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長江製衣有限公司
YANGTZEKIANG GARMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00294)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The Board of Directors of Yangtzekiang Garment Limited (“the Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interests in associates and jointly controlled entities for the six months ended 30 September 2012 as follows. The interim results have not been audited, but have been reviewed by the Company’s Audit Committee.

Consolidated Income Statement - Unaudited
For the six months ended 30 September 2012
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2012	2011
		\$'000	\$'000
Turnover	3	616,094	769,363
Cost of sales		<u>(519,854)</u>	<u>(643,996)</u>
Gross profit		96,240	125,367
Other revenue		3,943	4,739
Other net income		3,073	6,133
Selling and distribution expenses		(38,073)	(44,796)
Administrative expenses		(42,269)	(42,700)
Other operating expenses		<u>(17,740)</u>	<u>(11,206)</u>
Profit from operations		5,174	37,537
Finance costs	4(a)	(2,465)	(2,916)
Share of losses of associates		(16)	(206)
Share of (losses)/profits of jointly controlled entities		<u>(16,279)</u>	<u>16,556</u>
(Loss)/profit before taxation	4	(13,586)	50,971
Income tax	5	<u>(4,347)</u>	<u>(5,810)</u>
(Loss)/profit for the period		<u><u>(17,933)</u></u>	<u><u>45,161</u></u>
Attributable to:			
Equity shareholders of the Company		(18,695)	44,762
Non-controlling interests		762	399
(Loss)/profit for the period		<u><u>(17,933)</u></u>	<u><u>45,161</u></u>
(Loss)/earnings per share			
Basic and diluted	7	<u><u>(\$0.09)</u></u>	<u><u>\$0.21</u></u>

Consolidated Statement of Comprehensive Income - Unaudited
For the six months ended 30 September 2012
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2012	2011
	\$'000	\$'000
(Loss)/profit for the period	(17,933)	45,161
Other comprehensive income for the period (after reclassification adjustments)		
Exchange differences:		
- translation of financial statements of subsidiaries outside Hong Kong	(1,634)	4,219
- translation of associates' and jointly controlled entities' share of net assets	(4,753)	11,750
	<u>(6,387)</u>	<u>15,969</u>
Available-for-sale securities:		
net movement in the investment revaluation reserve	(923)	124
Cash flow hedge:		
net movement in hedging reserve	(15)	4,705
	<u>(7,325)</u>	<u>20,798</u>
Total comprehensive income for the period	<u>(25,258)</u>	<u>65,959</u>
Attributable to:		
Equity shareholders of the Company	(25,996)	65,623
Non-controlling interests	738	336
Total comprehensive income for the period	<u>(25,258)</u>	<u>65,959</u>

Consolidated Balance Sheet – Unaudited
At 30 September 2012
(Expressed in Hong Kong dollars)

	Note	At 30 September 2012		At 31 March 2012	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets					
Investment properties		168,283		168,616	
Other property, plant and equipment		99,583		102,397	
Interest in leasehold land held for own-use under operating lease		<u>1,733</u>	269,599	<u>1,776</u>	272,789
Intangible assets			3,117		3,117
Interests in associates			-		16
Interests in jointly controlled entities			590,238		611,270
Prepayment for fixed assets			-		789
Other financial assets			7,242		8,079
Deferred tax assets			<u>12,684</u>		<u>11,328</u>
			882,880		907,388
Current assets					
Inventories		112,581		127,345	
Trade and other receivables	8	228,397		329,199	
Cash and cash equivalents		<u>247,172</u>		<u>149,227</u>	
			<u>588,150</u>		<u>605,771</u>
Current liabilities					
Trade and other payables	9	218,795		221,304	
Current tax payable		<u>25,820</u>		<u>21,765</u>	
			<u>244,615</u>		<u>243,069</u>
Net current assets			<u>343,535</u>		<u>362,702</u>
Total assets less current liabilities			1,226,415		1,270,090
Non-current liabilities					
Provision for long service payments		25,694		33,108	
Deferred tax liabilities		<u>16,180</u>	41,874	<u>14,778</u>	47,886
NET ASSETS			<u>1,184,541</u>		<u>1,222,204</u>
CAPITAL AND RESERVES					
Share capital			103,374		103,374
Reserves			<u>1,077,350</u>		<u>1,115,751</u>
Total equity attributable to equity shareholders of the Company			1,180,724		1,219,125
Non-controlling interests			<u>3,817</u>		<u>3,079</u>
TOTAL EQUITY			<u>1,184,541</u>		<u>1,222,204</u>

