YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)
(Stock Code : 00375)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2011

The Board of Directors of YGM Trading Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate for the year ended 31 March 2011 together with comparative figures for the corresponding period and selected explanatory notes as follows :

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2011
(Expressed in Hong Kong Dollars)

	Note	**2011**	2010
		$'000	*$'000*
Turnover	3, 4	**1,154,609**	991,055
Cost of sales		**(379,438)**	(350,498)
Gross profit		**775,171**	640,557
Other revenue		**11,884**	10,763
Other net income/(loss)		**5,053**	(4,428)
Distribution costs		**(373,786)**	(326,875)
Administrative expenses		**(159,324)**	(147,499)
Other operating expenses		**(1,149)**	(582)
Profit from operations		**257,849**	171,936
Valuation gains on investment properties		**20,000**	20,500
Finance costs	5(a)	**(870)**	(910)
Share of profits less losses of associate		**49,128**	29,478
Net gain on disposal of associate		**-**	7,899
Profit before taxation	5	**326,107**	228,903
Income tax	6	**(41,870)**	(30,531)
Profit for the year		**284,237**	198,372
Attributable to:			
Equity shareholders of the Company		**279,883**	196,587
Non-controlling interests		**4,354**	1,785
Profit for the year		**284,237**	198,372
Earnings per share	7		
Basic		**$1.78**	$1.28
Diluted		**$1.77**	$1.28

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2011
(Expressed in Hong Kong Dollars)

	2011	2010
	$'000	*$'000*
Profit for the year	**284,237**	198,372
Other comprehensive income for the year		
- Exchange differences on translation of financial statements of subsidiaries based outside Hong Kong	**11,009**	1,081
- Share of exchange reserve of associate	**6,961**	12,918
	17,970	13,999
Total comprehensive income for the year	**302,207**	212,371
Attributable to:		
Equity shareholders of the Company	**296,629**	209,259
Non-controlling interests	**5,578**	3,112
Total comprehensive income for the year	**302,207**	212,371

There is no tax expense or benefit in relation to the other comprehensive income in either the current or the prior year.

CONSOLIDATED BALANCE SHEET
At 31 March 2011
(Expressed in Hong Kong Dollars)

	Note		2011		2010
		$'000	*$'000*	*$'000*	*$'000*
Non-current assets					
Fixed assets					
- Investment properties			**83,400**		63,400
- Other property, plant and equipment			**124,930**		122,042
- Interest in leasehold land held for own use under operating lease			**5,465**		5,384
			213,795		190,826
Intangible assets			**286,458**		287,238
Lease premium			**10,450**		9,928
Interest in associate			**180,593**		139,592
Other financial assets			**785**		69,781
Deferred tax assets			**48,810**		51,583
			740,891		748,948
Current assets					
Other financial assets		**71,424**		-	
Trading securities		**1,613**		2,352	
Inventories		**150,488**		102,007	
Trade and other receivables	9	**145,044**		125,442	
Current tax recoverable		**848**		537	
Cash and cash equivalents		**426,919**		214,550	
		796,336		444,888	
Current liabilities					
Trade and other payables	10	**211,115**		168,488	
Bank loans and overdrafts		**35,536**		46,959	
Current tax payable		**29,674**		18,134	
		276,325		233,581	
Net current assets			**520,011**		211,307
Total assets less current liabilities			**1,260,902**		960,255
Non-current liabilities					
Bank loans		**-**		1,551	
Deferred tax liabilities		**17,894**		14,234	
			17,894		15,785
NET ASSETS			**1,243,008**		944,470
CAPITAL AND RESERVES					
Share capital			**81,105**		76,916
Reserves			**1,138,596**		845,497
Total equity attributable to shareholders of the Company			**1,219,701**		922,413
Non-controlling interests			**23,307**		22,057
TOTAL EQUTIY			**1,243,008**		944,470

NOTES:
(Expressed in Hong Kong Dollars)

1. Basis of preparation of the financial statements

This announcement does not comprise the consolidated financial statements for the year ended 31 March 2011 but the information herein has been extracted from the draft consolidated financial statements of the Group for the year ended 31 March 2011.

