YGM TRADING LIMITED

(incorporated in Hong Kong with limited liabilities)

(Stock Code : 00375)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2010

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 interests in associates for the year ended 31 March 2010 together with comparative figures for the corresponding period and selected explanatory notes as follows :

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2010
(Expressed in Hong Kong Dollars)

	Note	**2010**	2009
		$'000	*$'000*
Turnover	3, 4	**991,055**	971,936
Cost of sales		**(350,498)**	(379,328)
Gross profit		**640,557**	592,608
Other revenue		**10,763**	11,496
Other net (loss)/income		**(4,428)**	8,531
Distribution costs		**(326,875)**	(367,064)
Administrative expenses		**(147,499)**	(154,487)
Other operating expenses		**(582)**	(2,360)
Profit from operations		**171,936**	88,724
Valuation gains/(losses) on investment properties		**20,500**	(13,000)
Finance costs	5(a)	**(910)**	(1,712)
Share of profits less losses of associates		**29,478**	17,072
Net gain on disposal of associate		**7,899**	-
Profit before taxation	5	**228,903**	91,084
Income tax	6	**(30,531)**	(11,616)
Profit for the year		**198,372**	79,468
Attributable to:			
Equity shareholders of the Company		**196,587**	80,187
Minority interests		**1,785**	(719)
Profit for the year		**198,372**	79,468
Earnings per share	7		
Basic		**$1.28**	$0.52
Diluted		**$1.28**	$0.52

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 2010
(Expressed in Hong Kong Dollars)

	2010	2009
	$'000	*$'000*
Profit for the year	**198,372**	79,468
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of subsidiaries based outside Hong Kong	**1,081**	(9,360)
Share of exchange reserve of associates	**12,918**	(21,143)
	13,999	(30,503)
Total comprehensive income for the year	**212,371**	48,965
Attributable to:		
Equity shareholders of the Company	**209,259**	51,496
Minority interests	**3,112**	(2,531)
Total comprehensive income for the year	**212,371**	48,965

Note:

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 2010
(Expressed in Hong Kong Dollars)

	Note		**2010**		2009
		$'000	***$'000***	*$'000*	*$'000*
Non-current assets					
Fixed assets					
- Investment properties			**63,400**		53,300
- Other property, plant and equipment			**122,042**		122,542
- Interest in leasehold land held for own use under operating lease			**5,384**		5,533
			190,826		181,375
Intangible assets	11		**287,238**		107,709
Lease premium			**9,928**		9,727
Interests in associates			**139,592**		109,962
Other financial assets			**69,781**		34,642
Deferred tax assets			**51,583**		55,679
			748,948		499,094
Current assets					
Trading securities		**2,352**		4,537	
Inventories		**102,007**		140,353	
Trade and other receivables	9	**125,442**		106,874	
Current tax recoverable		**537**		2,091	
Cash and cash equivalents		**214,550**		238,615	
		444,888		492,470	
Current liabilities					
Trade and other payables	10	**168,488**		155,221	
Bank loans and overdrafts		**46,959**		14,518	
Current tax payable		**18,134**		8,930	
		233,581		178,669	
Net current assets			**211,307**		313,801
Total assets less current liabilities			**960,255**		812,895
Non-current liabilities					
Bank loans		**1,551**		3,467	
Deferred tax liabilities		**14,234**		11,181	
			15,785		14,648
NET ASSETS			**944,470**		798,247
CAPITAL AND RESERVES					
Share capital			**76,916**		76,916
Reserves			**845,497**		702,386
Total equity attributable to shareholders of the Company			**922,413**		779,302
Minority interests			**22,057**		18,945
TOTAL EQUTIY			**944,470**		798,247

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 2010 but the information herein has been extracted from the draft consolidated financial statements of the Group for the year ended 31 March 2010.