Notes:

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited interim financial report 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").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 March 2012, except for the accounting policy changes that are expected to be reflected in the financial statements for the year ending 31 March 2013. 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.

This interim financial report contains condensed 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 for the year ended 31 March 2012. The condensed consolidated interim financial statements and notes thereto 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 interim financial report is unaudited, but has been reviewed by the Audit Committee.

The financial information relating to the financial year ended 31 March 2012 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 2012 are available from the Stock Exchange's website. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 June 2012.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a few amendments of HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following development is relevant to the Group's financial statements:

- Amendments to HKFRS 7, *Financial instruments: Disclosures - Transfers of financial assets*

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

The amendments to HKFRS 7 require certain disclosures to be included in the annual financial statements in respect of all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset existing at the reporting date, irrespective of when the related transfer transaction occurred. However, an entity need not provide the disclosures for the comparative period in the first year of adoption. The Group did not have any significant transfers of financial assets in previous periods or the current period which require disclosure in the current accounting period under the amendments.

The Group has early adopted the amendments to HKAS 12, *Income taxes - Deferred tax: Recovery of underlying assets* in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40, *Investment Property*, during the year ended 31 March 2012. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period other than the above.

3. SEGMENT REPORTING

The Group manages its business by divisions. 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 resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Manufacturing and sale of garments and textiles: this segment covers manufacturing and sale of garment and textile products, and provides garment sub-contracting services.
- Interests in jointly controlled entities: the Group's jointly controlled entities engage in the manufacturing and sale of textile yarn products.
- Property leasing: this segment leases commercial and industrial premises to generate rental income.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8 *Operating segments*, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Manufacture and sale of garments and textiles and property leasing segments

Segment assets include all assets with the exception of intangible assets, interests in associates, other financial assets, deferred tax assets, current tax recoverable and other corporate assets. Segment liabilities include all liabilities managed directly by the segments 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 revenue 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 finance cost 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, net valuation gains on investment properties, auditors' remuneration 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 expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation, impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Interests in jointly controlled entities

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements under the equity method, and presented as a separate reportable segment. The Group's senior executive management reviews the post-tax results of the interests in jointly controlled entities, which is defined as the reportable segment profit for this particular segment. Reportable segment assets represent the Group's share of net assets of the jointly controlled entities. Revenue of jointly controlled entities is not presented as reportable segment revenue as it is not reviewed by the Group's senior executive management for resource allocation purposes.

(a) **Segment results, assets and liabilities (continued)**

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 is set out below:

	Manufacture and sale of garments and textiles		Interests in jointly controlled entities		Property leasing		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
For the six months ended 30 September								
Revenue from external customers	612,527	766,429	-	-	3,567	2,934	616,094	769,363
Inter-segment revenue	-	-	-	-	1,222	1,222	1,222	1,222
Reportable segment revenue	612,527	766,429	-	-	4,789	4,156	617,316	770,585
Reportable segment profit/ (loss) (adjusted EBITDA)	9,016	37,156	(16,279)	16,556	3,849	3,304	(3,414)	57,016
Interest income	1,010	481	-	-	-	-	1,010	481
Finance costs	(2,465)	(2,916)	-	-	-	-	(2,465)	(2,916)
Depreciation and amortisation	(11,040)	(9,863)	-	-	-	-	(11,040)	(9,863)
	As at 30 September 2012 \$'000	As at 31 March 2012 \$'000	As at 30 September 2012 \$'000	As at 31 March 2012 \$'000	As at 30 September 2012 \$'000	As at 31 March 2012 \$'000	As at 30 September 2012 \$'000	As at 31 March 2012 \$'000
Reportable segment assets	688,798	710,261	590,238	611,270	168,283	168,616	1,447,319	1,490,147
Additions to non-current segment assets during the period	10,624	25,732	-	-	-	-	10,624	25,732
Reportable segment liabilities	230,681	252,971	-	-	-	-	230,681	252,971

