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## YGM TRADING LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 00375)

### ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2009

The Board of Directors of YGM Trading Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries and associates (the “Group”) for the year ended 31 March 2009 as follows :

#### CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Expressed in Hong Kong dollars)

	Note	2009 \$'000	2008 \$'000
<b>Turnover</b>	3, 4	<b>971,936</b>	1,110,115
Cost of sales		<u>(379,328)</u>	<u>(438,661)</u>
<b>Gross profit</b>		<b>592,608</b>	671,454
Other revenue		<b>11,496</b>	12,000
Other net income		<b>8,531</b>	10,495
Distribution costs		<u>(367,064)</u>	<u>(409,445)</u>
Administrative expenses		<u>(154,487)</u>	<u>(174,221)</u>
Other operating expenses		<u>(2,360)</u>	<u>(7,768)</u>
<b>Profit from operations</b>		<b>88,724</b>	102,515
Valuation (losses)/gains on investment properties		<b>(13,000)</b>	13,400
Gain on disposal of investment properties		-	45,589
Finance costs	5(a)	<b>(1,712)</b>	(4,729)
Share of profits less losses of associates		<u><b>17,072</b></u>	<u>34,099</u>
<b>Profit before taxation</b>	5	<b>91,084</b>	190,874
Income tax	6	<b>(11,616)</b>	(14,630)
<b>Profit for the year</b>		<u><b>79,468</b></u>	<u>176,244</u>
<b>Attributable to :</b>			
Equity shareholders of the Company		<b>80,187</b>	170,997
Minority interests		<u><b>(719)</b></u>	<u>5,247</u>
<b>Profit for the year</b>		<u><b>79,468</b></u>	<u>176,244</u>
<b>Dividends payable to equity shareholders of the Company attributable to the year</b>	7	<u><b>58,456</b></u>	<u>115,374</u>
<b>Earnings per share</b>	8		
Basic and diluted		<u><b>\$0.52</b></u>	<u>\$1.11</u>

## CONSOLIDATED BALANCE SHEET

(Expressed in Hong Kong dollars)

	Note	2009		2008	
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Fixed assets					
- Investment properties			53,300		66,300
- Other property, plant and equipment			122,542		129,017
- Interest in leasehold land held for own use under operating lease			5,533		5,571
			<u>181,375</u>		<u>200,888</u>
Intangible assets			107,709		108,489
Lease premium			9,727		11,696
Interest in associates			109,962		128,150
Other financial assets			34,642		35,128
Deferred tax assets			55,679		65,006
			<u>499,094</u>		<u>549,357</u>
<b>Current assets</b>					
Trading securities			4,537		11,923
Inventories			140,353		137,709
Trade and other receivables	9		106,874		138,686
Cash and cash equivalents			238,615		276,633
Current tax recoverable			2,091		3,406
			<u>492,470</u>		<u>568,357</u>
<b>Current liabilities</b>					
Trade and other payables	10		155,221		188,640
Bank loans and overdrafts			14,518		38,942
Current tax payable			8,930		9,892
			<u>178,669</u>		<u>237,474</u>
<b>Net current assets</b>			<u>313,801</u>		<u>330,883</u>
<b>Total assets less current liabilities</b>			<u>812,895</u>		<u>880,240</u>
<b>Non-current liabilities</b>					
Bank loans			3,467		6,406
Deferred tax liabilities			11,181		13,657
			<u>14,648</u>		<u>20,063</u>
<b>NET ASSETS</b>			<u>798,247</u>		<u>860,177</u>
<b>CAPITAL AND RESERVES</b>					
Share capital			76,916		76,916
Reserves			702,386		761,649
<b>Total equity attributable to shareholders of the Company</b>			<u>779,302</u>		<u>838,565</u>
<b>Minority interests</b>			<u>18,945</u>		<u>21,612</u>
<b>TOTAL EQUITY</b>			<u>798,247</u>		<u>860,177</u>

Notes :

*(Expressed in Hong Kong dollars)*

## **1. Basis of preparation of the financial statements**

The consolidated financial statements for the year ended 31 March 2009 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties and trading securities are stated at their fair value.

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2009 have been compared by the Company’s auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

## **2. Changes in accounting policies**

The HKICPA has issued the following new Interpretation and amendment to HKFRSs that are first effective for the current accounting period of the Group.