The consolidated financial statements for the year ended 31 March 2010 comprise the Group and the Group's interests 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. 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 2010 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 one new HKFRS, a number of amendments to HKFRSs and 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 8, 'Operating segments'
- HKAS 1 (revised 2007), 'Presentation of financial statements'
- Amendments to HKFRS 7, 'Financial instruments : Disclosures – improving disclosures about financial instruments'
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, 'Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate'
- HKAS 23 (revised 2007), 'Borrowing costs'
- Amendments to HKFRS 2, 'Share-based payment – vesting conditions and cancellations'

The amendments to HKAS 23 and HKFRS 2 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows :

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has not resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has not resulted in additional reportable segments being identified and presented (see note 4). Corresponding amounts have been provided on a basis consistent with the revised segment information.

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

- As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable markets data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

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

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

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

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, rental income and income from printing and related services. The amount of each significant category of revenue recognised in turnover during the year is as follows :

	2010	2009
	$'000	*$'000*
Sales of garments	**881,358**	876,044
Royalty and related income	**76,185**	59,533
Income from printing and related services	**32,154**	34,675
Gross rentals from investment properties	**1,358**	1,684
	991,055	971,936

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 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.

(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 associates, 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 associates 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 impairment losses 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 2010 and 2009 is set out below:

	Sales of garments		Licensing of trademarks		Printing and related services		Property rental			Total
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**881,358**	876,044	**76,185**	59,533	**32,154**	34,675	**1,358**	1,684	**991,055**	971,936
Inter-segment revenue	**-**	-	**13,538**	-	**1,718**	2,194	**6,566**	6,511	**21,822**	8,705
Reportable segment revenue	**881,358**	876,044	**89,723**	59,533	**33,872**	36,869	**7,924**	8,195	**1,012,877**	980,641
Reportable segment profit (adjusted EBITDA)	**157,083**	102,281	**40,758**	5,220	**5,438**	5,336	**6,909**	7,457	**210,188**	120,294
Interest income from bank deposits	**306**	595	**10**	**-**	**-**	28	**-**	-	**316**	623
Interest expense	**(561)**	(1,712)	**(130)**	**-**	**-**	-	**-**	-	**(691)**	(1,712)
Depreciation and amortisation for the year	**21,243**	29,334	**15**	**-**	**905**	1,193	**2,579**	2,129	**24,742**	32,656
Reportable segment assets	**291,814**	339,066	**328,207**	127,520	**34,120**	25,164	**63,408**	53,423	**717,549**	545,173
Additions to non-current assets during the year	**11,811**	26,055	**181,493**	**-**	**535**	566	**-**	-	**193,839**	26,621
Reportable segment liabilities	**130,664**	115,162	**80,942**	46,372	**3,633**	4,734	**312**	310	**215,551**	166,578

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

	2010	2009
	$'000	*$'000*
Revenue		
Reportable segment revenue	**1,012,877**	980,641
Elimination of inter-segment revenue	**(21,822)**	(8,705)
Consolidated turnover	**991,055**	971,936
Profit		
Reportable segment profit	**210,188**	120,294
Elimination of inter-segment profits	**(6,009)**	(4,416)
Reportable segment profit derived from the Group's external customers	**204,179**	115,878
Share of profits less losses of associates	**29,478**	17,072
Net gain on disposal of associate	**7,899**	-
Other revenue	**10,763**	11,496
Other net (loss)/income	**(4,428)**	8,531
Depreciation and amortisation	**(24,976)**	(32,886)
Finance costs	**(910)**	(1,712)
Valuation gains/(losses) on investment properties	**20,500**	(13,000)
Unallocated head office and corporate expenses	**(13,602)**	(14,295)
Consolidated profit before taxation	**228,903**	91,084

	2010 $'000	2009 $'000
Assets		
Reportable segment assets	**717,549**	545,173
Elimination of inter-segment receivables	**(4,883)**	(637)
	712,666	544,536
Interests in associates	**139,592**	109,962
Other financial assets	**69,781**	34,642
Trading securities	**2,352**	4,537
Club memberships	**860**	860
Deferred tax assets	**51,583**	55,679
Cash and cash equivalents	**214,550**	238,615
Current tax recoverable	**537**	2,091
Unallocated head office and corporate assets	**1,915**	642
Consolidated total assets	**1,193,836**	991,564
Liabilities		
Reportable segment liabilities	**215,551**	166,578
Elimination of inter-segment payables	**(4,883)**	(637)
	210,668	165,941
Current tax liabilities	**18,134**	8,930
Deferred tax liabilities	**14,234**	11,181
Unallocated head office and corporate liabilities	**6,330**	7,265
Consolidated total liabilities	**249,366**	193,317

(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 associates ("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 associates.