The consolidated financial statements for the year ended 31 March 2011 comprise the Group and the Group's interest in associate.

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 "Listing Rules").

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 2011 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 two revised HKFRSs, a number of amendments to HKFRSs and two new Interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Amendments to HKFRS 5, *Non-current assets held for sale and discontinued operations - plan to sell the controlling interest in a subsidiary*
- Amendment to HKAS 39, *Financial instruments: Recognition and measurement - eligible hedged items*
- *Improvements to HKFRSs (2009)*
- HK(IFRIC) 17, *Distributions of non-cash assets to owners*
- HK (Int) 5, *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause*

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

The amendment to HKAS 39 and the issuance of HK (Int) 5 have had no material impact on the Group's financial statements as the amendment and the Interpretation's conclusions were consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3, HKAS 27, HKFRS 5 and HK(IFRIC) 17 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.

- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.

- The amendment introduced by the *Improvements to HKFRSs (2009)* omnibus standard in respect of HKAS 17, *Leases*, resulted in a change of classification of certain of the Group's leasehold land interests located in the Hong Kong Special Administrative Region, but this had no material impact on the amounts recognised in respect of these leases as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

Further details of these changes in accounting policy are as follows:

- As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). These include the following changes in accounting policies:

  - Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.

  - If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

  - Contingent consideration will be measured at fair value at the acquisition date. Subsequent changes in the measurement of that contingent consideration unrelated to facts and circumstances that existed at the acquisition date will be recognised in profit or loss, whereas previously these changes were recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.

  - If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

  - In addition to the Group's existing policy of measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

  In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

– As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1 January 2010:

  – If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such transactions as step-up transactions and partial disposals, respectively.

  – If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the balance sheet date the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

  In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

– In order to be consistent with the above amendments to HKFRS 3 and HKAS 27, and as a result of amendments to HKAS 28, *Investments in associates*, the following policies will be applied as from 1 January 2010:

  – If the Group holds interests in the acquiree immediately prior to obtaining significant influence, these interests will be treated as if disposed of and reacquired at fair value on the date of obtaining significant influence. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

  – If the Group loses significant influence, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposals.

  Consistent with the transitional provisions in HKFRS 3 and HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

Other changes in accounting policies which are relevant to the Group's financial statements are as follows:

– As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.

– As a result of the amendment to HKAS 17 arising from the *"Improvements to HKFRSs (2009)"* omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group's judgement, the lease transfers substantially all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate as the lease do not transfer significantly all the risks and rewards of ownership of the land to the Group.

3. Turnover

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

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

	2011	2010
	$'000	*$'000*
Sales of garments	**1,021,638**	881,358
Royalty and related income	**91,746**	76,185
Income from printing and related services	**39,448**	32,154
Gross rentals from investment properties	**1,777**	1,358
	1,154,609	991,055

The Group's customer base is diversified and no individual customer with whom transactions have exceeded 10% of the Group's turnover.

4. Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. 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 resources allocation and performance assessment, the Group has presented 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.
- Licensing of trademarks: the management and licensing of trademarks for royalty income.
- Printing and related services: the manufacture and sale of printed products.
- Property rental: the leasing of properties to generate rental income.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases :

Segment assets include all tangible, intangible assets and current assets with the exception of interest in associate, other financial assets, trading securities, club memberships, deferred tax assets, cash and cash equivalents, current tax recoverable and other corporate assets. Segment liabilities include trade and other payables and bank borrowings with the exception of current tax payable, deferred tax liabilities and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA", i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associate and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations. Inter-segments sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2011 and 2010 is set out below:

	Sales of garments		Licensing of trademarks		Printing and related services		Property rental		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**1,021,638**	881,358	**91,746**	76,185	**39,448**	32,154	**1,777**	1,358	**1,154,609**	991,055
Inter-segment revenue	**-**	-	**19,841**	13,538	**1,823**	1,718	**6,732**	6,566	**28,396**	21,822
Reportable segment revenue	**1,021,638**	881,358	**111,587**	89,723	**41,271**	33,872	**8,509**	7,924	**1,183,005**	1,012,877
Reportable segment profit (adjusted EBITDA)	**209,232**	157,083	**63,063**	40,758	**9,505**	5,438	**7,240**	6,909	**289,040**	210,188
Interest income from bank deposits	**371**	306	**50**	10	**-**	-	**-**	-	**421**	316
Interest expense	**(244)**	(561)	**(626)**	(130)	**-**	-	**-**	-	**(870)**	(691)
Depreciation and amortisation for the year	**(18,554)**	(21,243)	**(112)**	(15)	**(962)**	(905)	**(2,579)**	(2,579)	**(22,207)**	(24,742)
Reportable segment assets	**369,809**	291,814	**329,329**	328,207	**33,167**	34,120	**83,625**	63,408	**815,930**	717,549
Additions to non-current segment assets during the year	**21,300**	11,811	**97**	181,493	**1,143**	535	**-**	-	**22,540**	193,839
Reportable segment liabilities	**177,228**	130,664	**69,971**	80,942	**3,822**	3,633	**352**	312	**251,373**	215,551

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2011	2010
	$'000	*$'000*
Revenue		
Reportable segment revenue	**1,183,005**	1,012,877
Elimination of inter-segment revenue	**(28,396)**	(21,822)
Consolidated turnover	**1,154,609**	991,055
Profit		
Reportable segment profit	**289,040**	210,188
Elimination of inter-segment profits	**(9,722)**	(6,009)
Reportable segment profit derived from the Group's external customers	**279,318**	204,179
Other revenue	**11,884**	10,763
Other net income/(loss)	**5,053**	(4,428)
Depreciation and amortisation	**(22,430)**	(24,976)
Valuation gains on investment properties	**20,000**	20,500
Finance costs	**(870)**	(910)
Share of profits less losses of associate	**49,128**	29,478
Net gain on disposal of associate	**-**	7,899
Unallocated head office and corporate expenses	**(15,976)**	(13,602)
Consolidated profit before taxation	**326,107**	228,903
Assets		
Reportable segment assets	**815,930**	717,549
Elimination of inter-segment receivables	**(11,013)**	(4,883)
	804,917	712,666
Interest in associate	**180,593**	139,592
Other financial assets	**72,209**	69,781
Deferred tax assets	**48,810**	51,583
Trading securities	**1,613**	2,352
Club memberships	**860**	860
Current tax recoverable	**848**	537
Cash and cash equivalents	**426,919**	214,550
Unallocated head office and corporate assets	**458**	1,915
Consolidated total assets	**1,537,227**	1,193,836
Liabilities		
Reportable segment liabilities	**251,373**	215,551
Elimination of inter-segment payables	**(11,013)**	(4,883)
	240,360	210,668
Current tax payable	**29,674**	18,134
Deferred tax liabilities	**17,894**	14,234
Unallocated head office and corporate liabilities	**6,291**	6,330
Consolidated total liabilities	**294,219**	249,366

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, intangible assets, lease premium and interest in associate ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets and lease premium, the location to which they are managed, in the case of intangible assets, and the location of operations, in the case of interest in associate.

	Revenue from external customers		Specified non-current assets	
	2011	2010	**2011**	2010
	$'000	*$'000*	***$'000***	*$'000*
Hong Kong (place of domicile)	**538,453**	442,103	**315,603**	339,802
Taiwan	**115,071**	110,067	**170,072**	131,277
Other areas of the People's Republic of China ("the PRC")	**439,987**	381,295	**53,552**	41,922
Others	**61,098**	57,590	**152,069**	114,583
	616,156	548,952	**375,693**	287,782
	1,154,609	991,055	**691,296**	627,584