- HK(IFRIC) 11, HKFRS 2 – Group and treasury share transactions
- Amendment to HKAS 39, Financial instruments : Recognition and measurement, and HKFRS 7, Financial instruments : Disclosures – Reclassification of financial assets

These HKFRS developments have had no material impact on the Group’s financial statements as either they were consistent with accounting policies already adopted by the Group or they were not relevant to the Group’s operations.

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

### 3. Turnover

The principal activities of the Group are garment wholesaling, retailing and manufacturing, property investment, trademark ownership and licensing, and the provision of securities printing and general business forms printing.

Turnover represents the aggregate of net invoiced value of sales to and royalty and rental income from external customers and income from printing and related services. The amount of each significant category of revenue recognised in turnover during the year is as follows :

	<b>2009</b>	2008
	<b><i>\$'000</i></b>	<i>\$'000</i>
Sales of garments	<b>873,405</b>	998,303
Royalty and related income	<b>59,533</b>	65,145
Printing and related services	<b>34,675</b>	38,981
Gross rentals from investment properties	<b>4,323</b>	7,686
	<b><u>971,936</u></b>	<u>1,110,115</u>

### 4. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

#### *Business segments*

The Group comprises the following main business 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.

	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	873,405	998,303	59,533	65,145	34,675	38,981	4,323	7,686	-	-	971,936	1,110,115
Inter-segment revenue	-	-	-	1,007	2,193	2,687	6,509	6,529	(8,702)	(10,223)	-	-
<b>Total</b>	<b>873,405</b>	<b>998,303</b>	<b>59,533</b>	<b>66,152</b>	<b>36,868</b>	<b>41,668</b>	<b>10,832</b>	<b>14,215</b>	<b>(8,702)</b>	<b>(10,223)</b>	<b>971,936</b>	<b>1,110,115</b>
Segment result	86,555	84,799	5,221	5,897	3,882	6,294	5,328	6,168			100,986	103,158
Inter-segment transactions	3,710	3,259	-	(101)	290	(252)	(4,000)	(2,906)			-	-
Contribution from operations	90,265	88,058	5,221	5,796	4,172	6,042	1,328	3,262			100,986	103,158
Unallocated operating income and expenses											(12,262)	(643)
Profit from operations											88,724	102,515
Valuation (losses)/ gains on investment properties	-	-	-	-	-	-	(13,000)	13,400	-	-	(13,000)	13,400
Gain on disposal of investment properties	-	-	-	-	-	-	-	45,589	-	-	-	45,589
Finance costs											(1,712)	(4,729)
Share of profits less losses of associates	17,072	34,099	-	-	-	-	-	-	-	-	17,072	34,099
Income tax											(11,616)	(14,630)
<b>Profit after taxation</b>											<b>79,468</b>	<b>176,244</b>

	Sales of garments		Royalty and related income		Printing and related services		Property rental		Unallocated		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
Depreciation and amortisation for the year	30,682	25,384	-	-	1,974	1,459	-	2,129	230	239	32,886	29,211
Segment assets	336,490	296,167	127,345	153,315	25,176	15,073	53,423	128,877	-	-	542,434	593,432
Interest in associates	105,242	123,430	-	-	-	-	-	-	4,720	4,720	109,962	128,150
Unallocated assets	-	-	-	-	-	-	-	-	339,168	396,132	339,168	396,132
<b>Total assets</b>											<b>991,564</b>	<b>1,117,714</b>
Segment liabilities	114,978	126,931	28,233	43,898	4,435	4,274	310	5,871	-	-	147,956	180,974
Unallocated liabilities	-	-	-	-	-	-	-	-	45,361	76,563	45,361	76,563
<b>Total liabilities</b>											<b>193,317</b>	<b>257,537</b>
Capital expenditure incurred during the year	26,055	20,020	-	-	566	178	-	-	-	10	26,621	20,208

### *Geographical segments*

The Group's business is managed on a worldwide basis, but participates in three principal economic environments. Hong Kong and Macau, Taiwan and other areas of The People's Republic of China ("the PRC") are the major markets for the Group's garment business. Following the acquisition of Société Guy Laroche in 2005, the Group has a worldwide revenue stream from licensing the Guy

Laroche trademark. Hong Kong and Macau is the major market for all of the Group's other businesses.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	Hong Kong and Macau		Taiwan		Other areas of the PRC		Others		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from										
external customers	<b>439,666</b>	468,770	<b>109,309</b>	137,342	<b>358,674</b>	429,817	<b>64,287</b>	74,186	<b>971,936</b>	1,110,115
Segments assets	<b>243,023</b>	264,541	<b>154,345</b>	175,299	<b>110,013</b>	105,441	<b>140,295</b>	171,581	<b>647,676</b>	716,862
Capital expenditure incurred										
during the year	<b>9,535</b>	7,447	<b>2,935</b>	3,292	<b>13,457</b>	8,235	<b>694</b>	1,234	<b>26,621</b>	20,208

