

Chairman's Statement



Chan Sui Kau
*Chairman of YGM
Trading Limited*

GROUP RESULTS

The Group recorded a consolidated turnover of HK\$1,738,613,000 for the year ended 31 March 2001 which grew slightly as compared to the previous year's turnover of HK\$1,725,125,000. Profit attributable to shareholders was HK\$141,720,000, representing a 20% increase from last year's HK\$118,469,000.

DIVIDENDS

A final dividend of HK\$0.32 (2000: HK\$0.32) per share has been recommended by the Board. The total dividend per share for the year, including a special dividend of HK\$1.50 (2000: Nil) per share and an interim dividend of HK\$0.12 (2000: HK\$0.11) per share, is HK\$1.94 (2000: HK\$0.43).

The final dividend, if approved by the shareholders in the forthcoming Annual General Meeting to be held on Tuesday, 25 September 2001, is expected to be paid on or around Wednesday, 26 September 2001 to those shareholders whose names appear on the Register of Members on Tuesday, 18 September 2001.



REVIEW OF OPERATIONS

Hang Ten

As at 31 March 2001, the Group operated 181 outlets in



Hang Ten

Michel René Taiwan, 12 outlets in Singapore, 54 outlets in Korea and 32 outlets in the Philippines. Turnover and profit growth were adversely affected by the devaluation of the New Taiwan dollars and the Philippines pesos. During the year, Hang Ten paid a special dividend of US\$35,000,000, of which US\$12,628,000 was paid to minorities.

Michel René

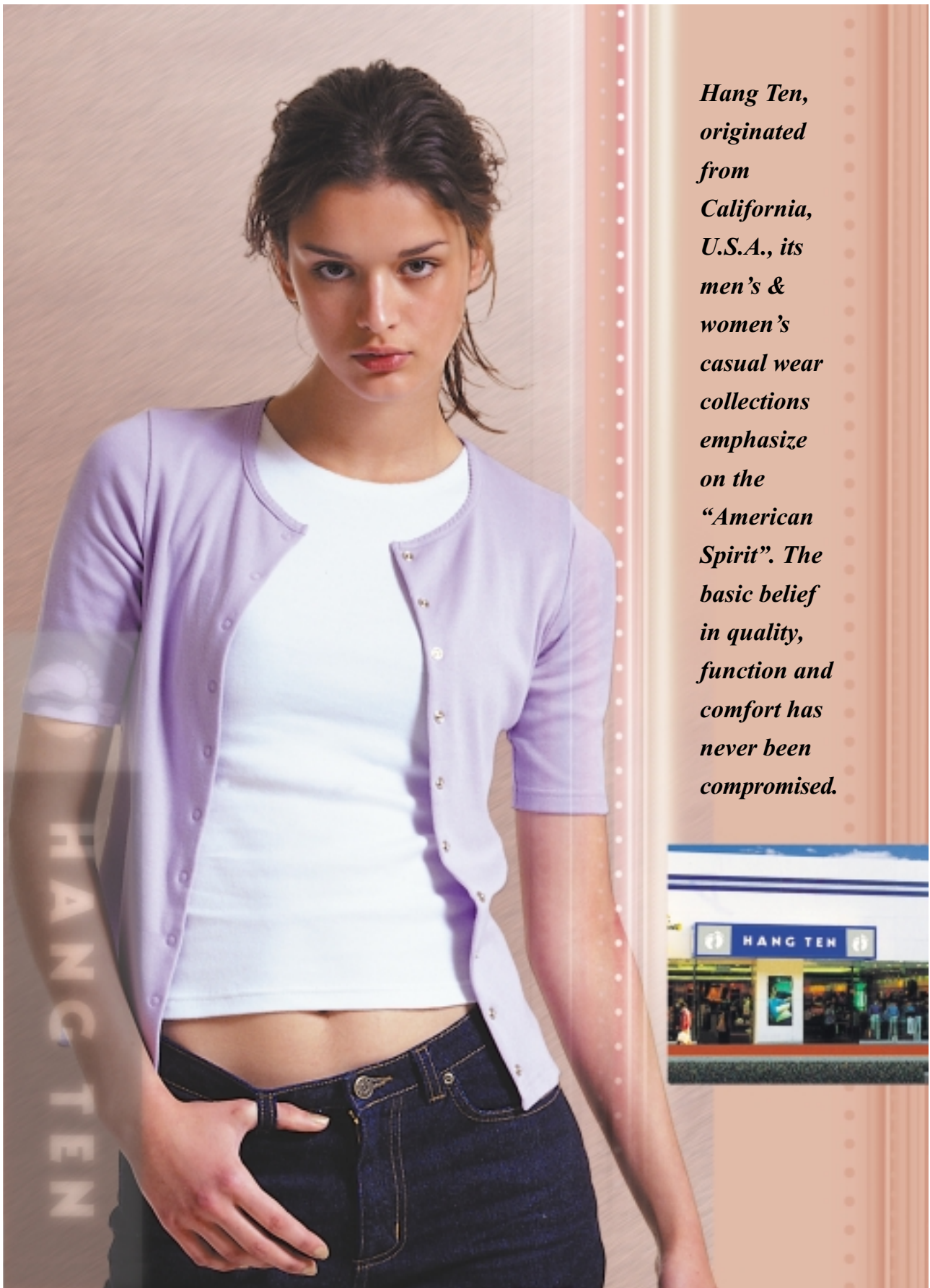
While the first half of the year 2000/2001 was very encouraging, the momentum has somewhat slowed down during the second half. There are 125 Michel René outlets in Hong Kong, China and Taiwan.