5. Profit before taxation

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

	2011	2010
	$'000	*$'000*
(a) *Finance costs*		
Interest on bank loans and overdrafts wholly repayable within five years	**870**	910
(b) *Staff costs*		
Contributions to defined contribution retirement plans	**16,680**	12,398
Equity-settled share-based payment expenses	**582**	-
Salaries, wages and other benefits	**187,367**	169,440
	204,629	181,838
(c) *Other items*		
Amortisation of intangible assets	**780**	780
Depreciation and amortisation of fixed assets	**21,650**	24,196
Impairment loss on trade and other receivables	**1,081**	3,607
Reversal of impairment loss on trade and other receivables	**(426)**	(3,310)
Share of associate's taxation	**9,142**	8,313
Net unrealised loss/(gain) on trading securities	**739**	(1,353)
Net loss on disposal of fixed assets	**220**	907
Bank interest income	**(422)**	(398)
Interest income from associate	**(1,907)**	(1,907)
Other interest income	**(1,184)**	(659)
Dividend income from listed securities	**(16)**	(17)

6. Income tax in the consolidated income statement

Taxation in the consolidated income statement represents :

	2011 $'000	2010 $'000
Current tax - Hong Kong Profits Tax		
Provision for the year	**21,795**	14,448
Under/(over)-provision in respect of prior years	**81**	(668)
	21,876	13,780
Current tax - Outside Hong Kong		
Provision for the year	**12,101**	8,738
Over-provision in respect of prior years	**(499)**	(97)
	11,602	8,641
Deferred tax		
Origination and reversal of temporary differences	**7,742**	8,110
Effect on deferred tax balances at the beginning of the year resulting from a decrease in tax rate	**650**	-
	8,392	8,110
	41,870	30,531

The provision for Hong Kong Profits Tax for 2011 is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the year.

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

Pursuant to the relevant laws and regulations of the PRC, one of the Group's PRC subsidiaries enjoys preferential tax rate until 31 December 2012.

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 its PRC subsidiaries.

On 15 June 2010, the Taiwan Government announced a decrease in tax rate applicable to the Group's operations in Taiwan from 25% to 17%. The decrease is taken into account in the preparation of the Group's 2011 financial statements. Accordingly, the opening balance of deferred tax liabilities in respect of the Group's operations in Taiwan are re-estimated at a tax rate of 17%.

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 $279,883,000 (2010: $196,587,000) and the weighted average number of ordinary shares of 157,290,000 shares (2010: 153,832,000) in issue during the year, calculated as below:

Weighted average number of ordinary shares

	2011	2010
	'000	*'000*
Issued ordinary shares at the beginning of the year	**153,832**	153,832
Effect of share options exercised	**3,458**	-
Weighted average number of ordinary shares at the end of the year	**157,290**	153,832

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $279,883,000 (2010: $196,587,000) and the weighted average number of ordinary shares of 157,813,000 shares (2010: 153,832,000), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2011	2010
	'000	*'000*
Weighted average number of ordinary shares at the end of the year	**157,290**	153,832
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**523**	-
Weighted average number of ordinary shares (diluted) at the end of the year	**157,813**	153,832

The Company did not have any dilutive potential ordinary shares outstanding during 2010. Accordingly, the diluted earnings per share is the same as the basic earnings per share for 2010.

8. Dividends

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

	2011	2010
	$'000	*$'000*
Interim dividend declared and paid of 25 cents (2010: 15 cents) per ordinary share	**40,501**	23,075
Final dividend proposed after the balance sheet date of 75.0 cents (2010: 40 cents) per ordinary share	**122,206**	61,533
	162,707	84,608

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

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

	2011	2010
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of 40 cents (2010: 28 cents) per ordinary share	**61,533**	43,073

9. Trade and other receivables

	2011	2010
	$'000	*$'000*
Trade debtors and bills receivable	**97,341**	92,738
Less: allowance for doubtful debts	**(13,376)**	(12,227)
	83,965	80,511
Deposits and prepayments	**58,922**	44,065
Amounts due from related companies	**1,297**	6
Club memberships	**860**	860
	145,044	125,442