	Revenue from external customers		**Specified non-current assets**	
	2010 *$'000*	2009 *$'000*	**2010** *$'000*	2009 *$'000*
Hong Kong (place of domicile)	**442,103**	403,118	**339,802**	147,250
Taiwan	**110,067**	109,310	**131,277**	97,516
Other areas of the People's Republic of China	**381,295**	395,221	**41,922**	49,235
Others	**57,590**	64,287	**114,583**	114,772
	548,952	568,818	**287,782**	261,523
	991,055	971,936	**627,584**	408,773

5. Profit before taxation

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

		2010	2009
		$'000	*$'000*
(a)	*Finance costs*		
	Interest on bank advances and other borrowings wholly repayable within five years	**910**	1,712
(b)	*Staff costs*		
	Contributions to defined contribution retirement plans	**12,398**	12,608
	Salaries, wages and other benefits	**169,440**	195,763
		181,838	208,371
(c)	*Other items*		
	Amortisation of intangible assets	**780**	780
	Depreciation and amortisation of fixed assets	**24,196**	32,106
	Impairment loss on trade and other receivables	**3,607**	2,833
	Reversal of impairment loss on trade and other receivables	**(3,310)**	-
	Share of associates' taxation	**8,313**	4,765
	Net unrealised (gain)/loss on trading securities	**(1,353)**	2,215
	Net loss on disposal of fixed assets	**907**	1,070
	Bank interest income	**(398)**	(2,330)
	Interest income from associate	**(1,907)**	(1,911)
	Other interest income	**(659)**	-
	Dividend income from listed securities	**(17)**	(25)

6. Income tax in the consolidated income statement

Taxation in the consolidated income statement represents :

	2010	2009
	$'000	*$'000*
Current tax - Hong Kong Profits Tax		
Provision for the year	**14,448**	8,575
Over-provision in respect of prior years	**(668)**	(384)
	13,780	8,191
Current tax - Outside Hong Kong		
Provision for the year	**8,738**	4,472
Over-provision in respect of prior years	**(97)**	(715)
	8,641	3,757
Deferred tax		
Origination and reversal of temporary differences	**8,110**	(332)
	30,531	11,616

The provision for Hong Kong Profits Tax for 2010 is calculated at 16.5% (2009: 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 People's Republic of China ("the PRC"), certain of the Group's PRC subsidiaries are eligible for the exemption from income tax for two years starting from the first profitable year of operation and thereafter, a 50 percent relief from their applicable tax rate for the following three years ("the tax holiday"). Pursuant to the notice on the Implementation Rules of the Grandfathering Relief under the New Tax Law, Guofa (2007) No. 39 issued on 26 December 2007 by the State Council, one of these PRC subsidiaries continue to enjoy the tax holiday under the grandfathering provision of the New Tax Law with the standard tax rate of 25% 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 certain of the Group's PRC subsidiaries.

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 $196,587,000 (2009: $80,187,000) and 153,832,000 (2009: 153,832,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

The Company did not have any dilutive potential ordinary shares outstanding during both 2010 and 2009. Accordingly, the diluted earnings per share is the same as the basic earnings per share for both 2010 and 2009.

