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YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code : 00375)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

INTERIM RESULTS

The Board of Directors (the “Board”) of YGM Trading Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries and associates (collectively the “Group”) for the six months ended 30 September 2011 as follows. The interim results have not been audited, but have been reviewed by the Company’s Audit Committee.

CONSOLIDATED INCOME STATEMENT

(Expressed in Hong Kong dollars unless otherwise indicated)

	Note	Six months ended 30 September	
		2011 \$'000	2010 \$'000
Turnover	3	596,271	474,509
Cost of sales		(216,768)	(161,637)
Gross profit		379,503	312,872
Other revenue		5,057	4,015
Other net income		2,859	4,236
Distribution costs		(195,479)	(159,477)
Administrative expenses		(84,734)	(73,497)
Other operating expenses		(837)	(1,976)
Profit from operations		106,369	86,173
Finance costs		(308)	(460)
Share of profits less losses of associate		24,723	17,612
Profit before taxation	4	130,784	103,325
Income tax	5	(19,336)	(13,427)
Profit for the period		111,448	89,898
Attributable to :			
Equity shareholders of the Company		111,335	89,914
Non-controlling interests		113	(16)
Profit for the period		111,448	89,898
Earnings per share	7		
<i>Basic</i>		68.2 cents	58.4 cents
<i>Diluted</i>		68.0 cents	58.4 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*(Expressed in Hong Kong dollars unless otherwise indicated)*

	Six months ended 30 September	
	2011	2010
	\$'000	\$'000
Profit for the period	111,448	89,898
Other comprehensive income for the period:		
Exchange differences on translation of financial statements of subsidiaries based outside Hong Kong	(2,572)	2,346
Share of exchange reserve of associate	(8,369)	540
	(10,941)	2,886
Total comprehensive income for the period	100,507	92,784
Attributable to :		
Equity shareholders of the Company	100,799	93,486
Non-controlling interests	(292)	(702)
Total comprehensive income for the period	100,507	92,784

CONSOLIDATED BALANCE SHEET*(Expressed in Hong Kong dollars unless otherwise indicated)*

		At 30 September		At 31 March	
		2011		2011	
	Note	\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets					
- Investment properties			83,400		83,400
- Other property, plant and equipment			127,031		124,930
- Interest in leasehold land held for own use under operating lease			5,518		5,465
			<u>215,949</u>		<u>213,795</u>
Intangible assets			286,068		286,458
Lease premium			10,060		10,450
Interest in associate			219,700		180,593
Other financial assets			807		785
Deferred tax assets			47,634		48,810
			<u>780,218</u>		<u>740,891</u>
Current assets					
Other financial assets		32,876		71,424	
Trading securities		860		1,613	
Inventories		211,162		150,488	
Trade and other receivables	8	158,987		145,044	
Current tax recoverable		601		848	
Cash and cash equivalents		329,429		426,919	
		<u>733,915</u>		<u>796,336</u>	
Current liabilities					
Trade and other payables	9	208,235		211,115	
Bank loans and overdrafts		5,699		35,536	
Current tax payable		39,629		29,674	
		<u>253,563</u>		<u>276,325</u>	
Net current assets			<u>480,352</u>		<u>520,011</u>
Total assets less current liabilities			<u>1,260,570</u>		<u>1,260,902</u>
Non-current liabilities					
Deferred tax liabilities			17,140		17,894
NET ASSETS			<u>1,243,430</u>		<u>1,243,008</u>
CAPITAL AND RESERVES					
Share capital			82,202		81,105
Reserves			1,141,489		1,138,596
Total equity attributable to shareholders of the Company			<u>1,223,691</u>		<u>1,219,701</u>
Non-controlling interests			19,739		23,307
TOTAL EQUITY			<u>1,243,430</u>		<u>1,243,008</u>

Notes:

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 29 November 2011.

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 2011, 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 2012. 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, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed interim consolidated 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 2011. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”, which term collectively includes HKASs and Interpretations).

The financial information relating to the financial year ended 31 March 2011 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 2011 are available from the Stock Exchange’s website. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 June 2011.

2. Principal accounting policies

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation 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:

- HKAS 24 (revised), Related party disclosures
- Improvements to HKFRSs (2010)

These developments related primarily to clarification of certain disclosure requirements applicable to the Group’s financial statements and have had no material impact on the contents of the interim financial report.