All of the Group's trade and other receivables, apart from deposits and prepayment and club memberships amounting to a total of $21,524,000 (2010: $23,793,000), 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 allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	2011	2010
	$'000	*$'000*
Current	**60,897**	51,351
Less than 1 month past due	**11,229**	18,857
1 to 3 months past due	**6,697**	7,393
More than 3 months but less than 12 months past due	**5,142**	2,910
Amounts past due	**23,068**	29,160
	83,965	80,511

The Group's credit risk is primarily attributable to trade and other receivables, listed equity securities and debt investments and deposits with banks. Management has a credit policy in place and the 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 account 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

	2011	2010
	$'000	*$'000*
Trade creditors	**53,249**	35,649
Bills payable	**7,958**	5,206
	61,207	40,855
Other payables and accrued charges	**145,792**	124,444
Amounts due to related companies	**4,116**	3,189
	211,115	168,488

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

The ageing analysis of trade creditors and bills payable as of the balance sheet date are:

	2011	2010
	$'000	*$'000*
Due within 1 month or on demand	**40,364**	26,508
Due after 1 month but within 3 months	**15,048**	11,956
Due after 3 months but within 6 months	**4,515**	1,035
Due after 6 months but within 12 months	**1,280**	1,356
	61,207	40,855

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF THE GROUP'S OPERATIONS

Group's Operations

	2011	2010	**+/(-)**
	HK$'000	HK$'000	**change**
Turnover	**1,154,609**	991,055	16.5%
Gross profit	**775,171**	640,557	21.0%
Gross profit margin	**67.1%**	64.6%	2.5 pp
EBITDA	**263,342**	190,577	38.2%
EBITDA margin	**22.8%**	19.2%	3.6 pp
Profit from operations	**257,849**	171,936	50.0%
Operating margin	**22.3%**	17.3%	5.0 pp
Valuation gain on investment properties	**20,000**	20,500	-2.4%
Share of profits less losses of associate	**49,128**	29,478	66.7%
Profit attributable to equity shareholders of the Company	**279,883**	196,587	42.4%
Net profit margin	**24.2%**	19.8%	4.4 pp

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 ("AQUASCUTUM" intellectual property rights) in September 2009. The favourable impact on the operating results of the Group was significant for the year ended 31 March 2011 as a result of savings in royalty expense which was significant in previous years together with additional royalty income from licensing "AQUASCUTUM" trademarks.

Turnover of the Group increased by 16.5% to HK$1,154,609,000 (2010: HK$991,055,000). Total sales of garments, which is the Group's principal business, surpassed HK$881,358,000 for the previous year by 15.9% to HK$1,021,638,000. And, total income of licensing of trademarks from external customers increased by 20.4% to HK$91,746,000 (2010: HK$76,185,000). Hence, total gross profit increased by 21.0% to HK$775,171,000 (2010: HK$640,557,000). Overall gross margin improved to 67.1%, representing 2.5 percentage points increase from 64.6% in 2010.

For the year under review, EBITDA of the Group rose by 38.2% to HK$263,342,000 (2010: HK$190,577,000). Similarly, profit from operations surged by 50.0% from HK$171,936,000 for the previous year to HK$257,849,000.

Total operating expenses of the Group amounted to HK$534,259,000 (2010: HK$474,956,000), representing an increase of 12.5%. Total rental and other occupancy expenses of the Group grew by 9.6% to HK$191,046,000 (2010: HK$174,323,000) which accounted for 16.5% (2010: 17.6%) of the turnover of the Group. Total staff costs, including directors' remuneration and employee share option charges, increased by 12.5% to HK$204,629,000 (2010: HK$181,838,000) and accounted for 17.7% (2010: 18.3%) of the turnover of the Group. Total advertising and promotion expenses of the Group grew by 50.1% to HK$27,612,000 (2010: HK$18,396,000) which accounted for 2.4% (2010: 1.9%) of the turnover of the Group.

