outlets
Geographical locations			
Hong Kong	**35**	35	0
Macau	**8**	8	0
Other areas of the People's Republic of China	**211**	215	-4
Taiwan	**47**	49	-2
Europe	**1**	1	0
South East Asian countries	**13**	13	0
Total	**315**	321	-6

Other business

The Group also owns the global label Guy Laroche with a headquarter in Paris. The French company reports a profit for the period under review in spite of a weak Global market. Despite efforts to contain increase in expenses, our manufacturing plant in Dongguan suffered another loss for the period. The plant reported a decrease in turnover which is in line with export manufacturers in the Guangdong province in general. Our security printing business reported a lower but still very healthy profit. Rental income from remaining industrial building is steady.

Prospects

The Mainland China market is still growing at a steady pace, and with it a growing number of well to do consumers. Our group will benefit from such developments especially now it owns outright the Aquascutum name in China.

Capital expenditure

During the period, the Group spent approximately HK$6,681,000 in recurring additions and replacement of fixed assets, compared to HK$17,570,000 for the previous year.

Liquidity and financial resources

The Group financed its operations by internally generated cashflows and banking facilities provided by its bankers. The Group continues to maintain a prudent approach to managing its financial requirements.

For the period ended 30 September 2009, the Group generated HK$88,706,000 (2008 : HK$27,565,000) of cash from operations. As at 30 September 2009, the Group had cash and bank deposits net of overdrafts and short-term bank loans of HK$50,094,000, a decrease from HK$220,630,000 as at 31 March 2009 after a payment of ￡13,700,000 (approximately HK$173,716,000) for acquisition of all right, title and interest in the intellectual property rights of "AQUASCUTUM" in relation to 42 countries and regions in Asia and a payment of dividend of HK$43,070,000 during the period. At 30 September 2009, the Group had listed securities which were readily convertible into cash with a fair value of HK$5,546,000.

The Group's net assets as at 30 September 2009 were HK$809,769,000 as compared with HK$798,247,000 as at 31 March 2009. The Group's gearing ratio at the period end was 0.076 (31 March 2009 : 0.023) which was calculated based on total borrowings of HK$60,346,000 (31 March 2009 : HK$17,985,000) and shareholders' equity of HK$790,845,000 (31 March 2009 : HK$779,302,000). The Group's borrowings are mainly on a floating rate basis.

The Group also maintains a conservative approach to foreign exchange exposure management. The Group's income and expenditure streams are mainly denominated in Hong Kong Dollars, New Taiwan Dollars, Pounds Sterling, Euros, Renminbi and Macau Pataca. To manage currency risks, non Hong Kong Dollar assets are financed primarily by matching local currency debts as far as possible.

As at 30 September 2008, certain investment properties with an aggregate carrying value of HK$50,800,000 were pledged to banks for obtaining banking facilities of which HK$nil was utilised.

As at 30 September 2009, there were contingent liabilities in respect of guarantees given to banks by the Company in respect of banking facilities extended to certain subsidiaries amounting to approximately HK$101,716,500, as compared with HK$96,966,000 as at 31 March 2009.

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 eligible participants including directors and employees of the Group to subscribe for shares in the Company, subject to a maximum of 15,469,879 new shares.

During the period, no share options were granted to directors and employees of the Group and no options were exercised.

Human resources

As at 30 September 2009, the Group had approximately 2,200 employees. The Group offers competitive remuneration packages including medical subsidies and retirement scheme contributions to its employees in compensation for their contribution. In addition, discretionary bonuses and share options may also be granted to the eligible employees based on the Group's and individuals' performances.

INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of 15.0 HK cents (2008 : 10.0 HK cents) per share for the six months ended 30 September 2009 to shareholders whose names appears on the register of members of the Company as at the close of business on 5 January 2010. The interim dividend will be despatched to shareholders on 15 January 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 6 January 2010 to 11 January 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 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 5 January 2010.

CORPORATE GOVERNANCE

The Company had compiled with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2009.

Under Code Provision A.4.1, non-executive directors (including independent non-executive directors) should be appointed for a specific term, subject to re-election. However, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Securities Dealing Code regarding directors' securities transactions on terms no less exacting than the 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.

AUDIT COMMITTEE

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Leung Hok Lim, Mr. Wong Lam and Mr. Lin Keping. Mr. Leung Hok Lim is the chairman of the Audit Committee.

The Audit Committee is mainly responsible for monitoring the integrity of the Company's financial statements, reviewing the Company's internal control system and its execution through the review of the work undertaken by the internal and external auditors, evaluating financial information and related disclosure; and reviewing connected transactions.

The Audit Committee 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 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the six months ended 30 September 2009. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

By order of the Board
YGM Trading Limited
Chan Sui Kau
Chairman

Hong Kong, 11 December 2009

As at the date of this announcement the Board comprises seven executive Directors, namely Mr. Chan Sui Kau, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley, Mr. Chan Wing Kee, Mr. Chan Wing To and Mr. Fu Sing Yam, William; and three independent non-executive Directors, namely Mr. Leung Hok Lim, Mr. Wong Lam and Mr. Lin Keping.