The HKICPA has issued a number of amendments and new standards which are relevant to the Group’s business and are not yet effective for the period under review and which have not been adopted in this interim financial report. The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group’s results of operations and financial position.

3. Segment reporting

The Group manages its business 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 interests 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 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 revenue), interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment revenue 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 period as 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
For six months ended 30 September										
Revenue from										
external customers	524,184	411,919	49,134	42,120	21,970	19,619	983	851	596,271	474,509
Inter-segment revenue	-	-	13,166	10,952	736	826	3,257	3,257	17,159	15,035
Reportable segment revenue	524,184	411,919	62,300	53,072	22,706	20,445	4,240	4,108	613,430	489,544
Reportable segment profit (adjusted EBITDA)	86,726	61,539	32,245	29,872	5,607	4,325	3,920	3,822	128,498	99,558
Interest income from bank deposits	154	153	425	80	-	-	-	-	579	233
Interest expense	(63)	-	(244)	(460)	(1)	-	-	-	(308)	(460)
Depreciation and amortisation	(12,049)	(7,983)	(58)	(55)	(485)	(475)	(1,289)	(1,289)	(13,881)	(9,802)
	30 Sep	31 Mar	30 Sep	31 Mar	30 Sep	31 Mar	30 Sep	31 Mar	30 Sep	31 Mar
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	426,010	369,809	353,552	329,329	35,831	33,167	85,167	83,625	900,560	815,930
Additions to non-current segment assets during the period	14,351	21,300	127	97	92	1,143	-	-	14,570	22,540
Reportable segment liabilities	187,520	177,228	34,687	69,971	5,853	3,822	909	352	228,969	251,373

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

	Six months ended 30 September	
	2011	2010
	\$'000	\$'000
Revenue		
Reportable segment revenue	613,430	489,544
Elimination of inter-segment revenue	(17,159)	(15,035)
Consolidated turnover	596,271	474,509
Profit		
Reportable segment profit	128,498	99,558
Elimination of inter-segment profits	(5,555)	(4,192)
Reportable segment profit derived from the Group's external customers	122,943	95,366
Share of profits less losses of associate	24,723	17,612
Other revenue	5,057	4,015
Other net income	2,859	4,236
Depreciation and amortisation	(13,950)	(9,955)
Finance costs	(308)	(460)
Unallocated head office and corporate expenses	(10,540)	(7,489)
Consolidated profit before taxation	130,784	103,325

	30 September 2011 \$'000	31 March 2011 \$'000
Assets		
Reportable segment assets	900,560	815,930
Elimination of inter-segment receivables	<u>(21,499)</u>	<u>(11,013)</u>
	879,061	804,917
Interests in associate	219,700	180,593
Other financial assets	33,683	72,209
Deferred tax assets	47,634	48,810
Trading securities	860	1,613
Club memberships	750	860
Current tax recoverable	601	848
Cash and cash equivalents	329,429	426,919
Unallocated head office and corporate assets	<u>2,415</u>	<u>458</u>
Consolidated total assets	<u>1,514,133</u>	<u>1,537,227</u>
Liabilities		
Reportable segment liabilities	228,969	251,373
Elimination of inter-segment payables	<u>(21,499)</u>	<u>(11,013)</u>
	207,470	240,360
Current tax payable	39,629	29,674
Deferred tax liabilities	17,140	17,894
Unallocated head office and corporate liabilities	<u>6,464</u>	<u>6,291</u>
Consolidated total liabilities	<u>270,703</u>	<u>294,219</u>

(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 interests 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 interests in associate.

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 September 2011 \$'000	2010 \$'000	30 September 2011 \$'000	31 March 2011 \$'000
Hong Kong (place of domicile)	<u>271,191</u>	<u>236,327</u>	<u>353,915</u>	<u>315,603</u>
Taiwan	44,983	40,604	170,842	170,072
Other areas of the People's Republic of China	248,085	171,119	55,813	53,552
Others	<u>32,012</u>	<u>26,459</u>	<u>151,207</u>	<u>152,069</u>
	<u>325,080</u>	<u>238,182</u>	<u>377,862</u>	<u>375,693</u>
	<u>596,271</u>	<u>474,509</u>	<u>731,777</u>	<u>691,296</u>