8. Dividends

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

	2010	2009
	$'000	*$'000*
Interim dividend declared and paid of $0.15 (2009 : $0.10) per ordinary share	**23,075**	15,383
Final dividend proposed after the balance sheet date of $0.40 (2009 : $0.28) per ordinary share	**61,533**	43,073
	84,608	58,456

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

	2010	2009
	$'000	*$'000*
Special dividend in respect of the previous financial year, approved and paid during the year, of $Nil (2009 : $0.30) per ordinary share	**-**	46,150
Final dividend in respect of the previous financial year, approved and paid during the year, of $0.28 (2009 : $0.32) per ordinary share	**43,073**	49,226
	43,073	95,376

9. Trade and other receivables

	2010	2009
	$'000	*$'000*
Trade debtors and bills receivable	**92,738**	64,060
Less: allowance for doubtful debts	**(12,227)**	(12,159)
	80,511	51,901
Deposits and prepayments	**44,065**	50,143
Amounts due from related companies	**6**	3,970
Club memberships	**860**	860
	125,442	106,874

All of the Group's trade and other receivables, apart from deposits and prepayment and club memberships of $23,793,000 (2009: $24,921,000) are expected to be recovered or recognised as expense within one year.

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

	2010	2009
	$'000	*$'000*
Current	**51,351**	32,497
Less than 1 month past due	**18,857**	13,919
1 to 3 months past due	**7,393**	5,069
More than 3 months but less than 12 months past due	**2,910**	416
Amounts past due	**29,160**	19,404
	80,511	51,901

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 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

	2010	2009
	$'000	*$'000*
Trade creditors	**35,649**	38,256
Bills payable	**5,206**	1,377
	40,855	39,633
Other payables and accrued charges	**124,444**	113,667
Amounts due to related companies	**3,189**	1,921
	168,488	155,221

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:

	2010	2009
	$'000	*$'000*
Due within 1 month or on demand	**26,508**	22,665
Due after 1 month but within 3 months	**11,956**	14,086
Due after 3 months but within 6 months	**1,035**	1,935
Due after 6 months but within 12 months	**1,356**	947
	40,855	39,633

11. Acquisition of certain trademarks of "Aquascutum"

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the year ended 31 March 2010 increased by 1.5 times from that of the previous year. This was mainly due to the implementation of comprehensive program of cost discipline by management, and saving in royalty expense and increase in royalty income resulted from the acquisition of the trademark, “Aquascutum”, in September 2009.

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

Results of the Group’s Operations

Turnover of the Group for the year ended 31 March 2010 increased by 2% to HK$991,055,000 from HK$971,936,000 for the previous year. Total sales of garment, the Group’s principal business, increased slightly to HK$881,358,000 (2009: HK$876,044,000). As a result of the acquisition of “Aquascutum”, total royalty and related income from external customers for the year increased to HK$76,185,000 (2009: HK$59,533,000).

The Group’s gross profit for the year ended 31 March 2010 increased to HK$640,557,000 (2009: HK$592,608,000). Gross profit margin improved to 64.6% (2009: 61.0%). Total distribution expenses decreased from HK$367,064,000 for the previous year to HK$326,875,000. In addition, total administrative expenses decreased to HK$147,499,000 (2009: HK$154,487,000). Hence, profit from operations surged from HK$88,724,000 for the previous year to HK$171,936,000.

Profit attributable to equity shareholders of the Company for the year was HK$196,587,000 (2009: HK$80,187,000) which included an unrealised gain on valuation of trading securities at fair value of HK$1,353,000 as opposed to an unrealised loss of HK$2,215,000 in the previous year and valuation gains on investment properties of HK$20,500,000 (2009: valuation losses of HK$13,000,000). In addition, a net gain on disposal of associate of HK$7,899,000 was recorded as the Group disposed of its interest in an associate at a consideration of RMB11,980,000 (equivalent to HK$13,625,000) during the year.

Business review

Sales of garments
The global economy has showed signs of improvement since the onset of financial tsunami and encouraging signs of recovery continued to emerge in the second half of the year under review. Total sales of garment, the Group’s principal business, increased by 5.6% in the second half of the financial year as opposed to a decrease of 5.7% in the first half of the financial year. Hence, total sales of garment for the year increased slightly to HK$881,358,000 (2009: HK$876,044,000).

As at 31 March 2010, the Group had 163 “Aquascutum” outlets, 75 “Ashworth” outlets and 64 “Michel Rene” outlets in the Greater China region and South East Asia. And, the Group also had 1 “Guy Laroche” outlet in Europe.