With its “mix and match” concept, Michel René is a European executive line of men’s & women’s formal and city wear collections for young and modern career people of today.





Hang Ten, originated from California, U.S.A., its men's & women's casual wear collections emphasize on the "American Spirit". The basic belief in quality, function and comfort has never been compromised.



Aquascutum

Licensed brands and products under distribution

The Group is the licensee of Aquascutum, Ashworth and Daniel Hechter. The Group had purchased slightly over 5% of the issued shares of Ashworth Inc. in the open market during the year. There are 80 outlets in Hong Kong, China and Taiwan.

Others

Rental of industrial properties in Hong Kong became weaker during the year. Garment manufacturing in China provided satisfactory results. Security Printing in Hong Kong remains profitable despite an increasing trend



for paperless process flows. An agreement has been signed with Midas Printing Group for the disposal of an industrial property in Chang An, Dongguan, China marginally above book value.



Daniel Hechter

Prospects and developments

While the year 2000/2001 is a year of recovery, the operating environment has deteriorated since the year end. The whole world economy has taken a downturn. With the exception of China, there has been a significant drop in the major stock markets. New Taiwan dollars, Korean Won and Philippines pesos devalued by approximately 10% against US dollars since September 2000. All these factors have affected the retail markets.

The management is carefully ensuring that shareholders value be preserved during a year of difficult worldwide business climates. The

management will also look for investment opportunities in other areas so as to diversify the Group's investments and businesses.





Aquascutum of London successfully invented the water-repellent wool and is famous for its trench coats and classic checkers. The brand is granted the Royal Warrant for decades and celebrates its 150th Anniversary in 2001.





Daniel Hechter is a French label with collections of men's and women's apparel and accessories. Its clothes combine the functional with the aesthetics, fashionable but not ostentatious.





Ashworth

Appreciation

On behalf of the Board, I would like to thank all of our shareholders, customers, suppliers and employees for their continued support to the Group.

Chan Sui Kau

Chairman

Hong Kong, 28 July 2001





Ashworth

Ashworth is based in California, U.S.A.. It markets a full line of quality men's and women's golf apparel and accessories featuring natural fibers and relaxed fits. Its products are designed for maximum comfort in a variety of weather conditions.