4. Profit before taxation

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

	Six months ended 30 September	
	2011	2010
	\$'000	\$'000
(a) <i>Finance costs</i>		
Interest on bank advances and other borrowings wholly repayable within five years	<u>308</u>	<u>460</u>
(b) <i>Staff costs</i>		
Contributions to defined contribution retirement plans	7,694	7,343
Salaries, wages and other benefits	<u>94,909</u>	<u>86,428</u>
	<u>102,603</u>	<u>93,771</u>
(c) <i>Other items</i>		
Amortisation of intangible assets	390	390
Depreciation and amortisation on owned assets	13,950	9,565
Share of associate's taxation	4,025	3,150
Net realised and unrealised loss on trading securities	754	289
Interest income	(2,040)	(1,763)
Dividend income from listed securities	<u>(8)</u>	<u>(7)</u>

5. Income tax

The provision for Hong Kong Profits Tax is calculated at 16.5% (2010 : 16.5%) of the estimated assessable profits for the period. Taxation for subsidiaries based outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

	Six months ended 30 September	
	2011	2010
	\$'000	\$'000
Current tax - Hong Kong Profits Tax	12,287	7,389
Current tax - Outside Hong Kong	7,306	4,308
Deferred tax relating to the origination and reversal of temporary differences	<u>(257)</u>	<u>1,730</u>
	<u>19,336</u>	<u>13,427</u>

6. Dividends

Interim dividends attributable to the period are as follows:

	Six months ended 30 September	
	2011	2010
	\$'000	\$'000
Interim dividend declared of 30.0 HK cents (2010: 25.0 HK cents) per share	<u>49,321</u>	<u>40,271</u>

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 \$111,335,000 (2010: \$89,914,000) and the weighted average number of ordinary shares of 163,202,000 shares (2010: 153,856,000 shares) in issue during the period.

(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 \$111,335,000 and the weighted average number of ordinary shares of 163,774,000 shares in issue during the period. The Company did not have dilutive potential ordinary shares outstanding during the period ended 30 September 2010. Accordingly, the diluted earnings per share is the same as the basic earnings per share for the period ended 30 September 2010.

8. Trade and other receivables

	30 September	31 March
	2011	2011
	\$'000	\$'000
Trade debtors and bills receivable	93,446	97,341
Less : allowance for doubtful debts	<u>(12,616)</u>	<u>(13,376)</u>
	80,830	83,965
Deposits, prepayments and other receivables	75,916	58,922
Amounts due from related companies	1,491	1,297
Club memberships	750	860
	<u>158,987</u>	<u>145,044</u>

All of the Group's trade and other receivables, apart from deposits, prepayments, other receivables and club memberships of \$32,408,000 (31 March 2011: \$21,524,000), 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 :

	30 September	31 March
	2011	2011
	<i>\$'000</i>	<i>\$'000</i>
Current	<u>57,704</u>	<u>60,897</u>
Less than 1 month past due	12,800	11,229
1 to 3 months past due	10,326	6,697
More than 3 months but less than 12 months past due	<u>-</u>	<u>5,142</u>
Amounts past due	<u>23,126</u>	<u>23,068</u>
	<u>80,830</u>	<u>83,965</u>

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	31 March
	2011	2011
	<i>\$'000</i>	<i>\$'000</i>
Trade creditors	59,910	53,249
Bills payable	<u>3,150</u>	<u>7,958</u>
	63,060	61,207
Other payables and accrued charges	141,714	145,792
Amounts due to related companies	<u>3,461</u>	<u>4,116</u>
	<u>208,235</u>	<u>211,115</u>

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:

	30 September	31 March
	2011	2011
	<i>\$'000</i>	<i>\$'000</i>
Due within 1 month or on demand	39,923	40,364
Due after 1 month but within 3 months	21,690	15,048
Due after 3 months but within 6 months	661	4,515
Due after 6 months but within 12 months	<u>786</u>	<u>1,280</u>
	<u>63,060</u>	<u>61,207</u>

