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YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

On 25 April 2014 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendors entered into the Sale and Purchase Agreement, pursuant to which, amongst other things, the Vendors have agreed to sell and the Purchaser has agreed to purchase the Property at the Purchase Price. Completion is scheduled to take place on the fifth working day from and including the date on which notice is received by the Vendors that consents to the assignment of the head lease to the Purchaser have been obtained.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition exceed 5% but are less than 25%, the Acquisition therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

THE ACQUISITION

Reference is made to the announcement of the Company dated 31 March 2014 in relation to the possible acquisition of certain property in London, the United Kingdom.

On 25 April 2014 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendors entered into the Sale and Purchase Agreement, pursuant to which, amongst other things, the Vendors have agreed to sell and the Purchaser has agreed to purchase the Property at the Purchase Price.

The key terms of the Sale and Purchase Agreement are as follows:

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|--------------------|--|
| Date of agreement: | 25 April 2014 |
| Vendors: | PGS Nominee No 1 Limited and PGS Nominee No 2 Limited (as nominees of the trustees of the PGL Pension Scheme) |
| Purchaser: | YGM Asset Management Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company |
| Property: | the leasehold property situated at 42-43 Great Marlborough Street, London W1V, the United Kingdom |
| Purchase Price: | The Purchaser will acquire the Property from the Vendors at the Purchase Price of £13,880,000 (equivalent to approximately HK\$180,717,600) (exclusive of VAT),

(i) a sum of £1,388,000 (equivalent to approximately HK\$18,071,760), representing 10% of the Purchase Price, has been paid as at the date of the Sale and Purchase Agreement as a deposit to the Vendors' solicitors as stakeholders on terms that the deposit is paid to the Vendors on Completion; and

(ii) the balance of the Purchase Price, being £12,492,000 (equivalent to approximately HK\$162,645,840) is payable upon Completion |

Any money payable by the Purchaser under the Sale and Purchase Agreement on or after Completion which is not paid at the time stipulated will bear interest at the contract rate which shall be 4% per annum above the base rate from time to time of Lloyds Bank plc

VAT: The Purchaser will pay to the Vendors all VAT (chargeable at a rate of 20%) for which the Vendors are liable to account in relation to any supply made or deemed to be made for VAT purposes pursuant to the Sale and Purchase Agreement

Completion: Completion of the Acquisition is scheduled to take place on the fifth working day from and including the date on which notice is received by the Vendors that consents to the assignment of the head lease to the Purchaser have been obtained

Completion is conditional upon consents to the assignment of the head lease to the Purchaser being obtained. If such consent has not been granted within a period of 26 weeks (or such longer period as the Vendors and the Purchaser may agree in writing) from the date of the Sale and Purchase Agreement, either the Vendors or the Purchaser may rescind the Sale and Purchase Agreement by giving not less than 5 working days written notice to the other

OTHER INFORMATION ABOUT THE PROPERTY AND THE ACQUISITION

The Property is all of the leasehold property situated at 42-43 Great Marlborough Street, London W1V, the United Kingdom and consists of a lower ground floor, a ground floor, a ground floor mezzanine and four upper floors and has a net internal area of approximately 13,589 square feet. It is currently being used as an office building.

Save for the Lease and a lease of the electricity substation at the Property to London Power Networks plc, an Independent Third Party, the Property is free from any assignments, leases or encumbrances as at the date of this announcement. A separate agreement for sale has also been entered into between the Purchaser and the Tenant, an Independent Third Party, pursuant to which the Purchaser agreed to acquire the remaining term of the Lease from the Tenant at a price of £1 (equivalent to approximately HK\$13.02) (exclusive of VAT), and the Tenant agreed to deliver vacant possession of the leased portion of the Property shortly after the Completion or after 29 September 2014 (whichever is later).

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser will acquire the Property from the Vendors at the Purchase Price of £13,880,000 (equivalent to approximately HK\$180,717,600) (exclusive of VAT). The Purchase Price was arrived at after arm's length negotiations between the Purchaser and the Vendors having taken reference to the prevailing market price of properties around the vicinity of the Property, taking into account the location and net internal area of the Property, as well as the rental income attributable to the Property. As a cross check, the Purchaser has engaged an independent valuer to carry out valuation of the Property which was appraised at a value of £13,400,000 (equivalent to approximately HK\$174,468,000) (exclusive of VAT) based on a capital/market value method adopted by the valuer.