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

	Six months ended 30 September	
	2012	2011
	\$'000	\$'000
<i>Revenue</i>		
Reportable segment revenue	617,316	770,585
Elimination of inter-segment revenue	<u>(1,222)</u>	<u>(1,222)</u>
Consolidated turnover	<u>616,094</u>	<u>769,363</u>
	Six months ended 30 September	
	2012	2011
	\$'000	\$'000
<i>Profit</i>		
Reportable segment (loss)/profit derived from Group's external customers (adjusted EBITDA)	(3,414)	57,016
Finance costs	(2,465)	(2,916)
Share of losses of associates	(16)	(206)
Other revenue and net income	7,016	10,872
Depreciation and amortisation	(11,040)	(9,863)
Unallocated head office and corporate expenses	<u>(3,667)</u>	<u>(3,932)</u>
Consolidated (loss)/profit before taxation	<u>(13,586)</u>	<u>50,971</u>
	30 September	31 March
	2012	2012
	\$'000	\$'000
<i>Assets</i>		
Reportable segment assets	1,447,319	1,490,147
Intangible assets	3,117	3,117
Interests in associates	-	16
Other financial assets	7,242	8,079
Deferred tax assets	12,684	11,328
Unallocated head office and corporate assets	<u>668</u>	<u>472</u>
Consolidated total assets	<u>1,471,030</u>	<u>1,513,159</u>
	30 September	31 March
	2012	2012
	\$'000	\$'000
<i>Liabilities</i>		
Reportable segment liabilities	230,681	252,971
Current tax payable	25,820	21,765
Deferred tax liabilities	16,180	14,778
Unallocated head office and corporate liabilities	<u>13,808</u>	<u>1,441</u>
Consolidated total liabilities	<u>286,489</u>	<u>290,955</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, goodwill, interests in associates and jointly controlled entities and prepayment for fixed assets ("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, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates and jointly controlled entities.

	Revenue from external customers		Specified non-current assets	
	Six months ended		30 September 2012 \$'000	31 March 2012 \$'000
	30 September 2012 \$'000	2011 \$'000		
Hong Kong (place of domicile)	40,106	41,705	151,555	152,423
Europe				
- United Kingdom	101,174	159,502	-	-
- France	5,583	1,020	-	-
- Other European countries	186,333	257,657	-	-
Mainland China	80,621	104,614	705,942	733,019
North America	97,587	119,328	-	-
Others	104,690	85,537	5,457	2,539
	575,988	727,658	711,399	735,558
	616,094	769,363	862,954	887,981

4. **(LOSS)/PROFIT BEFORE TAXATION**

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

	Six months ended 30 September	
	2012 \$'000	2011 \$'000
(a) Finance costs:		
Interest on bank loans wholly repayable within five years (including bank charges)	2,465	2,916
(b) Staff costs:		
Salaries, wages and other benefits	98,414	106,342
Contributions to defined contribution retirement schemes	7,022	5,009
Provision for long service payments, net	346	1,869
	105,782	113,220
(c) Other items:		
Amortisation of pre-paid interests in leasehold land	29	29
Depreciation	11,011	9,834
Auditors' remuneration	889	828
Operating lease charges:		
minimum lease payments - property rentals	4,396	4,196
Loss on disposal of fixed assets	344	75
Rentals receivable from investment properties less direct outgoings of \$983,000 (2011: \$872,000)	(2,584)	(2,062)
Dividends income and interest income	(1,399)	(2,181)

5. INCOME TAX

Income tax in the consolidated income statement represents:

	Six months ended 30 September	
	2012	2011
	\$'000	\$'000
Current tax - Hong Kong Profits Tax	4,185	6,231
Current tax - Outside Hong Kong	125	48
Deferred taxation	37	(469)
	<u>4,347</u>	<u>5,810</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the period. Taxation for subsidiaries outside Hong Kong are charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

6. CAPITAL AND DIVIDENDS

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

	Six months ended 30 September	
	2012	2011
	\$'000	\$'000
No interim dividend declared and paid after the interim period end (2011: \$0.02) per ordinary share	-	4,135

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

Final dividend of \$0.06 per ordinary share in respect of the year ended 31 March 2012 amounted to \$12,405,000 was proposed by the directors on 26 June 2012 and was fully approved by the Company's Annual General Meeting on 14 September 2012. The announced payment date is on or around 4 October 2012. At 30 September 2012, the amount of dividends payable was included in "dividends payable" in the consolidated balance sheet.

Final dividend of \$0.10 per ordinary share in respect of the year ended 31 March 2011 amounted to \$21,037,000 was approved and paid during the period ended 30 September 2011.

(c) Share capital

	30 September 2012		31 March 2012	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Authorised:				
Ordinary shares of \$0.50 each	<u>400,000</u>	<u>200,000</u>	<u>400,000</u>	<u>200,000</u>
Ordinary shares, issued and fully paid:				
At the beginning of the period/year	206,748	103,374	210,369	105,184
Purchase of own shares during the period/year	-	-	(3,621)	(1,810)
At the end of the period/year	<u>206,748</u>	<u>103,374</u>	<u>206,748</u>	<u>103,374</u>

7. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to equity shareholders of the Company of (\$18,695,000) (2011: \$44,762,000) and the weighted average of 206,748,000 (2011: 210,213,000) ordinary shares in issue throughout the period, calculated as follows:

	Six months ended 30 September	
	2012 '000	2011 '000
Issued ordinary shares at the beginning of the period	206,748	210,369
Effect of shares repurchased	-	(156)
Weighted average number of ordinary shares at the end of the period	<u>206,748</u>	<u>210,213</u>

(b) Diluted (loss)/earnings per share

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the periods ended 30 September 2012 and 2011.

8. TRADE AND OTHER RECEIVABLES

	30 September 2012 \$'000	31 March 2012 \$'000
	Trade debtors	119,050
Bills receivable	53,219	110,855
Less: allowance for doubtful debts	(6,009)	(6,283)
	<u>166,260</u>	<u>267,963</u>
Deposits, prepayments and other debtors	53,495	52,681
Amounts due from related companies	1,899	4,238
Amounts due from jointly controlled entities	1,455	1,466
Amount due from an associate	4,525	2,851
Amount due from a shareholder	763	-
- Chan Family Investment Corporation Limited	<u>763</u>	<u>-</u>
	<u>228,397</u>	<u>329,199</u>

All of the trade and other receivables are expected to be recovered or recognised as an expense within one year.

Trade debtors and bills receivable are due between 30 to 120 days from the date of billing.

The amounts due from related companies, jointly controlled entities, an associate and a shareholder are unsecured, interest-free and recoverable on demand.

8. TRADE AND OTHER RECEIVABLES (continued)

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are set out as follows:

	30 September 2012 \$'000	31 March 2012 \$'000
Current	123,204	197,298
Less than 61 days past due	31,579	65,116
61 to 90 days past due	621	1,158
More than 90 days past due	10,856	4,391
Amounts past due	43,056	70,665
	166,260	267,963

9. TRADE AND OTHER PAYABLES

	30 September 2012 \$'000	31 March 2012 \$'000
Trade creditors	93,884	120,152
Bills payable	7,954	13,812
	101,838	133,964
Accrued charges and other creditors	102,356	86,882
Dividends payable	12,405	-
Amounts due to related companies	1,421	418
Amounts due to jointly controlled entities	94	-
Amount due to an associate	600	-
Amount due to a shareholder	-	40
- Chan Family Investment Corporation Limited	-	-
Derivative financial instruments held as cash flow hedging instruments	81	-
	218,795	221,304

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The amounts due to related companies, jointly controlled entities, an associate and a shareholder are unsecured, interest-free and repayable on demand.