## 5. Profit before taxation

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

	2009	2008
	\$'000	\$'000
(a) <i>Finance costs</i>		
Interest on bank advances and other borrowings		
wholly repayable within five years	<b>1,712</b>	<b>4,729</b>
(b) <i>Staff costs</i>		
Contributions to defined contribution retirement plans	<b>12,608</b>	17,693
Salaries, wages and other benefits	<b>195,763</b>	205,118
	<b>208,371</b>	<b>222,811</b>
(c) <i>Other items</i>		
Amortisation of intangible assets	<b>780</b>	780
Depreciation and amortisation on owned assets	<b>32,106</b>	28,431
Impairment losses on trade and other receivables	<b>2,833</b>	6,317
Share of associates' taxation	<b>4,765</b>	9,262
Net realised and unrealised loss/(gain) on trading securities	<b>2,904</b>	(4,208)
Net loss on disposal of other fixed assets	<b>1,070</b>	2,135
Net gain on disposal of intangible assets	-	(267)
Bank interest income	<b>(2,330)</b>	(4,575)
Interest income from an associate	<b>(1,911)</b>	(1,919)
Dividend income from listed securities	<b>(25)</b>	(147)

## 6. Income tax in the consolidated profit and loss account

Taxation in the consolidated profit and loss account represents :

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
<b>Current tax - Hong Kong Profits Tax</b>		
Provision for the year	<b>8,575</b>	11,231
(Over)/under-provision in respect of prior years	<b>(384)</b>	74
	<b>8,191</b>	11,305
<b>Current tax – Outside Hong Kong</b>		
Provision for the year	<b>4,472</b>	4,736
(Over)/under-provision in respect of prior years	<b>(715)</b>	416
	<b>3,757</b>	5,152
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>(332)</b>	(1,601)
Effect on deferred tax balances at 1 April resulting from a decrease in tax rate	<b>-</b>	(226)
	<b>(332)</b>	(1,827)
	<b>11,616</b>	14,630

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5% (2008: 17.5%) of the estimated assessable profits for the year.

In February 2008, the Hong Kong Government announced a decrease in the Profits Tax rate from 17.5% to 16.5% applicable to the Group's operations in Hong Kong as from the year ended 31 March 2009. This decrease is taken into account in the preparation of the Group's 2008 financial statements in respect of deferred tax balances.

Taxation for subsidiaries based outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

On 16 March 2007, the Fifty Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC (the "new tax law") which became effective on 1 January 2008. Under the new tax law, the statutory income tax rate applicable to the PRC subsidiaries has changed from between 15%-33%, to 25%.

Under the new tax law, a 10% withholding tax will also be levied on dividends declared to foreign investors from the Group's PRC subsidiaries, however, only the dividends attributable to the profits of the financial period starting from 1 January 2008 will be subject to the withholding tax. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investor. Pursuant to a double tax arrangement between the PRC and Hong Kong, the Group is subject to a withholding tax at a rate of 5% for any dividend payments from certain of the Group's PRC subsidiaries.

## 7. Dividends

### (a) Dividends payable to the equity shareholders of the Company attributable to the year

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
Interim dividend declared and paid of \$0.10 (2008 : \$0.13) per ordinary share	<b>15,383</b>	19,998
Special dividend proposed after the balance sheet date of \$Nil (2008 : \$0.30) per ordinary share	-	46,150
Final dividend proposed after the balance sheet date of \$0.28 (2008 : \$0.32) per ordinary share	<b>43,073</b>	49,226
	<b><u>58,456</u></b>	<u>115,374</u>

The final dividend (2008 : special and final dividends) proposed after the balance sheet date has not been recognised as a liability at the balance sheet.

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

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
Special dividend in respect of the previous financial year, approved and paid during the year, of \$0.30 (2008 : \$Nil) per ordinary share	<b>46,150</b>	-
Final dividend in respect of the previous financial year, approved and paid during the year, of \$0.32 (2008 : \$0.32) per ordinary share	<b>49,226</b>	49,226
	<b><u>95,376</u></b>	<u>49,226</u>

## 8. 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 \$80,187,000 (2008 : \$170,997,000) and 153,831,792 (2008 : 153,831,792) ordinary shares in issue during the year.