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF THE GROUP'S OPERATIONS

Group's Operations

	Six months ended 30 September		
	2011	2010	change
	HK\$'000	HK\$'000	
Turnover	596,271	474,509	25.7%
Gross profit	379,503	312,872	21.3%
Gross profit margin	63.6%	65.9%	-2.3 pp
Profit from operations	106,369	86,173	23.4%
Operating margin	17.8%	18.2%	-0.4 pp
Share of profits less losses of associate	24,723	17,612	40.4%
Profit attributable to equity shareholders of the Company	111,335	89,914	23.8%
Net profit margin	18.7%	18.9%	-0.2 pp
EBITDA	145,042	113,746	27.5%
EBITDA margin	24.3%	24.0%	+0.3 pp
Earnings per share - basic	68.2 cents	58.4 cents	16.8%
Interim dividend per share	30.0 cents	25.0 cents	20.0%
Dividend payout	44.0%	42.8%	+1.2 pp

Turnover of the Group increased by 25.7% to HK\$596,271,000 (2010: 474,509,000). Total sales of garments, which is the Group's principal business, surpassed HK\$411,919,000 for the previous year by 27.3% to HK\$524,184,000. And, total income of licensing of trademarks from external customers increased by 16.7% to HK\$49,134,000 (2010: HK\$42,120,000). Hence, total gross profit increased by 21.3% to HK\$379,503,000 (2010: HK\$312,872,000). Overall gross profit margin dropped to 63.6% from 65.9% of the previous year, representing 2.3 percentage points decrease, as a result of markdowns of sales of garments.

Profit from operations surged by 23.4% from HK\$86,173,000 for the previous year to HK\$106,369,000. Total operating expenses amounted to HK\$280,213,000 (2010: HK\$232,974,000), representing an increase of 20.3%. Total rental and other occupancy expenses of the Group grew by 16.6% to HK\$95,522,000 (2010: HK\$81,913,000) which accounted for 16.0% (2010: 17.3%) of the turnover of the Group. Total staff costs, including directors' remuneration, increased by 9.4% to HK\$102,603,000 (2010: HK\$93,771,000) and accounted for 17.2% (2010: 19.5%) of the turnover of the Group. Total advertising and promotion expenses of the Group grew by 41.2% to HK\$13,296,000 (2010: HK\$9,415,000) which accounted for 2.2% (2010: 2.0%) of the turnover of the Group.

Profit attributable to equity shareholders of the Company was HK\$111,335,000 (2010: HK\$89,914,000) which included a share of profit of associate, Hang Ten Group Holdings Limited ("HTGHL"), amounting to HK\$24,723,000, representing an increase of 40.4% from HK\$17,612,000 of the previous year.

For the period under review, EBITDA of the Group rose by 27.5% to HK\$145,042,000 (2010: HK\$113,746,000). EBITDA margin increased from 24.0% of the previous year to 24.3%.

Basic earnings per share increased by 16.8% to 68.2 HK cents (2010: 58.4 HK cents).

Cash Flow from Operations

For the period ended 30 September 2011, the Group generated HK\$33,389,000 of cash from operations which decreased from HK\$64,640,000 of the previous year same period. This was mainly due to an increase of inventories of HK\$60,674,000 during the period under review.

As at 30 September 2011, the Group had cash and bank deposits net of overdrafts and short-term bank loans of HK\$324,264,000, a decrease of HK\$98,837,000 from HK\$423,101,000 as at 31 March 2011 after payments of dividend of HK\$123,303,000 and purchases of 21,202,000 ordinary shares of HTGHL of HK\$40,483,000. During the period, total subscriptions of HK\$26,535,000 were received from option grantees for exercise of 2,193,000 share options. At 30 September 2011, the Group had trading securities with a fair value of HK\$860,000 (31 March 2011: HK\$1,613,000).

During the period, the Group spent approximately HK\$14,570,000 in additions and replacement of fixed assets, compared to HK\$10,304,000 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 30 September 2011 were HK\$1,243,430,000 as compared with HK\$1,243,008,000 as at 31 March 2011. The Group's gearing ratio at the period end was 0.005 (31 March 2011: 0.029) which was calculated based on total borrowings of HK\$5,699,000 (31 March 2011: HK\$35,536,000) and shareholders' equity of HK\$1,223,691,000 (31 March 2011: HK\$1,219,701,000). 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 30 September 2011, the Company issued guarantees to banks to secure banking facilities provided to the subsidiaries amounting to HK\$177,745,000 (31 March 2011: HK\$179,080,000). 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\$10,561,000 (31 March 2011: HK\$52,981,000).