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the balance sheet date:

	30 September 2012 \$'000	31 March 2012 \$'000
Current	71,927	84,716
Less than 61 days past due	19,012	43,354
61 to 90 days past due	2,053	827
More than 90 days past due	8,846	5,067
Amounts past due	29,911	49,248
	101,838	133,964

INTERIM DIVIDEND

The Board has resolved not to declare the payment of interim dividend for the six months ended 30 September 2012 (2011: HK\$0.02 per share).

BUSINESS REVIEW AND PROSPECTS

During the six months under review, our company has incurred a loss of HK\$17,933,000 as compared with a profit of HK\$45,161,000 for the same period last year. Reasons are:-

- 1) Sales turnover has dropped almost 20%. Our export markets in both Europe and the U.S.A. continue to suffer from a depressed economic environment.
- 2) Foreign exchange loss from Euros and Pound Sterling when selling in these currencies to Europe.
- 3) Our share of loss over HK\$16 million from our jointly controlled entity, Wuxi No. 1 Cotton Investment Co., Ltd. This compares with a profit of about HK\$16 million from the same period last year, a difference of about HK\$32 million.

Our Board expects the remainder of the year to be challenging and that the adverse business situation will continue. In order to reduce losses, our management has taken measures such as restructuring our China factories, cutting overhead expenses and tightening inventory controls etc. On the positive side there are indications that results from Wuxi might improve in the near future.

FINANCIAL POSITION AND CAPITAL STRUCTURE

During the period under review, the Group's operations continued to be financed by the internal resources and bank borrowings.

As at 30 September 2012, the cash and bank balances of the Group were approximately HK\$247,172,000 (as at 31 March 2012: HK\$149,227,000). As at 30 September 2012 and 31 March 2012, the Group did not have any short term borrowings and long term borrowings.

The Group adopts a prudent policy to hedge the fluctuation of foreign exchange rates. As most of the Group's sales, purchases, cash and bank balances and bank borrowings are denominated in Hong Kong dollars, United States dollars, Euros, Pound Sterling or Renminbi, the Group may enter into forward foreign exchange contracts to hedge its receivables and payables denominated in the above foreign currencies against the exchange rate fluctuation when the exposure is significant. As at 30 September 2012, the Group has foreign exchange contracts hedging forecast transactions with a net fair value of HK\$81,000 (as at 31 March 2012: HK\$nil), recognised as derivative financial liabilities.

Details of the Company's share capital are set out in note 6(c).

PLEDGE OF ASSETS

As at 30 September 2012, none of the assets of the Group was pledged.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2012, the Group, including its subsidiaries but excluding its associates and jointly controlled entities, employed approximately 4,500 employees. Remuneration packages are determined by reference to employees' performance and the prevailing salary levels in the market. In addition, the Group provides year end double pay, provident fund scheme, medical insurance and training to staff.

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 directors and employees of the Group and other eligible participants to subscribe for shares in the Company, provided that the total number of shares in the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company does not exceed 10% of the shares of the Company in issue at the date of adoption of the Share Option Scheme, which was 14,024,579 shares. On 19 September 2006, it was approved in the annual general meeting that the maximum number of options to be granted under the Share Option Scheme was increased to 21,036,868 shares, representing 10% of the total number of ordinary shares in issue on that day.

No options were granted under the Share Option Scheme during the period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the period ended 30 September 2012.

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 2012.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied throughout the period ended 30 September 2012 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 director's 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.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.ygm.com.hk under "Results Announcement". The interim report for the period ended 30 September 2012 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board
YangtzeKiang Garment Limited
Chan Sui Kau
Chairman

Hong Kong, 29 November 2012

As at the date of this announcement, the Board consists of eight executive directors, namely Dr. Chan Sui Kau, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley and Mr. So Ying Woon, Alan and three independent non-executive directors, namely Mr. Leung Hok Lim, Mr. Lin Keping and Mr. Sze Cho Cheung, Michael.