### (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.



## 9. Trade and other receivables

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
Debtors, bills receivable, deposits and prepayments	<b>102,044</b>	133,944
Amounts due from related companies	<b>3,970</b>	3,882
Club memberships	<b>860</b>	860
	<b><u>106,874</u></b>	<u>138,686</u>

All of the Group's trade and other receivables, apart from club memberships and deposits of \$24,921,000 (2008 : \$33,332,000), 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:

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
Current	<b>46,416</b>	66,522
1 to 3 months	<b>5,069</b>	4,798
More than 3 months but less than 12 months	<b>416</b>	1,245
	<b><u>51,901</u></b>	<u>72,565</u>

The Group's credit risk is primarily attributable to trade and other receivables, listed debt securities and deposits with banks. 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.

## 10. Trade and other payables

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
Bills payable	<b>1,377</b>	1,995
Creditors and accrued charges	<b>151,923</b>	179,586
Amounts due to related companies	<b>1,921</b>	7,059
	<b><u>155,221</u></b>	<u>188,640</u>

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:

	2009	2008
	\$'000	\$'000
Due within 1 month or on demand	22,665	23,977
Due after 1 month but within 3 months	14,086	27,929
Due after 3 months but within 6 months	1,935	1,259
Due after 6 months but within 12 months	947	1,438
	<u>39,633</u>	<u>54,603</u>

## BUSINESS REVIEW AND PROSPECTS

The twelve months period ended 31 March 2009 presented a challenging time for the economy as a whole and also the Group. Turnover of the Group amounted to HK\$971.9 million, representing a fall of 12.4% compared to HK\$1,110.1 million for the previous year.

Profit attributable to equity shareholders of the Company amounted to HK\$80.2 million as compared to HK\$171.0 million for the previous year. Profit for the year includes net realised and unrealised loss on trading securities of HK\$2.9 million (2008 : profit of HK\$4.2 million), valuation losses on investment properties of HK\$13.0 million (2008 : valuation gains of HK\$13.4 million) while our share of profits of Hang Ten Group Holdings Limited (“Hang Ten”) and its subsidiaries and associates decreased by 50% from HK\$34.1 million in the previous year to HK\$17.1 million. In addition, during the prior year ended 31 March 2008, we recorded a profit on disposal of investment properties of HK\$45.6 million. Taking into account these items, the adjusted profit attributable to equity shareholders of the Company increased by approximately HK\$5.3 million.

### Garment retail and marketing

The Mainland China market proved to be resilient during the global financial meltdown. However, we are facing an increasing challenging environment. Every major brand in the world is now in the Mainland China market and the local brands are also spending large sums of money on marketing. In addition, there has been a large increase in retail square footage caused by the development of newer and bigger shopping malls. It is our objective to secure our own niche in the market and maintain profitability.

Although the Hong Kong market benefited from the increase in Chinese tourists, the large increases in rental and labour costs has actually cut into the Group’s profitability.

#### *Aquascutum*

As stated in the Company’s notice to the shareholders on 25 May 2009, the Group signed a letter of intent relating to the possible acquisition of the “Aquascutum” brand from Renown Incorporated, which is currently our licensor. As at the end of March 2009, the Group has 153 outlets in Mainland China, Hong Kong, Macau and Taiwan.

#### *Ashworth*

The Group has 78 outlets in our licensed territories as at the end of March 2009. This American golf label continues to be popular in Mainland China.

#### *Michel Rene*

As at the end of March 2009, we operated 89 outlets in Hong Kong, Macau, Mainland China and Taiwan. We have been marketing this brand for over 30 years and are in the process of instituting plan to revive this brand.

### *Guy Laroche*

The Group owns the worldwide right to this international brand, which is held by a subsidiary with headquarters in Paris, France. The French subsidiary receives royalties from around the world and records a small profit for the year after efforts to trim operating costs.

### **Hang Ten**

The Group owns a 20.48% interest in Hang Ten which is listed on The Stock Exchange of Hong Kong Limited. Hang Ten reported a lower profit for the year mainly because of the devaluation of Korean Won as South Korea is a major market for Hang Ten.

### **Other business**

#### *Garment Manufacturing*

With increased operating costs in Dongguan, Mainland China and fierce competition in a poor global economic environment, we have embarked on stringent cost cutting in the past two years. As a result of these efforts, the manufacturing plant reported only a marginal loss in the year.