OPERATIONS REVIEW

Sales of Garments

	Six months ended 30 September		
	2011	2010	change
	HK\$'000	HK\$'000	
Revenue from sales of garments	524,184	411,919	27.3%
Segment profit	86,726	61,539	40.9%
Segment profit margin	16.5%	14.9%	+1.6 pp
Inventory turnover on sales (days)	72	60	20.0%

Sales of garments is the Group's principal business which is mainly retailing and wholesaling of branded garments in the Greater China region. Total sales surged by 27.3% to HK\$524,184,000 (2010: HK\$411,919,000). Hence, total segment profit increased by 40.9% from HK\$61,539,000 for the previous year same period to HK\$86,726,000.

Number of POSs by geographical locations

	Mainland		Hong Kong				Macau		Taiwan		Europe		South Korea & Southeast Asia		Total			
	China		30 Sep		31 Mar		30 Sep		31 Mar		30 Sep		31 Mar		30 Sep		31 Mar	
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011		
Aquascutum	127	125	15	15	3	3	24	23	-	-	2	2	171	168				
Ashworth	54	51	11	12	3	4	7	5	-	-	5	12	80	84				
Michel Rene	28	29	17	14	2	2	5	5	-	-	3	3	55	53				
J.Lindeberg	7	7	7	6	1	1	2	-	-	-	-	17	14					
Guy Laorche	-	-	-	-	-	-	-	-	1	1	-	-	1	1				
Total	216	212	50	47	9	10	38	33	1	1	10	17	324	320				

As at the end of September 2011, the Group has a distribution network of 324 point of sales ("POSs") in our operating market which was a net increase of 4 POSs from the end of March 2011.

Licensing of Trademark

The Group owns the global intellectual property rights of "GUY LAROCHE" and the intellectual property rights of "AQUASCUTUM" in Asian Territories. Total income of licensing of "GUY LAROCHE" and "AQUASCUTUM" trademarks from external customers increased by 16.7% to HK\$49,134,000 (2010: HK\$42,120,000).

Other Business

The Group purchased 21,202,000 ordinary shares of HTGHL at a total cost of HK\$40,483,000 during the period; percentage of holdings increased from 20.48% to 22.64%. HTGHL reported an increase in both sales and operating profit. Hence, the Group accounted for a share of profit of HK\$24,723,000 for the period (2010: HK\$17,612,000).

With our continuous efforts on controlling costs, our manufacturing plant in Dongguan reported a profit for the period with an increase in turnover. Our security printing business reported a segment profit of HK\$5,607,000 (2010: HK\$4,325,000). Rental income from industrial building is steady.

OUTLOOKS

During the period under review, the Company had increased in sales revenue and overall profit as compared with same period last year despite a challenging economic environment. Consumer's spending in Hong Kong and Mainland China remained strong. Sales of "AQUASCUTUM" increased during the period and we believe the brand has yet to reach its potentials as plans for expansion in both sales outlets and product lines are still underway.

Although majority of our business is generated from the Greater China region, economic problems in the U.S. and Europe can also affect negatively our business here. Our management recognizes the challenges ahead at this turbulent time and will be prudent in managing the basics such as inventory control, overheads and expenses. However, at the same time, we are confident of a steady growth and will also seek opportunities ahead.

INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of 30.0 HK cents (2010: 25.0 HK cents) per share for the six months ended 30 September 2011 to shareholders whose names appears on the register of members of the Company as at the close of business on 14 December 2011. The interim dividend will be despatched to shareholders on 23 December 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 December 2011 to 20 December 2011, 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 Wednesday, 14 December 2011.

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 option was granted to any employee of the Group. 2,193,000 options were exercised during the period and total subscriptions of HK\$26,535,000 were received from option grantees. Shares of the Company were allotted and issued accordingly.

HUMAN RESOURCES

As at 30 September 2011, the Group had approximately 1,800 employees (31 March 2011: 1,900). 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.

CORPORATE GOVERNANCE

During the period ended 30 September 2011, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except that the Non-executive Directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Company's articles of association.

DIRECTORS SECURITIES TRANSACTIONS

The Company has adopted a Securities Dealing Code regarding directors' securities transactions on terms no less exacting than 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 has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules 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 of the Company 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 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 30 September 2011.

By order of the Board
YGM TRADING LIMITED
Chan Wing Fui, Peter
Chairman

Hong Kong, 29 November 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.