Profit attributable to equity shareholders of the Company for the year was HK$279,883,000 (2010: HK$196,587,000) which included a valuation gain on investment properties of HK$20,000,000 (2010: HK$20,500,000). In addition, a share of profit of associate, Hang Ten Group Holdings Limited, amounting to HK$49,128,000 recorded in the year which increased by 66.7% from HK$29,478,000 of the previous year.

Basic earnings per share increased by 39.1% to HK$1.78 (2010: HK$1.28).

Cash Flow from Operations

For the year ended 31 March 2011, the Group generated HK$256,407,000 (2010: HK$227,016,000) of cash from operations. As at 31 March 2011, the Group had cash and bank deposits net of overdrafts and short-term bank loans of HK$391,383,000, an increase of HK$223,792,000 (including HK$102,111,000 received from option grantees for exercise of 8,379,000 share options) from HK$167,591,000 as at 31 March 2010 after payments of dividends of HK$102,034,000 during the year. At 31 March 2011, the Group had trading securities with a fair value of HK$1,613,000.

During the year, the Group spent approximately HK$22,540,000 in additions and replacement of fixed assets, compared to HK$14,070,000 for the previous year.

GROUP'S FINANCIAL POSITION

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

The Group's net assets as at 31 March 2011 were HK$1,243,008,000 as compared with HK$944,470,000 as at 31 March 2010. The Group's gearing ratio at the year end was 0.029 (31 March 2010: 0.053) which was calculated based on total borrowings of HK$35,536,000 (31 March 2010: HK$48,510,000) and shareholders' equity of HK$1,219,702,000 (31 March 2010: HK$922,413,000). 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, Japanese Yen, 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 31 March 2011, the Company issued guarantees to banks to secure banking facilities provided to the subsidiaries amounting to HK$179,080,000 (31 March 2010: HK$181,084,000). 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 amounting to HK$52,981,000 (31 March 2010: HK$55,353,000).

OPERATIONS REVIEW

Sales of Garments

	2011	2010	**+/(-)**
	HK$'000	*HK$'000*	**change**
Revenue from sales of garments	**1,021,638**	881,358	15.9%
Segment profit	**209,232**	157,083	33.2%
Segment profit margin	**20.5%**	17.8%	2.7 pp
Inventory turnover on sales (days) (*Note*)	**55**	41	34.1%

Note: Inventory held at the year end divided by full year turnover times 365 days

Sales of garments is the Group's principal business which is mainly retailing and wholesaling of branded garments in the Greater China region. The Group entered into an exclusive distribution and licensing agreement with J.Lindeberg AB of Sweden for the exclusive rights to market and sell products bearing "J.LINDEBERG" in Hong Kong, Macau and Mainland China in the previous year and, during the year, entered into a supplement agreement to include Taiwan. The first "J.LINDEBERG" outlet was opened in Hong Kong in September 2010. In addition, Aquascutum expanded its wholesale network to South Korea.

Total sales rose by 15.9% from HK$881,358,000 for the previous year to HK$1,021,638,000. Hence, total segment profit increased by 33.2% to HK$209,232,000 (2010: HK$157,083,000). Inventory turnover on sales increased from 41 days for the previous year to 55 days as a result of an increase in inventories held at 31 March 2011.

Number of POSs by geographical locations as at 31 March

	Mainland China		**Hong Kong**		**Macau**		**Taiwan**		**Europe**		**South Korea & Southeast Asia**		**Total**	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Aquascutum	**125**	124	**15**	14	**3**	3	**23**	21	**-**	-	**2**	-	**168**	162
Ashworth	**51**	39	**12**	15	**4**	3	**5**	7	**-**	-	**12**	12	**84**	76
J.Lindeberg	**7**	-	**6**	-	**1**	-	**-**	-	**-**	-	**-**	-	**14**	-
Michel Rene	**29**	35	**14**	16	**2**	2	**5**	11	**-**	-	**3**	-	**53**	64
Guy Laroche	**-**	-	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-	**1**	1
Total	**212**	198	**47**	45	**10**	8	**33**	39	**1**	1	**17**	12	**320**	303

As at the end of March 2011, the Group has a distribution network of 320 point of sales ("POSs") in our operating market which was a net increase of 17 POSs from the previous year.