#### *Property*

Rental income from industrial buildings showed a decrease as we had disposed of some industrial buildings in the previous year. Revaluation losses on investment properties of HK\$13.0 million were recorded for the year as compared to revaluation gains of HK\$13.4 million for the previous year.

#### *Printing*

With diminishing economic activity in the year, our security printing business reported a contribution from operations of only HK\$4.2 million. Considering the size of the printing operations, such a return is considered satisfactory.

### **PROSPECTS AND DEVELOPMENTS**

The world economy is still in a recession and the H1N1 epidemic is continuing to hurt tourist trade although there are signs of a minor recovery. We anticipate the coming year to be more difficult. However, the Company has sufficient cash resources and is actively seeking acquisition opportunities.

### **CAPITAL EXPENDITURE**

During the year, the Group spent approximately HK\$26,621,000 in recurring additions and replacement of fixed assets, compared to HK\$20,208,000 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 year ended 31 March 2009, the Group generated HK\$113,415,000 (2008 : HK\$165,977,000) of cash from operations. As at 31 March 2009, the Group had cash and bank deposits net of overdrafts and short-term bank loans of HK\$224,097,000, a decrease of HK\$13,594,000 from HK\$237,691,000 as at 31 March 2008 after payments of dividends of HK\$110,759,000 during the year. At 31 March 2009, the Group had listed securities which were readily convertible into cash with a fair value of HK\$4,537,000 (2008 : HK\$11,923,000).

The Group's net assets as at 31 March 2009 amounted to HK\$798,247,000 as compared with HK\$860,177,000 as at 31 March 2008. The Group's gearing ratio at the year end was 0.02 (2008 : 0.05),

which was calculated based on total borrowings of HK\$17,985,000 (2008 : HK\$45,348,000) and shareholders' equity of HK\$779,302,000 (2008 : HK\$838,565,000). 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, Euros, Pounds Sterling, Renminbi Yuan and Macau Patacas. To manage currency risks, non Hong Kong Dollar assets are financed primarily by matching local currency debts as far as possible.

As at 31 March 2009, certain investment properties with an aggregate carrying value of HK\$10,900,000 (2008 : HK\$53,700,000) were pledged to banks for obtaining banking facilities of which HK\$Nil (2008 : HK\$1,131,000) was utilised as at 31 March 2009.

As at 31 March 2009, there were contingent liabilities in respect of guarantees issued to banks by the Company in respect of banking facilities extended to certain subsidiaries amounting to HK\$96,966,000 (2008 : HK\$114,670,000). The maximum liability of the Company at the balance sheet date under the guarantees issued is the amount of banking facilities drawn down by the relevant subsidiaries of HK\$22,633,000 (2008 : HK\$39,156,000).

### **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 year, no share options were granted to directors and employees of the Group and no options were exercised.

### **HUMAN RESOURCES**

As at 31 March 2009, the Group had approximately 2,000 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 eligible employees based on the Group's and individuals' performances.

### **DIVIDENDS**

After due consideration of cash on hand, future investment requirements and the economic outlook, the Board has resolved to recommend the payment of a final dividend of HK\$0.28 (2008 : HK\$0.32) per ordinary share for the year ended 31 March 2009 at the forthcoming annual general meeting to be held on Friday, 11 September 2009. The Board does not recommend the payment of a special dividend (2008 : HK\$0.30 per ordinary share). The final dividend totalling HK\$43,073,000 (2008 : special and final dividends totalling HK\$95,376,000), if approved by the shareholders, is expected to be paid on or around Tuesday, 15 September 2009 to those shareholders whose names appear on the register of members of the Company on Wednesday, 2 September 2009.

### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Thursday, 3 September, 2009 to Friday, 11 September, 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 2 September, 2009.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year ended 31 March 2009.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance. During the year, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report included in the Company's 2009 Annual Report to be dispatched to the shareholders in due course.

## **AUDIT COMMITTEE**

The Company has an audit committee which was established in compliance with Rule 3.21 of the Rules Governing the Listing of Securities 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 meets with the management regularly and reviews the internal control systems and the accounting policies adopted by the Group and has reviewed the annual results of the Group for the year ended 31 March 2009.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the shareholders of the Company will be held at 12:15p.m. on Friday, 11 September 2009 at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong and the Notice of Annual General Meeting will be published and despatched to the shareholders in due course.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The result announcement is published on the website of Hong Kong Exchange and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.ygmtrading.com](http://www.ygmtrading.com) under "Results Announcement". The annual report for the year ended 31 March 2009 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, 10 July 2009

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