	Breakdown of outlets by geographical locations		
	As at 31 March 2010	As at 31 March 2009	+/(-) outlets
Geographical locations			
Hong Kong	**45**	35	+10
Macau	**8**	8	-
Other areas of the People's Republic of China	**198**	215	-17
Taiwan	**39**	49	-10
Europe	**1**	1	-
South East Asia	**12**	13	-1
Total	**303**	321	-18

Other business
The Group owns the global brand "Guy Laroche" and operates a company in Paris as the headquarter. The French company reports a profit for the year under review in spite of the weak market economy in Europe. Despite efforts to contain increase in expenses, our manufacturing plant in Dongguan suffered another loss for the year. Our security printing business reported a lower but still very healthy profit. Rental income from the industrial building remains fairly stable.

Prospects
Although the global economy shows signs of recovery, management continue to implement strict cost discipline and seek appropriate business opportunities. The Group will benefit from the acquisition of "Aquascutum" in coming years in view of a saving in royalty expense and new income streams from potential markets.

In addition, during the year, the Group had entered into an exclusive distribution and license agreement with J.Lindeberg AB for the exclusive rights to market and sell products bearing "J. Lindeberg" in Hong Kong, Macau and Mainland China. The Group is planning to open three "J. Lindeberg" outlets in the financial year 2010/11.

Capital expenditure
During the year, the Group spent approximately HK$14,070,000 in recurring additions and replacement of fixed assets, compared to HK$26,621,000 for the previous year.

On 8 September 2009, the Group completed the acquisition of all right, title and interest in the intellectual property rights of "Aquascutum" in relation to 42 countries and regions in Asia at a cash consideration of £13,700,000 (equivalent to approximately HK$173,716,000).

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 2010, the Group generated cash of HK$227,016,000 (2009: HK$113,415,000) from operations. As at 31 March 2010, the Group had cash and bank deposits net of overdrafts and short-term bank loans of HK$167,591,000, a decrease from HK$224,097,000 as at 31 March 2009 after a payment of £13,700,000 (approximately HK$173,716,000) for acquisition of all right, title and interest in the intellectual property rights of "Aquascutum" in relation to 42 countries and regions in Asia and payments of dividends of HK$66,148,000 during the year. At 31 March 2010, the Group had listed securities which were readily convertible into cash with a fair value of HK$2,352,000 (2009: HK$4,537,000).

The Group's net assets as at 31 March 2010 were HK$944,470,000 as compared with HK$798,247,000 as at 31 March 2009. The Group's gearing ratio at the year end was 0.053 (31 March 2009: 0.023) which was calculated based on total borrowings of HK$48,510,000 (31 March 2009: HK$17,985,000) and shareholders' equity of HK$922,413,000 (31 March 2009: HK$779,302,000). The Group's borrowings are mainly on a floating rate basis.

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

Certain investment properties with an aggregate carrying value of HK$10,900,000 as at 31 March 2009 were pledged to banks for obtaining banking facilities of which HK$Nil was utilised as at 31 March 2009. No fixed assets were pledged to banks as at 31 March 2010.

As at 31 March 2010, the Company issued guarantees to banks to secure banking facilities of subsidiaries amounting to HK$181,084,000 (2009: HK$96,966,000). 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$55,353,000 (2009: HK$22,633,000).

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 2010, 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 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 HK 40.0 cents (2009: HK 28.0 cents) per ordinary share for the year ended 31 March 2010 at the forthcoming annual general meeting to be held on 10 September 2010. The final dividend totaling HK$61,533,000 (2009: HK$43,073,000), if approved by the shareholders, is expected to be paid on or around 14 September 2010 to those shareholders whose names appear on the register of members of the Company as at the close of business on 3 September 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 September 2010 to 10 September 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for final 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 Thursday, 2 September 2010.

CORPORATE GOVERNANCE

The Company had compiled with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2010.

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 "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 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 the management the consolidated financial statements for the year ended 31 March 2010, 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 2010. 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 result 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 2010 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, 16 July 2010

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.