Licensing of trademark

As a result of the completion of the acquisition of "AQUASCUTUM" intellectual property rights in September 2009, total income of licensing of trademarks from external customers increased from HK$76,185,000 for the previous year to HK$91,746,000.

The Group also owns the global intellectual property rights of "GUY LAROCHE". The French subsidiary reported a profit for the year under review with an increase in income of licensing of trademarks from external customers.

Other business

The Group owns 20.48% of the issued shares of Hang Ten Group Holdings Limited which reported a significant increase in both sales and operating profit. Hence, the Group accounted for a share of profit of HK$49,128,000 for the year (2010: HK$29,478,000).

With our efforts on controlling costs, our manufacturing plant in Dongguan reported a profit for the year with an increase in turnover despite the adverse operating environment for manufacturing in Mainland China.

Our security printing business reported a segment profit of HK$9,505,000 (2010: HK$5,438,000) with a total sales to external customers of HK$39,448,000; representing an increase of 22.7% from HK$32,154,000 for the previous year.

Rental income from industrial building is steady. The Company announced on 12 October 2010 a possible disposal of properties for own use by way of public tender. The tender was closed on 11 December 2010 and no suitable offer was accepted.

OUTLOOK

Sales of garments, the Group's principal business, improved significantly from previous year which was mainly caused by the strong growth in consumers' spending in Mainland China. We believe that this trend will continue and the Group has positioned itself to be benefited by the growing Mainland China market. In coming years, we plan aggressively to expand the business by opening more stores and distribution outlets. In addition, we are constantly looking at opportunities to add more strong brands with good products while at the same time develop our existing brands especially Aquascutum. However, we are well aware of the risks including keen competition in fashion retailing and the fast increasing costs of operation such as rent and wages. Our management is well prepared to tackle such challenges.

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, 500,000 share options were granted to an employee of the Group. 8,379,000 options were exercised during the year and total subscriptions of HK$102,111,000 were received from option grantees. Shares of the Company were allotted and issued accordingly.

HUMAN RESOURCES

As at 31 March 2011, the Group had approximately 1,900 employees (2010: 2,000). 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.

DIVIDENDS

After due consideration of cash on hand, future investment requirements and the economic outlook, the Board had resolved to recommend the payment of a final dividend of 75 HK cents (2010: 40.0 HK cents) per ordinary share for the year ended 31 March 2011 at the forthcoming annual general meeting to be held on 1 September 2011. The final dividend totaling

HK$122,206,000 (2010: HK$61,533,000), if approved by the shareholders, is expected to be paid on or around 19 September 2011 to those shareholders whose names appear on the register of members of the Company as at the close of business on 9 September 2011.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the entitlement of the shareholders to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 26 August 2011 to 1 September 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, 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 Thursday, 25 August 2011.

The register of members of the Company will also be closed from 7 September 2011 to 9 September 2011, both days inclusive, during which period no transfer of shares will be effected for the purpose of ascertaining the entitlement of the shareholders to the proposed final dividend. In order to qualify for the final dividend payable on or around 19 September 2011 to be approved at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, 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, 6 September 2011.

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 year ended 31 March 2011.

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

To comply with the revised Code of Best Practice as set out in Appendix 14 to the Listing Rules, the Company set up an audit committee (the "Audit Committee") with written terms of reference, for the purposes of reviewing and providing supervision on the financial reporting process and internal control of the Group. The Audit Committee comprises three Independent Non-executive Directors.

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 management the consolidated financial statements for the year ended 31 March 2011, including the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

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

The Company has not redeemed any of its shares during the year ended 31 March 2011. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk and the website of the Company at www.ygmtrading.com under "Results Announcement". The annual report for the year ended 31 March 2011 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board
Chan Wing Fui, Peter
Chairman

Hong Kong, 28 June 2011

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