Based on the information available to the Group, the pre-tax rental income generated from the Lease currently in existence over the Property is £510,500 (equivalent to approximately HK\$6,646,710) per annum. The Property is currently held on a head lease by Independent Third Parties for a term from 30 September 1997 until 24 March 2120, at a rental of 15.35% of the rental income received from underletting the Property, subject to a base rent of £78,361.75 per annum (equivalent to approximately HK\$1,020,269.99). The base rent has been reviewed with effect from 24 June 2014 and will remain at £78,361.75 until the next review date of 24 June 2024 (with reviews every 10 years thereafter).

The Purchase Price will be funded by internal resources of the Group.

INFORMATION ABOUT THE GROUP AND THE PURCHASER AND REASONS FOR THE ACQUISITION

The Group is principally engaged in the manufacturing, retail and wholesale of world-renowned apparel and accessories, property investment and provision of security printing and general business forms printing. The Purchaser, which is principally engaged in provision of property agency services to group companies, is a wholly-owned subsidiary of the Company.

Since the lease of the Group's existing office in the United Kingdom will expire later this year, the Acquisition will enable the Group to save rental expenses. In addition, the Group has been seeking for investment opportunities and has considered to expand its investment properties portfolio in quality overseas commercial premises. The Property is an office building situated in Soho, London, the United Kingdom, and close to Oxford Circus station of the London underground. Given the central location of the Property and taking into account that the Acquisition will enlarge the property investment portfolio of the Group and rental income will continue to be generated from the Property, the Acquisition represents an attractive investment opportunity for the Group, and gives room for development for the Group's operations in the United Kingdom. As the Group intends to continue to lease out part of the office spaces of the Property after Completion, it is expected that the steady source of rental income generated from the Property will strengthen the Group's property portfolio and income base.

The Board is of the view that the terms of the Sale and Purchase Agreement, including the Purchase Price, are on normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ABOUT THE VENDORS

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendors are nominees of the trustees of the Trust. The Trust is a pension scheme established in the United Kingdom and the Vendors, the Trust, its trustees and beneficiaries and their beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition exceed 5% but are less than 25%, the Acquisition therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	acquisition of the Property by the Purchaser pursuant to the terms of the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	YGM Trading Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Stock Exchange
“Completion”	completion of the Acquisition, which is scheduled to take place on the fifth working day from and including the date on which notice is received by the Vendors that the consents to the assignment of the head lease to the Purchaser have been obtained
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic

of China

“Independent Third Party(ies)”	party(ies) who is/are third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Lease”	the lease agreement currently in existence over the Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the leasehold property situated at 42-43 Great Marlborough Street, London W1V, the United Kingdom, the particulars of which are set out in the section headed “Other information about the Property and the Acquisition” in this announcement
“Purchase Price”	£13,880,000 (equivalent to approximately HK\$180,717,600) (exclusive of VAT)
“Purchaser”	YGM Asset Management Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 April 2014 and entered into between the Purchaser and the Vendors in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant”	the tenant under the Lease, an Independent Third Party
“Trust”	the PGL Pension Scheme
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“VAT”	value added tax and any tax or duty of a similar nature
“Vendors”	PGS Nominee No 1 Limited and PGS Nominee No 2 Limited, both being companies incorporated in the United Kingdom with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“£”	Pound sterling, the lawful currency of the United Kingdom
“%”	per cent.

Unless otherwise specified, amounts in this announcement denominated in £ have been translated for the purpose of illustration only into Hong Kong dollars at the rate of £1.00:HK\$13.02. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

By Order of the Board of Directors
YGM TRADING LIMITED
Chan Wing Sun Samuel
Vice Chairman

Hong Kong, 27 April 2014

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 four independent non-executive Directors, namely Mr. Leung Hok Lim, Mr. Lin Keping, Mr. Sze Cho Cheung Michael and Mr. Choi Ting Ki.